

**SOLVING AMERICA'S CHILD CARE CRISIS:
SUPPORTING PARENTS, CHILDREN, AND THE
ECONOMY**

HEARING
BEFORE THE
SUBCOMMITTEE EARLY CHILDHOOD, ELEMENTARY,
AND SECONDARY EDUCATION
COMMITTEE ON EDUCATION
AND LABOR
U.S. HOUSE OF REPRESENTATIVES
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SOLVING AMERICA'S CHILD CARE CRISIS: SUPPORTING PARENTS, CHILDREN, AND THE ECONOMY

Thursday, February 6, 2020
House of Representatives,
Subcommittee on Early Childhood, Elementary, and Secondary
Education
Committee on Education and Labor
Washington, D.C.

The subcommittee met, pursuant to call, at 10:30 a.m., in Room 2175, Rayburn House Office Building, Hon. Gregorio Kilili Sablan (Chairman of the subcommittee) presiding.

Present: Representatives Sablan, Schrier, Hayes, Shalala, Davis, DeSaulnier, Allen, Grothman, and Keller.

Also Present: Representatives Foxx, and Scott.

Staff Present: Paula Daneri, Professional Staff; Emma Eatman, Press Assistant; Christian Haines, General Counsel; Ariel Jona, Staff Assistant; Stephanie Lalle, Deputy Communications Director; Jaria Martin, Clerk/Special Assistant to the Staff Director; Max Moore, Staff Assistant; Veronique Pluviose, Staff Director; Banyon Vassar, Deputy Director of Information Technology; Joshua Weisz, Communications Director; Cyrus Artz, Minority Parliamentarian; Courtney Butcher, Minority Director of Member Services and Coalitions; Amy Raaf Jones, Minority Director of Education and Human Resources Policy; Hannah Matesic, Minority Director of Operations; Audra McGeorge, Minority Communications Director; Jake Middlebrooks, Minority Professional Staff Member; Carlton Norwood, Minority Press Secretary; Chance Russell, Minority Legislative Assistant; and Mandy Schaumburg, Minority Chief Counsel and Deputy Director of Education.

Chairman SABLAN. Thank you. The Subcommittee on Early Childhood, Elementary, and Secondary Education will come to order. Good morning, and welcome everyone.

I note that a quorum is present.

So, the Subcommittee on Early Childhood, Elementary, and Secondary Education is meeting today in a legislative hearing to hear testimony on solving America's child care crisis, supporting parents, children, and of course the economy.

Pursuant to Committee Rule 7(c) opening statements are limited to the Chair and the Ranking Member, and this allows us to hear

from our witnesses sooner and provides all members with adequate time to ask questions.

I recognize myself now for the purpose of making an opening statement.

Good Morning. Thank you for taking the time to join us in today's hearing.

The cost of child care in America has gone up 2,000 percent in the last 40 years—2,000 percent. The average cost of full-time child care is now \$16,000 per year and that is about half the median income for a single parent, almost the same as the average annual cost of in-state tuition at a public university. Across America, working parents are struggling to make sure their young children have decent, high-quality child care and at an affordable price.

So, this morning, we are here to find out how the Federal Government can better support families around the country find and afford high-quality child care.

It is also important to remember that this is not just a problem for young families raising children. There is a larger social and economic impact on all of us when our youngest children do not get the care they need. It is now well-established the first 5 years of life are critical for cognitive and intellectual development, particularly the development of language. More than that, the first 5 years are when socio-emotional skills develop. I wish I had good child care when I was 5-years-old.

Self-control, persistence, and the ability to cooperate with others begin to develop in early childhood. If we fail to invest in those early years, we all pay the price later in higher incarceration rates, poor health, and reduced performance in school and the workplace.

On the other hand, educating our children in their earliest years is recognized as having among the highest return on investment of public funds. Every dollar spent on early childhood education results in eight dollars of social benefits, according to a 2015 report from the President's Council of Economic Advisers. That benefit is mostly in the form of increased earnings when those children we invest in, go to work. But we should also see the benefit today: Our economy loses \$57 billion each year because American workers miss time at work or leave the workforce when they cannot find or afford child care. We can avoid that present cost and see economic benefits in the future if we are willing to go to work in this subcommittee to address the need for early childhood education and face the crisis in child care.

Boy this is harder than I thought. Okay.

So, I look forward to hearing the ideas of our witnesses—we do have a proposal on the table it is called the Child Care for Working Families Act. It supports families by capping how much they pay for child care and invests in the child care workforce, so the people who care for our children are finally also recognized as the teachers they truly are. And I am sure there is more we could do.

So, I look forward to hearing the ideas of our witnesses today and I now recognize the Ranking Member, Mr. Allen, for his opening statement.

[The statement of Chairman Sablan follows:]

**Prepared Statement of Hon. Gregorio Kilili Camacho Sablan, Chairman,
Subcommittee Early Childhood, Elementary, and Secondary Education**

Good Morning! The cost of child care in America has gone up 2,000 percent in the last 40 years. 2,000 percent! The average cost of full-time child care is now \$16,000 per year. That is about half the median income for a single parent. Almost the same as the average annual cost of in-state tuition at a public university. Across America, working parents are struggling to make sure their young children have decent, high-quality child care—at an affordable price. So, this morning, we are here to find out how the federal government can better support families around the country find and afford high-quality child care.

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So, I look forward to hearing the ideas of our witnesses today. I now recognize the Ranking Member, Mr. Allen, for his opening statement.

Mr. ALLEN. Thank you, Mr. Chairman, and we are glad to be here today. Thank you for being here and taking time to share with us about these and other important issues.

Parents are the ultimate decider of their child's care and education no matter the child's age. In fact, the Federal Government funds several early childhood care programs to achieve this end and it is the job of Congress to make sure these Federally funded program provide parents options that will offer a strong foundation for the future success of their children.

Not only do these programs provide stability for children, but then also support parents who want to continue pursuing an education or a career. Lack of affordable child care can result in employee absences and turnover, which in turn imposes significant costs to employers and impacts the overall economic development. Several states have estimated losses between \$1 and \$2 billion annually due to child care related absence and turnover.

Federal funding for child care dates back to the 1930s, showcasing the Government's extensive commitment to this important initiative. This funding totals over \$15 billion a year, and that number doesn't include individual state or local funding. I am proud to say that Georgia, my home state, has long been an inno-

vator and is home to the oldest universal pre-kindergarten program in the country.

However, the current piecemeal approach the Federal Government has taken in funding early childhood care and education programs is shortsighted and has resulted in costly, fragmented, and overlapping programs. This needs to be addressed in order to provide better options for parents.

In contrast to what the landscape of early care and education looked like when these Federal programs were created, states are now leading the way in offering early childhood services for vulnerable youth and working families. Local programs are more responsive to the diverse needs of different families and communities, and their recent growth makes a review of the federal Government's role in operating these programs all the more necessary.

It is encouraging news to see how states' role in the child care programs has changed significantly over the past 90 years, fundamentally changing how programs are funded and serving specific groups of vulnerable, at risk children. In fact, every state now reports some type of early childhood care or education program. The majority of these programs are funded with multiple sources of State, Federal, and local funds, which broadens the reach of services provided to children and families, but also presents challenges such as reconciling different eligibility and reporting requirements.

While states' roles in funding of early childhood programs has helped create high-quality options for families, the Federal Government's involvement in this space has grown into an overly burdensome, costly, and confusing network of programs.

The bottom line is we all agree that supporting children's development in the early years is critical as it builds a strong foundation for future success. We don't want to lose one child. And we agree that high-quality child care is a critical support for working families. But overlap, duplication, and fragmentation among programs remains an issue and demands a thoughtful and complete examination from Congress rather than the piecemeal approach taken in years past or simply throwing more money at a convoluted system without addressing the underlying issues.

I look forward to hearing from our witnesses today on how we can best reform and improve the Federal Government's role in early childhood programs.

Thank you and I yield back.

[The statement of Mr. Allen follows:]

**Prepared Statement of Hon. Rick W. Allen, Ranking Member,
Subcommittee Early Childhood, Elementary, and Secondary Education**

Thank you, Mr. Chairman. Parents are the ultimate decider of their child's care and education, no matter the child's age. In fact, the federal government funds several early childhood care and education programs to achieve this end, and it is the job of Congress to make sure these federally funded programs provide parents' options that will offer a strong foundation for the future success of their children.

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I look forward to hearing from our witnesses today on how we can best reform and improve the federal governments' role in early childhood programs.

Chairman SABLON. Thank you very much, Mr. Allen, Ranking Member.

Without objection, all other witnesses who wish to insert written statements into the record may do so by submitting them to the Committee Clerk electronically in Microsoft Word format by 5:00 p.m. on or by February 20.

I will now introduce our witnesses.

Let me try this, Dr. Taryn Morrissey. Did I get that right? Dr. Morrissey is a School of Public Affairs Dean Scholar Associate Professor of Public Policy at American University. I told my daughter that you were a witness because she went to your university. Her work focuses on examining and improving public policies for children, including early care and education, nutrition assistance, and public health policies. She is co-author of "Cradle to Kindergarten: A New Plan to Combat Inequality". And her research has been published in numerous academic journals. Dr. Morrissey received a Ph.D. in developmental psychology from Cornell University and a Bachelor of Science from Tufts University.

Welcome, Dr. Morrissey.

Ms. Nancy Harvey is a family child care provider and child care advocate from West Oakland, California. Ms. Harvey left a career as an elementary school teacher after noticing that black and brown children were starting behind their white peers and she opened a family child care focused on children's crucial zero to three years more than fifteen years ago. She walked the talk—is that how they say it?

Ms. Harvey has been a leader in efforts to raise local revenue to expand child care access and raise pay for early educators like herself.

Ms. Linda Smith is the director of the Bipartisan Policy Center's Early Childhood Development Initiative. She most recently served as the deputy assistant secretary for Early Childhood Development in the Administration for Children and Families at the U.S. Department of Health and Human Services. Ms. Smith began her career in early childhood education on the Northern Cheyenne Reservation in her native state of Montana. Please, I would like to come visit one day. I have been there. And she is a graduate of the University of Montana.

Welcome, Madam Secretary.

Ms. Angélica Maria González is a mother of three children living in Seattle who has long struggled to find and maintain reliable quality affordable child care. The lack of availability, unaffordable, and affordability in the child care sector prevented Ms. González from working to her fullest potential and has played a primary role in her struggle to remain stably housed and employed.

Despite having difficulty meeting her fullest potential, Ms. González advocates for greater investments in child care which are key to helping families, communities, and the economy. And in addition, moreover, she holds a BA from the University of Washington and recently graduated with her JD from Seattle University School of Law.

Wow, you have been busy, Ms. González. And welcome.

Welcome to all of you. And we appreciate all the witnesses for being here today and look forward to your testimony.

Let me remind the witnesses that we have read your written statements and they will appear in full in the hearing record.

Pursuant to Committee Rule 7(d) and committee practice, each of you is asked to limit your oral presentation to a 5-minute summary of your written statement.

Let me remind the witnesses that pursuant to Title 18 of the U.S. Code, Section 1001, it is illegal to knowingly and willfully falsify any statement, representation, writing, document, or material fact presented to Congress, or otherwise conceal or cover up a material fact.

Before you begin your testimony please remember to press the button on the microphone in front of you so that it will turn on and the members can hear you. As you begin to speak the light in front of you will turn green. After 4 minutes the light will turn yellow to signal that you have 1 minute remaining. When the light turns red, your 5 minutes have expired and we ask that you please wrap up.

We will let the entire panel make their presentations before we move to member questions. When answering a question, please remember to once again turn your microphone on.

I will first recognize Dr. Morrissey. Dr. Morrissey, you have 5 minutes.

**TESTIMONY OF TARYN MORRISSEY, PH.D., DEAN'S SCHOLAR
ASSOCIATE PROFESSOR, SCHOOL OF PUBLIC AFFAIRS,
AMERICAN UNIVERSITY**

Ms. MORRISSEY. Chairman Sablan, Ranking Member Allen, and distinguished members of the subcommittee, thank you for the opportunity to testify today.

My name is Taryn Morrissey and I am an associate professor in the School of Public Affairs at American University in Washington, D.C. Today I will focus on two points, one, high-quality early care and education is hard to find and unaffordable for many American families across the income spectrum, two, public under investment in early care and education perpetuates and widens economic inequality among children, parents, and early care and education workers. The bottom line is that the lack of affordable high-quality reliable early care and education is a lost opportunity for supporting children's development, for supporting parents' employment, for supporting economic growth, and narrowing inequality.

Most young children in the United States live in homes in which all parents are employed. In turn, 61 percent of children under age 5 attend child care each week. But high-quality early care and education, or any licensed arrangement, is hard to find. We know from a wealth of research that high-quality care and education during the early years, a rapid time of brain development, promotes children's learning and holds promise in narrowing the socioeconomic, racial, and ethnic inequalities that emerge early, well before kindergarten or even pre-k. Licensed child care arrangements that meet regulations are more likely to provide high-quality stable care than less formal arrangements, but about half of people in the United States live in child care deserts.

Child care is also expensive. The U.S. Department of Health and Human Services recommends that families' out-of-pocket child care costs not exceed 7 percent of income. But families below the poverty line spend roughly 30 percent of their incomes on child care. Even higher income families spend between 8 and 18 percent of their incomes, about \$9,000 a year, on child care. Regulated settings and center care cost even more than informal arrangements.

It is not surprising then that children from high income families are much more likely to attend preschool and center care than their middle or low-income peers. In 2011 only 2/3s of 4-year olds in moderate income families attended center based early care and education programs, compared to more than 80 percent of those from higher income families.

Why is child care, especially high-quality child care, so sparse and expensive—because the quality of early care and education depends on the warmth and responsiveness of caregivers and on the strength of adult-child relationships. Economies of scale simply don't apply to the child care sector in the same way as other economic sectors and most child care costs are directed toward labor.

Despite its expense, child care would actually cost more if child care workers were paid adequate wages. In 2018 the median hourly wage for child care workers was \$11.17, 33 percent less than that for bus drivers. More than half of child care workers live in families that participate in one or more public assistance programs. Low pay and few benefits present barriers in attracting and retain-

ing a skilled workforce and high teacher turnover affects care quality and a range of children's outcomes.

As a result, too many children spend their days in mediocre or low-quality care or across a patchwork of arrangements. A missed opportunity for promoting their school readiness and their long-term educational, economic, and health outcomes.

The lack of child care also negatively affects parents' work, family income and economic growth. Just like affordable, reliable transportation, affordable, reliable child care is an economic infrastructure component essential for many parents, including myself, to get to work. Nearly 9 in 10 parents report that problems with child care hurt their efforts at work. Some parents drop out of the workforce altogether at a high cost to themselves and their families. The U.S. loses an estimated \$57 billion each year from the lack of affordable, reliable child care.

There are effective policy solutions that make a big difference to the families who participate in them. Child care subsidies, state pre-K programs, and Head Start increase children's enrollment at center care, and when high-quality, support children's development. Programs that reduce parents' child care costs increase parents' labor force participation. Studies also show that investments in child care have multiplier effects, meaning that each dollar invested generates local economic activity. Researchers estimate that increasing enrollment in early childhood education would yield economic benefits and reduce inequality.

The 2014 Reauthorization of the Child Care and Development Block Grant was an important step toward improving child care quality and expanding access to subsidies.

Several states, such as Washington, Oregon, and California are investing more in early childhood, building on the Federal-State partnership of CCDBG. But our public programs still reach only a fraction of children who might benefit. For example, in 2015 only 1 in 6 eligible children received childcare subsidies. More public investment is needed to help ease the cost burden for families across the income spectrum and ensure that a trained stable workforce has adequate compensation.

In closing, increased access to affordable, high-quality, reliable early care and education can promote children's development, support parents' employment, increase economic growth, and narrow inequality.

Thank you for the opportunity to testify here today.

[The statement of Ms. Morrissey follows:]

Written Statement of Taryn Morrissey
Associate Professor, School of Public Affairs, American University
Before the Committee on Education and Labor
United States House of Representatives
Subcommittee on Early Childhood, Elementary, and Secondary Education Hearing:
Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy
February 6, 2020

Chairman Sablan, Ranking Member Allen, and distinguished members of the Subcommittee, thank you for the opportunity to provide testimony and for convening today's hearing on the challenges confronting American families in finding and paying for early care and education.

My name is Taryn Morrissey, and I am an Associate Professor in the School of Public Affairs at American University in Washington, D.C. My research focuses on early care and education policy and its effects on children and families, especially the role of early learning in expanding opportunity and narrowing socioeconomic inequalities in the United States.

Today, I will talk about the problems families confront in accessing high-quality, reliable, affordable early care and education, and the consequences for children, their parents, and the U.S. economy. I focus on two points:

1. High-quality early care and education is hard to find and unaffordable for many families across the income spectrum.
2. Our underinvestment in early care and education perpetuates and widens economic inequality among children, parents, and early care and education workers.

The bottom line is that the lack of affordable, high-quality early care and education is a lost opportunity – for supporting children's development, for supporting parents' employment, and for supporting economic growth and narrowing inequality.

*In 2017-2018, most children in the United States under 6 years of age—57% in married-couple households and 68% of those in single-mother households—lived in homes in which all parents were employed.*¹ Most of these parents as well as others enrolled in school and training programs rely on child care. In a typical week in 2011 (when these data were last reported), 61% of children under age 5 attended some type of regular child care arrangement.²

But high-quality early care and education—or any licensed arrangement—is hard to find. We know from a wealth of research that high-quality care and education during the early years, a unique time of rapid brain development and growth,^{3,4} promotes children's development and

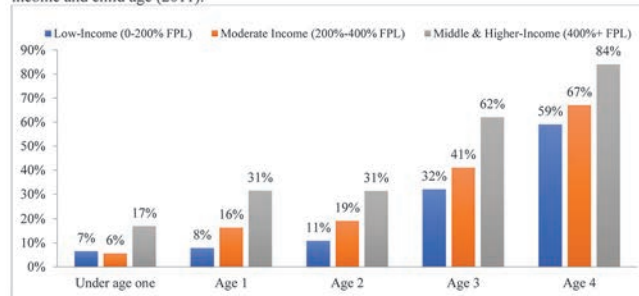
learning, and holds promise in narrowing the socioeconomic and racial/ethnic inequalities that emerge early, well before children walk through the doors of their Kindergarten classrooms.⁵⁻⁷ Licensed and center-based child care settings that meet staff-child ratios, teacher training requirements, and other regulations are more likely to provide high-quality, stable care than less formal arrangements,⁸⁻¹² but about half of people in the United States live in child care deserts, or communities in which there are more than 3 young children for every slot in a licensed child care program.¹³ Americans in low-income and rural communities are more likely to face low a supply of licensed care.¹³⁻¹⁷ Moreover, those looking for infant care or care during nontraditional hours like nights or weekends are likely to find long waitlists or no regulated options at all.¹⁸⁻²¹

Even if they can find early care and education, it's hard for most families to afford. Families pay substantial proportions of their incomes, in some regions more than housing, on child care.^{22,1} The U.S. Department of Health and Human Services recommends that families' out-of-pocket child care expenses not exceed 7% of family income, but families below the poverty line spend roughly 30% of their incomes on child care, and higher-income families spend between 8% and 18% of their incomes on child care, averaging \$167 per week, or nearly \$9,000 a year (in 2019 dollars).² Regulated settings and center care cost even more than informal arrangements.^{2,9,22,23} In 30 states and the District of Columbia, the average annual cost of center care for an infant—nearly \$12,000 nationally—is higher than in-state college tuition and fees.²² These high child care costs come at a time when parents are at the lowest earning years of their careers,²⁴ and when the financing mechanisms of grants and low-interest loans like those for college are unavailable.

It is not surprising, then, that high-income children are much more likely to attend preschool and center-based care, and generally higher-quality arrangements, than their lower-income peers (see Figure 1).^{9,25,26} We know that high-income families are spending more on their children during the early childhood years in particular,²⁷ and high-income families are increasingly choosing to enroll their children in center care at younger ages.^{9,25} Among children under 5 with employed mothers, only 28% of those in homes under the poverty line attend center-based care vs. 39% of those above the poverty line.^{9,28} But, these enrollment disparities are not limited to children in poverty. In 2011, only two-thirds of four year olds in moderate-

income families (200-400% of the Federal Poverty Level [FPL]) attended center-based early learning programs, compared to more than 80% of those in higher-income families (400% FPL or higher).⁹ At the same time, the achievement gap between children from high-income and those from middle- and low-income families has widened, and it appears that greater inequality in parents' earnings is associated with these increased differences in children's achievement.^{5,29} Researchers estimate that increasing enrollment in early childhood education would yield economic benefits in terms of higher earnings as adults and reduce economic inequality.^{30,31}

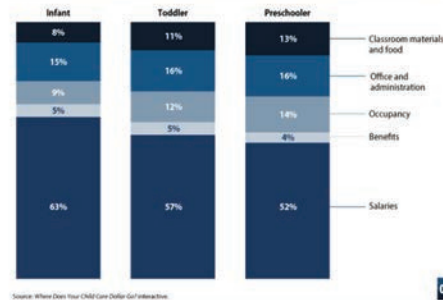
Figure 1. Rates of center-based early care and education for children ages 0 to 5, by family income and child age (2011).



Source: Chaudry, Morrissey, Weiland, and Yoshikawa. (2017). *Cradle to Kindergarten: A new plan to combat inequality*. New York: Russell Sage Foundation.

Why is child care, especially high-quality care, so expensive and sparse? Because the quality of early care and education depends on the warmth and responsiveness of teachers and caregivers and of the strength and consistency of adult-child relationships,^{3,32-35} economies of scale do not apply to child care in the same way as with other economic sectors. For good reason, state and local regulations set child-adult ratios, group sizes, and teacher training requirements.³⁶ In turn, most child care costs are directed to labor expenses (see Figure 2).³⁷

FIGURE 2.
Personnel costs are the largest expense for child care programs
 Distribution of child care program expenses for an infant, toddler, and preschooler in a child care center meeting basic state licensing standards and paying current average wages, based on United States averages



Source: Workman, S. (2018). *Where does your child care dollar go?* [Center for American Progress](#).

Despite parents paying as much as (or more than) they can afford, child care would actually cost *more* if child care workers received adequate wages. In 2018, the median hourly wage for child care workers was \$11.17,³⁸ considerably less than the \$16.56 median hourly wage for bus drivers.³⁹ Further, there are wide racial and ethnic gaps in teacher pay and benefits such as health insurance coverage and paid sick leave.⁴⁰ Many child care workers earn so little that they receive public assistance. Between 2014 and 2016, more than half (53%) of child care workers lived in families that participated in one or more of four public programs,ⁱⁱ compared to 21% in the general population.⁴¹ While child care workers do the best they can under difficult conditions, low pay and few benefits present barriers in attracting and retaining a skilled early care and education workforce. Teacher educational qualifications and stability are associated with the quality of early childhood settings, and in turn, a wide range of children's outcomes,^{42–46} but worker turnover is high. In 2012, 25% of child care centers had turnover rates of 20% or higher.⁸

So how do families manage, faced with too few, high-cost child care options? Parents make it work, but often at a high cost to themselves and their families, financially and in other ways. Some pay high child care costs and trade off other expenses, or delay having more children.⁴⁷

Many families patch together several different child care arrangements with relatives, friends, and neighbors, some of which parents may choose for their children, but others out of necessity, with variable quality.⁴⁸⁻⁵⁰ Unfortunately, too many children spend their days in mediocre, low-quality, or unstable care.^{8,51,52} For example, only 55% of regulated and 28% of paid, unregulated home-based arrangements report using curricula or planned learning and play activities.⁸ The lack of high-quality options represents a missed opportunity for promoting children's readiness to enter Kindergarten and their long-term academic, educational, economic, and health outcomes.^{31,53-58}

The lack of affordable, reliable child care also negatively affects parents' work, family income, and economic growth. Just like affordable, reliable transportation, affordable, reliable child care is an economic infrastructure component essential for many parents, including myself, to get to work. A breakdown in child care can mean losing a shift at work, or even losing a job, with cascading negative effects on economic stability, security, and family wellbeing.^{12,49,59-62} A 2018 survey found that 86% of parents reported that problems with child care hurt their efforts at work, and more than one-in-ten had been demoted, transferred, or fired due to a lack of infant/toddler child care.⁶³ And, some parents, more often mothers, drop out of the workforce all together, at a high cost to themselves and their families in lost wages, benefits, and retirement savings.⁶⁴ If and when they re-enter the workforce, parents face barriers and wage penalties for taking the time with their children.^{65,66} The United States loses an estimated \$57 billion each year in lost earnings, productivity, and revenue from the lack of affordable, reliable, high-quality child care.⁶⁷

There are effective policy solutions that improve families' early care and education options, but they lack the funding needed to reach families and support quality. Research shows that existing public programs like child care subsidies, state pre-K programs, and Head Start increase children's enrollment in preschool and center care^{26,68-72} and when high-quality, support children's short- and long-term development.^{53,57,73-83} We also know that programs like child care subsidies that reduce parents' child care costs increase parental labor force participation, particularly in low-income and single-mother households.⁸⁴ Moreover, early care and education is a large economic sector itself, generating an estimated \$47 billion a year in direct output and

employing over 2 million Americans,⁸⁵ and research shows that investments in child care have economic development or multiplier effects, meaning that each dollar invested generates local economic activity.^{85,86}

But our public programs currently reach only a small fraction of children who might benefit. In 2016-2017, 44% of four-year-olds and 16% of three-year-olds were enrolled in Head Start or public preschool programs^{88,iii}, and only about 10% of infants and toddlers in poverty attended Early Head Start.⁸⁷ In 2015, of the 13.5 million children eligible for child care subsidies (using federal rules), only 15% received them,⁸⁸ and there are racial and ethnic inequities in subsidy participation.⁸⁹

The 2014 reauthorization of the Child Care and Development Block Grant (CCDBG) was an important step toward improving child care quality and expanding access to child care subsidies. Several states such as Washington, Oregon, and California are investing more in early childhood, building on the federal-state partnership of the CCDBG.^{90,91} These recent increases in public funding are important but have not made up for years of flat funding. Due to inflation, the subsidy program steadily served fewer and fewer children, enrolling an all-time low number of children in 2017 (an average of 1.3 million per month).⁹² More public investment is needed to help ease the cost burden for families and ensure that a trained, stable workforce has adequate compensation. Solutions need to be flexible enough to meet families' diverse needs and help address the supply gaps we see today, such as care during nonstandard hours and for children with special needs,^{19,21,93} and to address the needs of families across the income spectrum. Low-income families struggle with the economic burdens of child care, but middle-income families are also economically squeezed during the years in which their children are young.

In closing, increased access to affordable, high-quality, reliable early care and education can promote children's development, support parents' employment, increase economic growth, and narrow socioeconomic inequalities.

Thank you for the opportunity to testify here today.

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¹ Child Care Aware (2019) reports that in the Northeast, Midwest, and South, average annual child care expenses were more than average housing costs.

² The Earned Income Tax Credit (EITC), Medicaid or the Children's Health Insurance Program (CHIP), the Supplemental Nutrition Assistance Program (SNAP), or Temporary Assistance for Needy Families (TANF).

³ In 2017, 1.6 million 3 and 4 year olds were enrolled in a state pre-K program and 706,000 3 and 4 year olds were enrolled in Head Start.

Chairman SABLON. Thank you very much, Dr. Morrissey.
And now I will recognize Ms. Harvey for 5 minutes please.

**TESTIMONY OF NANCY HARVEY, CHILD CARE PROVIDER, LIL
NANCY'S PRIMARY SCHOOLHOUSE**

Ms. HARVEY. Ranking Member Allen and members of the Committee, thank you for the opportunity to testify today.

My name is Nancy Harvey. I am child care provider and the owner of Lil Nancy's Primary Schoolhouse, a home-based child care program in Oakland, California.

I am honored to speak with you today about our country's child care crisis and share my thoughts on how working parents, child care providers, and elected leaders can work together to address these issues.

I am truly passionate about early childhood education. Over 17 years ago I left a career as an elementary school educator in Oakland so that I could focus on ensuring that more children have a head start in learning in their crucial early years. Over the years, I have seen the joys of helping prepare beautiful little people for the world and the challenges parents face in providing for them.

My family child care program focuses on children ages 0 to 4 years. A hallmark of Lil Nancy's Primary Schoolhouse is a low staff-to-child ratio, which promotes increased learning and prevents education gaps. Legally, I am only required to have one assistant, but currently I have four. We teach children early, language arts, math, science, and social skills and take them on educational field trips. I am also proud that my program is a place that nurtures future educators. I make a point of hiring interns from local high schools who want to pursue a degree in education.

But Lil Nancy's Primary Schoolhouse is also an important resource for a diverse set of families, from single mothers accessing state assistance while in school and in entry level jobs, to business executives. The parents I serve consider me a friend and a counselor.

Although my work is very fulfilling, it comes with its share of challenges. Too often, child care providers struggle to keep our doors open and are not paid enough to provide for our own families.

The cost for utilities, educational resources, healthy food, and other operating expenses are rising, but I can't raise tuition because many parents simply can't afford it. This revenue gap leaves me often coming up short. In the past I have had to make catch-up payments to Pacific Gas & Electric and juggle other major bills. I have seen other family child care programs either close or relocate as costs rise and the revenue needed to keep our businesses solvent is harder to find.

This impacts children, parents, and our communities. How are we supposed to teach children to grow up with dignity and respect when all too often it is so hard to feel this ourselves because we struggle to pay bills, plan for a financially secure future, and have our critically important jobs overlooked by so many of those in power. In spite of all of this, I am committed to remaining in this industry and making it better.

Years ago, I joined together with thousands of other family child care providers to fight for changes to our system. After more than a decade we won our right to form a union last fall when Governor Gavin Newsom signed into law a bill giving 40,000 family child care providers this right, and now we have begun our election process. For us, having a union means that we can raise up our profession and advocate for our communities and our children.

To build that best in the world child care system we will need the commitment and leadership of parents, providers, and elected officials from every part of the country. We need, number one, to expand the child care program to make early education more accessible and affordable so that every child has what they need to succeed, two, giving child care providers a voice in the system—we are expert at how children develop and should have a seat at the table—and increasing child care subsidies reimbursement rates so that they truly cover the cost of providing high-quality care. Whether you are an educator, parent, or grandparent or voter, we all owe it to the next generation to stand together and show them we can lead the way to a better future.

Lets not forget, child care providers keep America working.

Thank you, and I look forward to your questions.

[The statement of Ms. Harvey follows:]

**Testimony of Nancy Harvey, Child care provider,
U.S. House of Representatives Subcommittee on Early Childhood
Elementary and Secondary Education
February 6, 2020**

**“Solving America’s Child Care Crisis: Supporting Parents, Children,
and the Economy.”**

Chair Sablan, Ranking Member Allen and Members of the Committee, thank you for the opportunity to testify today. My name is Nancy Harvey. I am 58 years old. I am a child care provider and the owner of Li’l Nancy’s Primary Schoolhouse, a home-based childcare program in Oakland, California.

I am honored to speak with you today about the crisis in child care in our country. Thank you for the opportunity to share my thoughts on how our nation’s working parents, child care providers and elected leaders can work together to address these issues.

I am truly passionate about early childhood education. Over 17 years ago, I left a career as an elementary school educator in the Diocese of Oakland to become a child care provider so that I could focus on ensuring that more children have a head start in learning and developing in their crucial early years.

When I saw children, particularly from Black and Brown families, repeatedly denied entry into our school system because they weren’t ready for kindergarten, I made the choice to use my passion for education to make a change in my community.

Over the years I’ve seen firsthand the ups and downs of working in this industry. I’ve witnessed the joys of helping to prepare beautiful little people for the world, as well as the challenges that working parents face in providing for their children.

My family child care program focuses on children ages 0-4 years old. A hallmark of Li’l Nancy’s Primary Schoolhouse is a low staff-to-child ratio which ensures that children in my care have the necessary adult-children interactions that promote increased learning opportunities and prevent education gaps from developing. Legally, I’m only required to have one assistant but currently I have four assistants -- two full-time and two part-time -- to make sure that children in my program get the special attention they need.

At Li’l Nancy’s Primary Schoolhouse we teach children early language, arts, math, science and social skills. Along with my staff, I enjoy taking my students on field trips including to the local observatory to learn more about our solar system and the community pool to learn about water safety.

I'm also proud that my program is a place that nurtures future educators. I make a point of hiring interns from local high schools who want to pursue a degree in education. But Li'l Nancy's Primary Schoolhouse is more than just a place for learning. It's an important resource for working parents. My program serves an ethnically and socioeconomically diverse set of families from single mothers accessing state assistance while in school and in entry-level jobs to business executives at Kaiser, UCSF Medical Center, and other corporations. The parents I serve consider me a friend and a counselor with a vast knowledge of resources to help them improve their lives.

Although my work is very fulfilling personally and professionally, it comes with its share of challenges. Financially it's been tough. As child care providers, our jobs are about nurturing the future, but too often, we struggle to keep our doors open and pay our assistants a living wage—and we are not paid enough to provide the basics for our own families.

The costs keep rising for utilities, educational resources, healthy food and other items I need to keep my child care operating. But I can't raise rates for parents. Many of them just can't afford to pay it.

This revenue gap leaves me coming up short on a regular basis. In the past I've had to make catch-up payments to Pacific Gas & Electric and juggle other bills. In recent years, an elected official came to visit my child care, and he remarked that my house needed painting. He didn't realize how tough things are for providers like me – that I struggle with basic maintenance and repair costs in part because state-paid voucher rates had stayed flat—for a decade. Since then rates have increased slightly but they're still too low to cover the true cost of delivering high-quality care.

Over the last years, I have seen other family child care programs either close or relocate to more affordable communities as costs rise and the revenue needed to keep our businesses solvent is harder to find. This impacts children, parents and our communities.

How are we supposed to teach children to grow up with dignity and respect when all too often, despite doing such important child care work, it's so hard to feel this ourselves because we struggle to pay bills, plan for a financially-secure future and have our critically important jobs overlooked by so many of those in power?

In spite of all this, I'm committed to remaining in the child care industry and making it better for myself and others. Years ago, I joined together with thousands of other family child care providers to fight to make changes to California's early education system through collective bargaining. After more than a decade of organizing and fighting we won our right to form a union when last Fall California Gov. Gavin Newsom signed into law a bill giving 40,000 family child care providers the right to form a union. And now we've begun our election process. For us, having a union means that we can raise up our profession and advocate for our communities and the children in our care. But our work to improve our industry won't stop with this victory.

To build that best-in-the world child care system, we'll need the commitment and leadership of parents, providers and elected officials from every part of the country.

I urge Members of Congress to support working parents and child care providers like me to improve child care in our country by:

1. **Expanding the child care program to make early education more accessible and affordable for parents so that every child has the support they need to succeed in kindergarten and thrive.** I believe that all working parents -- no matter where they're from, where they live or what they do for a living -- want to be able to go to work with the peace of mind of knowing that their children are safe and being cared for in their absence. However, the rising costs of living and stagnant wages forces far too many parents to resort to leaving their children in environments where they are not learning and sometimes risking their safety. Early education is too critical to the future of our country to maintain the status quo.
2. **Giving child care providers a voice in the system to advocate the best quality for the children in their care.** Child care providers like myself do some of the most important work - nurturing and educating the next generation of Americans so that their parents can go to work. We are educators and experts in how children develop, and we should have a seat at the table when it's time to make decisions about safety standards, training and funding.
3. **And increasing child care subsidy reimbursement rates so that they truly cover the cost of providing high-quality care.** That means providing sufficient funding for living wages comparable to similarly qualified elementary school teachers, training opportunities for myself and my assistants, and funding for safety standards.

Whether you're an educator, parent, grandparent or community leader, we all owe it to the next generation to stand together and show them we can lead the way to a better future. Thank you and I look forward to your questions.

Chairman SABLAN. Thank you very much, Ms. Harvey.
I would now like to recognize Ms. Smith, Secretary Smith. You have 5 minutes.

TESTIMONY OF LINDA SMITH, DIRECTOR, EARLY CHILDHOOD INITIATIVE, BIPARTISAN POLICY CENTER

Ms. SMITH. Thank you. Chairman Sablan, Ranking Member Allen, and members of the committee, I want to thank you for convening this very important hearing today.

As was said, my name is Linda Smith and I am the director of the Early Childhood Initiative at the Bipartisan Policy Center. In addition to serving in the Department of Health and Human Services, I also spent 25 years working with the Department of Defense implementing the military's child care program, which is a model still today.

I want to go back and look at child care in terms of what is going on in this country right now. I believe it is time to reconsider a new re-imagined system rooted in principles, with clear goals in mind, and a recognition that parents are front and center. By thinking big and bold we can ensure tomorrow's workforce can grow and our families can prosper.

It is time to take a look at the system that we have and think about some principles that we can use as we move forward to build a better system for all of our children. Parents rely on a market-based system of child care that includes a diverse set of options. Demand for child care is higher than ever before, particularly for

infants and toddlers. Sadly, the market is reaching a breaking point. With a supply that does not meet the demand, the cost to produce service exceeding what parents can pay, and more and more child care businesses unable to operate successfully.

The government's involvement in child care was established decades ago when our society was dramatically different and the neuroscience had yet to evolve. Now it is time to rethink child care in America. The entire system needs to be re-imagined and our traditional ways of thinking about things need to be reevaluated. We cannot talk about child care without considering the multitude of programs and funding streams that support working families and contribute—sometimes even create—the problems that we see in the marketplace today.

To evolve we must look beyond this system and think about how we can get around piecemeal approaches to one program or another. At the end of the day, are we really supporting parents in this country? I would suggest we are not. Families have changed. Today, women participate in the workforce in record numbers. In fact, in December the number of women in the workplace exceeded men for only the second time in our history. But the child care system has not kept up. Layering on programs and funding streams has resulted in a maze of programs that both parents and providers have difficulty navigating. To meet the growing needs of America's workers and our children, we need to think about what works and when.

So how do we make reform a reality? I recommend six principles that I believe everybody can agree to. First, identify what parents want and need and take them seriously. Any change must start with parents and what they need. Broadly speaking, the government has a role in holding Federally funded child care programs accountable to parents and tax payers while providing enough flexibility to parents to make their own decisions about what is best for their children. At the same time, parents deserve to know that their children are in safe healthy environments that meet their developmental needs.

Second, provide flexibility with accountability and focus limited Federal resources on those most in need. Child care is not a luxury but a need of everyday Americans. Congress should consider the responsibilities at all levels of government, Federal, state, and local, in funding child care and prioritize families and communities with the greatest need, especially families with low incomes, those raising infants and toddlers, living in rural areas or working nontraditional hours.

Third, encourage greater participation from state and local governments and business and the philanthropic community. States generally have a wide latitude in the way they organize and manage and fund child care programs. Better program alignment at the state level is important, not only because it promotes the efficient use of public funds, but it also impacts families' abilities to access the care they need. Locally, communities are coming together to support child care and should be seen by both sides of the aisle as success stories. For example, companies such as My Village are working to improve the supply of in-home child care in rural and underserved areas. The shared services model, like the one Early

Learning Ventures provides, allows small providers to come together and deliver services more efficiently. In Missoula, Montana, public and private partners have agreed to renovate a vacant school to serve more than 200 infants and toddlers, something the community needs tremendously.

Incentivizing communities to tackle these issues, especially facility needs, should be a priority for our child care system.

Fourth, learn from what works in existing programs. There are lessons to be learned from what is already working. The Preschool Development Grants and the Early Head Start-Child Care Partnerships provide many great examples of how to involve all sectors in our country, both public and private, in reforming child care. The military child care program also has 30 years of providing quality care for military families and we should learn lessons from them.

Chairman SABLAN. I hate to do this, but it is my unfortunate duty to tell you that you have exceeded your 5 minutes. Please, another sentence and close it out.

Ms. SMITH. Okay. The final two things I would say is that we need to support our workforce, which has already been said, and then we really need to get serious about looking how we put our funding streams together to create one well-rounded system of early care and education in this country.

Thank you.

[The statement of Ms. Smith follows:]



BIPARTISAN POLICY CENTER

Testimony of Linda K. Smith
before the

Subcommittee on Early Childhood, Elementary, and Secondary Education
Hearing on “Solving America’s Child Care Crisis: Supporting Parents, Children, and the Economy”
February 6, 2020

Introduction

Chairman Sablan, Ranking Member Allen, and members of the subcommittee, thank you for convening this important hearing on the health and prosperity of our economy and society. I appreciate the opportunity to be here today. My name is Linda Smith, and I am the director of the Early Childhood Initiative at the Bipartisan Policy Center. Prior to this, it was my honor to serve as the deputy assistant secretary for early childhood development in the Administration for Children and Families. Before joining ACF in 2011, I worked for nearly ten years as the Executive Director of the National Association of Child Care Resource and Referral Agencies, now called Child Care Aware of America. I also spent a significant portion of my career at the U.S. Department of Defense helping to develop the military child care system.

Bipartisan Policy Center’s Early Childhood Initiative. The Bipartisan Policy Center is a non-profit organization that combines the best ideas from both parties to promote health, security, and opportunity for all Americans. BPC drives principled and politically viable policy solutions through the power of rigorous analysis, painstaking negotiation, and aggressive advocacy. As the only DC-based think tank that actively promotes bipartisanship, BPC works to address the key challenges facing the nation.

BPC’s Early Childhood Initiative is working to build a high-quality system of early care and education that supports all of America’s families. Early care and education programs, including child care, play a key role in ensuring that every child has the opportunity to build a quality foundation that will prepare them to learn, grow, and succeed. Child care also supports families and strengthens communities by allowing parents to participate in the labor force. Millions of American families struggle to find quality, affordable child care in a safe, well-designed facility. Our work focuses on engaging a diverse group of stakeholders—from parents and families to business and faith leaders—to imagine a child care system that works for all children and families, businesses, and for the greater economy.

Setting the Stage

Child care is essential for so many reasons: so parents can work; so children can grow; and so employers and the economy can count on a productive workforce both today and in the future. Child care is a pillar of opportunity in this country. Yet, right now, too much potential is left on the table, both in terms of today’s workforce and in terms of our nation’s future prosperity. The good news is that there are ways to change this trajectory, and I am grateful we are talking about that here today.

Instead of continuing down an unsustainable path, I believe we must consider a new reimagined system, rooted in principles, with clear goals in mind, and a recognition that parent voices should be front and center. By thinking big and bold, we can ensure that today's workforce is strong, tomorrow's workforce can grow, and our economy can prosper.

I am going to talk a little today about where we are right now, where we need to be, and some principles for how I believe we can all work together to get to that point.

Child Care of Today

In the United States, parents rely on a market-based child care system that includes a diverse set of child care arrangements and options to meet their particular and widely varying circumstances and needs. Unfortunately, the market for child care is reaching a breaking point: the supply doesn't meet the demand, the cost to produce the service exceeds what most consumers can afford to pay, and the businesses operating in the market are unable to operate successfully.

Working parents, the consumers of child care, are often unable to afford the child care they need to keep their job and provide for their family. In today's strong economy, demand for child care is higher than ever before, particularly for infant and toddler care, which is also the most expensive to offer. At the same time, child care businesses are not making enough to operate successfully, let alone invest in quality improvements such as playgrounds for children or professional development for staff.

The questions before us today are then, what steps should be taken to improve the market so it works for consumers, providers, and the broader economy? What is the government's role in intervening in such a broken market? How can the child care market evolve to be a shining pride of our nation, rather than the currently failing system that leaves us behind so many other advanced nations?

I know each of you have different views on the answers to these questions. I believe the place where we can reach real reform is in the middle of each of these positions. The federal government certainly cannot replace the primary and most important bond between parents and their children, nor dictate how a family should choose to care for their children. At the same time, there is a need to help those in our country who are hardworking but also struggling, so they can lift themselves to a place of self-sustainability. Every family and child deserves an equal opportunity to a quality life based on their own goals and circumstances, and child care is a pillar of this opportunity.

Child Care of Tomorrow

I believe we have a real chance to improve the child care market. Across the country, states in all shades of red, blue, and purple are stepping up to develop policies and support hardworking families with young children. If we want to get serious about making sure the American economy is as strong as possible, for as long as possible, and ensure that working parents can lift themselves and their families out of poverty, the child care market needs to evolve to keep up with the needs of today's families.

detrimental impacts on communities' prosperity if not available. By encouraging these other constituencies, the market will become stronger and more responsive to the varying needs of families.

State Governance. States need to be more aggressive in thinking through how they structure their child care programs to support an integrated and efficient system. States receive and disburse the majority of federal funds, and for the most part operate and fund programs of their own. States generally have wide latitude in the way they choose to organize, manage, and fund child care programs on the ground.⁴⁸ Thus, better program integration and coordination is important, not only because it promotes the efficient use of public funds but also because it directly impacts a family's ability to access the resources they need. Bypassing the states could destabilize existing child care programs and, more important, upend the parent choice that underpins the current system and benefits young children. Congress should identify ways to support state administration to be consolidated, simplified, and streamlined, and ensure states have a greater role in the direction of the child care market more broadly.

Business Community. Businesses are directly affected when employees cannot find child care, it falls through, or is unreliable, and therefore have a distinct interest in ensuring the market thrives. Replacing employees is expensive, because of the cost of recruiting, hiring, and training new employees and because of the loss of the investment in the employee who leaves. A recent poll conducted by the BPC and Morning Consult found that over two-thirds of parents said child care affected their ability to stay in the workforce (68%) and work more hours (66%), while 20% of parents said they have quit a job to stay at home with a child.⁴⁹ A recent study found U.S. businesses lose approximately \$13 billion per year due to employees missing work, leaving work early, or leaving their job completely due to child care.⁵⁰

Congress should consider how to involve the business community in the child care market, both to improve their own productivity and improve the lives of their employees. Businesses often cannot – and should not – be involved in providing care, but particularly for small and medium sized businesses, incentives could encourage them to support their employees during this critical time in their life. It is important to remember that just as all families are different, all companies are different, so these incentives should be flexible.

Child care has large and measurable impacts on our economy and if we are to continue to be a global leader, it is critical to ensure every individual has the tools to fully participate in our nation's growth and prosperity. Making this clear to the business community is key in fully developing the child care market and helping more low- and middle- income families get the care they need.

Local and Philanthropic Solutions and Partnerships. Across the country, communities and philanthropists are coming together to address specific needs and should be seen by both sides of the aisle as success stories. For example, companies such as MyVillage and All our Kin are working to improve the supply of in-home child care in rural and other underserved areas. The promise of shared services models has been illuminated by the work of Early Learning Ventures. Their model promotes community-based partnerships that allow small providers to work together to share costs and deliver services more effectively and efficiency, which in turn allow more resources to go toward quality enhancements and more children and families to be served. In Montana, the Missoula Area Chamber of Commerce, Missoula Public Schools, and other private partners recently agreed to renovate a vacant school building

to serve 200 infants and toddlers, a partnership that will have tremendous benefits for the community of Missoula.”⁵¹

There are countless other examples that show communities and entrepreneurs can find solutions that the federal government would never be able to from Washington. Incentivizing communities to tackle these issues is part of the child care system of tomorrow. For instance, Congress could consider how to encourage local investments and partnerships in improving the infrastructure challenges that child care programs face. A lack of available space suppresses the market’s availability to grow and expand. While Washington cannot identify how to best solve local infrastructure issues, it could find ways to encourage community leaders and investors to solve them.

4. Learn from existing programs to spur innovation and encourage improvements.

While it is often easy to notice what is not working around the country, there are many lessons we can learn from what is working across the states. To that end, there are several programs that are succeeding in teaching us the lessons we need to learn in order to develop a forward-thinking and sustainable child care system that can stand the test of time.

Preschool Development Grants. The Preschool Development Grants Congress authorized are identifying some of the system’s governance issues that can be solved at the state and local level. They are also encouraging states to ask important questions about their systems, such as what the real need is around the state and what they might do to serve those specific populations in the greatest need. Many states have conducted parent surveys to identify what parents need and are tailoring their responses based on those surveys. Others are identifying a need to support the education and professional development of child care teachers so that they are able to successfully care for and nurture children. The takeaway is that states are all identifying different goals and are moving forward with local reforms to fit the needs of their communities, and Preschool Development Grants have been a successful model in helping state achieve those goals.

Early Head Start – Child Care Partnerships. The formal partnerships between child care and Early Head Start programs are illuminating some of the most important struggles providers have in combining and blending the funding and the requirements from each program. They are also teaching us the true cost of quality care, and what can be done to improve quality of services when the per-pupil expenditure represents what it costs to provide that level of care. Both programs have strengths to pull from, and areas for reform. When efforts begin to fully integrate programs, this should be a model as to which areas can combine to make the best possible system for parents, children, and providers.

Military’s Child Care System. The military’s child care system was developed over 30 years ago and continues to provide high-quality care at affordable rates to military families. It has been recognized by both Congress and the Executive branch for its contributions to military families and as a “model for the nation” to follow in improving the quality of child care for civilian families.⁵² There are lots of lessons to be learned from the development and success of this model that Congress could draw from while reforming the child care system.

5. Support the Child Care Workforce

I would be remiss if I didn't mention one specific workforce that needs to be bolstered, just as the workers in every sector of our economy who rely on child care for their own employment. That is the child care workforce. Improving the child care market is dependent on growing, strengthening, and supporting child care staff.

We know that parents make decisions on their child care arrangements based on the individuals who will be caring for their child(ren). They are looking for trustworthy, caring, loving, reliable, and experienced staff.ⁱⁱⁱ Despite scientific evidence that the first years of life coincide with the most important period of brain development, child care staff who help foster this development are often forgotten in broad conversations about how to improve and educate a workforce. About 180,000 child care jobs are expected to open each year over the next decade, as the demand in the field grows.^{iv}

As this committee considers reforms to support students in their varying paths to a continuing education and develop the skills they need to enter the workforce, it should consider that the child care profession will be in high-demand and that the skills of these individuals are critical to the industry's success. While there is not one pathway to success, nor one answer that will help revive the child care market, there are ways this Committee could support the child care profession of the future.

These pathways and reforms should be diverse enough to meet the varying needs of the child care workforce, consider ways to encourage low-income and first-generation learners, and be of high-quality, while aiming to keep costs low. College might not be the path for all future child care workers, but it should be in reach for those who make that choice. Congress should support a system that encourages students to become the well-rounded, educated, and skilled workforce needed to care for children, regardless of the path that they take to get there.

Furthermore, we cannot ignore the needs of today's child care program leaders, and support staff. By supporting and encouraging these staff to continue their learning and engage in professional development, especially business management, their skills will be enhanced, and children's lives will be transformed.

Department of Defense. During my time at the Department of Defense, we were given the assignment to improve the knowledge and competence of the existing child care workforce. We used a mix of education and experience, including using the Child Development Associate credential as the goal and developing pathways for those already working in the programs to earn it. To this day, the military model is based on a mix of staff with college degrees and those who meet the credential requirements. This is a clear example that Congress need not dictate strict and specific requirements for staff, rather encourage and support them in their attainment of advanced learning and improved skills.

Apprenticeships. One innovative solution that some states are using to support the child care workforce are apprenticeship programs. Apprenticeship programs create and demonstrate a flexible career pathway for child care teachers so they can improve their skills and learning while employed. Programs in West Virginia, Pennsylvania, and Colorado show the promise of such programs at supporting staff in their own

learning and are example of how existing programs can be used to support the growth and development of child care staff around the country.⁵

6. Transform and simplify the system.

By now, you are all aware of the Government Accountability Office reports of overlap, duplication, and fragmentation in the child care market.⁶ Those aren't just words or phrases and they aren't reports that should continue to be stuffed under the rug and updated every 5 years. Those reports show a need for systemic reforms to the child care market for parents, providers, states, and identify real consequences to continuing down the current path.

Last week, I visited a program up in Bartlesville, Oklahoma, serving children ages birth through five, from low- and middle-income families. This program has support from 4 different federal funding streams: Early Head Start, Head Start, the Child Care and Development Block Grant, and the Child and Adult Care Food Program. Some of those funds come from the state, some directly from the federal government, and all have different requirements. In what world does that make sense? This is a convoluted and outdated system that prohibits providers from their main job of caring for children, and can create inequities among parents and children in that program.

At the end of the day, the goal should be to support parent's ability to work and ensure the healthy development of children. At a time when demand for early childhood services far exceeds availability, the case for continued and even expanded investments must be accompanied by a commitment to efficiency, good governance, and a consistent focus on quality assurance and results. There is a lot of mess in the way of that goal right now. Program alignment and coordination is important, not only because it promotes the efficient use of public funds but also because it bears directly on families' ability to access the resources they need. Considerable thought should be given to how align programs and funding streams to make them one well-rounded system.

Closing

In closing, I would urge you to think big and bold in your pursuit of supporting parents, children, and the economy. Instead of continuing down an unsustainable path, consider a new national solution, rooted in principles, with clear goals in mind, and a recognition that parent voices should be front and center. The country is leaving far too much American potential on the table, both currently and for our future prosperity. But this state of affairs does not have to be permanent. Progress is possible if we work together across the aisle, among different levels of government, with the business and philanthropic communities, and most importantly, with the parents and children who drive this market. I know that our nation can come together and rise to the occasion.

Thank you for the opportunity to testify, I will be happy to answer any questions you might have.

¹ Scott Horsley, "Women Now Outnumber Men on U.S. Payrolls," *NPR*, January 10, 2020. Available at: <https://www.npr.org/2020/01/10/795293539/women-now-outnumber-men-on-u-s-payrolls>

² Bipartisan Policy Center, *Nationwide Child Care Poll: Child Care Costs Impact Families' Employment, Savings, and Future Planning*, November 2019. Available at: <https://bipartisanpolicy.org/blog/child-care-poll/>

³ Bipartisan Policy Center, *Creating an Integrated and Efficient Early Care and Education System to Support Children and Families*, December 2018. Available at: <https://bipartisanpolicy.org/report/eece-administration-state-by-state/>

⁴ Bipartisan Policy Center, *Nationwide Child Care Poll: Child Care Costs Impact Families' Employment, Savings, and Future Planning*, November 2019. Available at: <https://bipartisanpolicy.org/blog/child-care-poll/>

⁵ Council for a Strong America, *Want to Grow the Economy? Fix the Child Care Crisis*, October 25, 2018. Available at: <https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>

⁶ David Erickson, "\$1.1M child care center for 200 set for vacant Missoula school building," *Missoulian*, January 15, 2020. Available at: https://missoulian.com/news/local/m-child-care-center-for-set-for-vacant-missoula-school/article_665484d3-8e77-5723-8953-020e7b523557.html

⁷ National Association of Child Care Resource & Referral Agencies, *Making Quality Child Care Possible: Lessons Learned from NACCRRA's Military Partnerships*, 2008. Available at: <https://hubert.bhh.umn.edu/ECEpdf/MakingQualityCare2008.pdf>

⁸ Bipartisan Policy Center, *Nationwide Child Care Poll: Child Care Costs Impact Families' Employment, Savings, and Future Planning*, November 2019. Available at: <https://bipartisanpolicy.org/blog/child-care-poll/>

⁹ Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, Childcare Workers*, December 2019. Available at: <https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm>

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¹¹ U.S. Government Accountability Office, *Early Learning and Child Care: Agencies Have Helped Address Fragmentation and Overlap through Improved Coordination*, July 13, 2017. Available at: <https://www.gao.gov/products/GAO-17-463>

Chairman SABLÁN. Thank you very much, Ms. Smith.

And I now recognize Ms. González, who has probably got a great story to tell.

TESTIMONY OF ANGÉLICA MARIA GONZÁLEZ, PARENT/ LAW CLERK MOMSRISING/ LANE POWELL

Ms. GONZÁLEZ. Good morning Chairman Sablan, Ranking Member Allen, and members of the subcommittee.

My name is Angélica Maria González. Thank you for the opportunity to testify today. I am a single mom, a recent law school graduate, a Seattle, Washington resident, and a proud member of MomsRising, and a law clerk for Lane Powell.

My children are 14, 8, and 4. As a single mother, who is the sole provider for my family with no extended family, finding quality, affordable, reliable child care falls to me. But throughout my 14 years of parenting, that has never been easy and often impossible. I have struggled to find and maintain child care at every turn.

My story is not unique. It reflects a struggle of many of the American people. And the child care crisis that is happening right now has had a profoundly harmful impact on my family. I had my first child at 17 and needed child care so I could graduate high school and the community college. But no provider would accept an infant. I had no money to pay for the wildly expensive care. In community college, the wait list was a year and a half to get a spot on the campus. In the end I relied on intermittent unlicensed care while I got my degree. It was a huge source of stress as it continued to be an issue while I went on to obtain my BA.

I struggled with the issue again when I had a career I loved, the care I needed, and a stable paying job. Why? Because I received an unexpected \$200 child support payment it caused me to lose my child care subsidy. Overnight, I went from paying \$15 month to about \$800 a month. That \$200 payment was just a one-time payment and wouldn't cover the cost of child care. They told me that

I had to wait 3 months with no child support in order to reapply for a subsidy. That meant instead of paying \$15 a month I had to pay \$800 every month for 3 months. I got a second job to pay for child care so I could keep the first job, but it was unsustainable. Like many desperate families, I was forced to rely on unregulated care. The woman who watched my children was watching many more children than one person can handle. My three-year-old daughter nearly got hit by a car in her care and I pulled them out.

The lack of access to child care led to a loss in employment and created instability in our lives. I searched for higher paying work so that I could afford licensed care. To attend interviews, I needed child care, but without a job I couldn't afford it. Finally, I was offered a well-paying job that would have changed our situation, but to take it I would need care for my infant son. I contacted every licensed center in three counties, not a single provider had a spot. I was forced to turn down the job. Then we lost our housing.

Living in a shelter with three children, I applied and was accepted to law school. Again, child care was an issue. To qualify for a subsidy, I had to work full-time and attend school full-time—law school.

So, I worked to have child care, often getting three hours of sleep. My last year of law school I had issues accessing and paying for law school and child care, which meant I would have had to drop out. Luckily for me, people in my community gathered around and made sure that did not happen.

I have since graduated and now, finally, I am making higher wages than ever before. But, unbelievably, with student loans, child care costs being at an all-time high, high housing costs, and more, I still struggle, like so many of our families. I work weekends and evenings, leaving work around 3:00 p.m. to pick up my kids, take them to another babysitter, and drive back to work because of the inaccessibility to nonstandard hours.

Fourteen years of experience, and nothing has changed. This is not the 1930s, staying at home is often not an option, even for two-parent households. I need to have the ability to provide our most basic needs. And how can we do that as an economy and survive and thrive when parents can't work?

This isn't an individual problem that needs individual solutions. I have worked hard to have a career and independence. If I had access to quality and affordable child care from the start, my career and kids' lives would have looked very different. This same is true for so many families.

Remember my story and support bold solutions. Now is the time. Thank you.

[The statement of Ms. González follows:]

Testimony of Angélica González

**House Committee on Education and Labor
Early Childhood, Elementary and Secondary Education Subcommittee**

Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy

February 6, 2020

Good morning Chairman Sablan, Ranking Member Allen and members of the Early Childhood, Elementary and Secondary Education Subcommittee. My name is Angélica María González and I thank you for the opportunity to testify here today. I am a single mom of three children, a recent law school graduate, a Seattle, Washington resident and a proud member of MomsRising. My children are fourteen, seven and four. I currently work as a law clerk for Lane Powell.

As a single mother, who is the sole provider with no family, finding high-quality, affordable, reliable child care falls to me. But throughout my 14 years of parenting, doing so has never been easy and often it has been impossible. Despite trying my best, I have struggled to find and maintain the child care my family needs at every turn and this struggle has had a profoundly harmful impact on my family.

I am what you would call a true grit, hard worker, pull yourself up from your "bootstraps" type of person. But the truth is, is that the childcare system is so broken, that I was really only able to persevere and overcome on pure miracles and luck. And I believe my miracles happened so that I would have the opportunity to tell my story and fight for a just cause because the truth of the matter is that not everyone is lucky, and not everyone gets a miracle.

As a child I grew up with a single mother who struggled greatly with many issues such as housing and childcare which led to growing up on the streets of Phoenix, Arizona. At the age of eleven I left the streets on my own to find a better life and eventually made my way to Washington State where I found my father. I overcame many obstacles and faced many barriers.

At the age of sixteen I was on my own. At the age of seventeen, seeing no future, I dropped out high school and shortly thereafter had my first child, Jasmine. Looking into Jasmine's eyes as a baby, I knew I had to give her a better future than what I knew. I was determined at that moment to work as hard as I could to make a better life for her. One of the first issues I ran into was acquiring child care for my daughter so that I could go back to high school and graduate.

There was no location that would accept an infant and I had no money to pay anyone. This was the beginning of an issue that has not resolved itself to this day. At this time, I was a homeless teen that was just focused on trying to graduate so that I could give my daughter a life I never had. Luckily for me, a small alternative high school allowed me to bring Jasmine with me to class and attend school and graduate. This is not the case for most young moms.

In desperation of wanting to provide a better life as a mother, getting a college degree and well-paying career was a high priority for me. I enrolled in Green River Community College, but I

couldn't take my toddler to a college class, and there was no way I could afford the wildly expensive child care centers in my community.

The community college I attended had a child care program on campus for students who needed it - but the waitlist was unbelievably long for parents who could pay. And for parents who could not, it simply was not an option. I was told it could be more than a year before a spot was available. The center had one or two scholarships available for people like me who could not afford to pay for child care and many other women were on a waitlist to receive the scholarship as they were in the same position as me.

Ultimately, I had to rely on intermittent, unlicensed care from people in my community while I got my degree. It was a huge source of stress. A year and a half after I put my name on the waitlist, a spot finally opened up for my school's child care program. Luckily for me, many of the women who were waiting before me dropped off because they couldn't wait that long. That helped a lot, and I was able to finish my associate's degree and transfer to the University of Washington, where I graduated with my bachelor's in 2010.

Life went on, struggles happened, but I continued to fight the battle of intermittent, unlicensed care. I never had a stable situation for my child, no early development, or quality in care. But see, this is what most people around me went through.

I was determined to be successful. I landed a great job as a family liaison for a school district. And I qualified for a child care subsidy from the state of Washington. That meant I could go to work each day knowing my children were in a safe, positive environment, and their care didn't eat up my paycheck.

Finally, I thought, my hard work had paid off. I had a career I loved, the care I needed, and the financial stability I had always dreamed of. But then, I received an unexpected \$200 child support payment from my children's father. Because my income appeared higher that month, all of a sudden I lost the child care subsidy I relied on. Overnight, I went from paying \$15/month for child care to about \$800.

I was scared, confused and livid. That payment was an anomaly -- a one-time thing -- and that \$200 wouldn't cover the cost of child care anyway. I called the agency and tried to explain the situation. They told me it could be three months before all the paperwork could be processed and I would need to reapply after showing that I had no child support payments for three months! For us, this was an emergency. I needed to keep my job so I could put food on the table and keep a roof over our heads.

I tried to make it work. I got a second job at a nonprofit, which allowed me to bring my kids to work, so I could pay for child care and keep my first job. It was good that I could bring my kids, because no child care was available outside standard work hours and the care that was available was prohibitively expensive.

The setup was unsustainable. I was exhausted working all the time while caring for small children. And more and more, my kids were becoming a distraction at my second job. Financially, we were barely scraping by. It didn't work for me, for my kids, or my employer. Trying to "make it work" just wasn't working. Like many desperate families, I was forced to rely on unregulated care from someone in my neighborhood.

It was terrifying. I worried about my kids every day. The woman who watched them was watching many more children than one person can handle. She was the only option for so many parents. A neighbor told me she saw my three-year-old daughter nearly get hit by a car because no one was watching her and she ran into the street. There are no words to describe what it feels like to hear that. I pulled my kids from her care, and I vowed to never put my children in unlicensed care again.

Ultimately, I had to leave both jobs in search of higher-paying work that would allow me to cover the cost of child care. Finding a job like that was nearly impossible without more education, as was job searching with two children, with one being a toddler in my home. It was a Catch-22: in order to attend interviews, I needed someone to help care for my children, but without a job, I couldn't afford the child care I needed in the first place.

It is unacceptable that families can be forced to compromise safety and quality when it comes to child care. We all want our children to be in safe environments where they are learning and growing, and where they get personalized attention from well-paid and well-trained staff. But for families like mine, often that's out of reach. That endangers not just the health and safety, but also the healthy development of children. We need bold solutions to change that.

Leaving that unlicensed child care left me with really limited options. During that very vulnerable time, I found myself in an abusive relationship. I tried so hard to make it on my own and could not do it no matter how hard I tried. It was difficult to escape this situation, in part because I could not support myself and my kids and I knew I could not pay for child care on my own.

During the relationship, one thing that was held over me was the inability to make it work on my own. I was mocked because I was a woman that had a Bachelor's degree, well-educated but made less than a man with no education who worked manual labor jobs that I could not obtain. The power dynamics were unfair and my struggles as a woman were used as a symbol of my weakness. I did feel weak, with no options, no value in life, and I was miserable.

An additional child later, when the relationship ended, I couldn't afford housing or child care. But I was determined to try and fight again. I was offered a job that would have totally changed our situation: a well-paying management position. But in order to take it, I would need child care for my son, who was an infant at the time. For once, with my new salary, I thought I would be able to cover the cost of child care, even though it would eat up a huge portion of my paycheck.

I called a child care resource hotline and with their help, I contacted every licensed child care center in three counties. Not a single provider had a spot available and none expected to have one open any time soon. I was heartbroken. Once again, child care was the barrier that prevented my family from getting the financial security we needed. The long waitlist continues and some wait for two and a half years or more before being accepted, while some never are.

I was forced to turn down the job, and we lost our housing. Over the course of my kids' lives, we've spent time in shelters and we've spent time living with friends. Moving my older kids around to different housing meant uprooting them from the schools and Head Start programs they loved.

Living in a shelter, I was at the end of my rope. It was around this time that I decided to go to law school. I wanted a higher-paying career so my children and I didn't have so much instability. I did not want to keep being so vulnerable as a woman. And law and policy had always been a

passion of mine: I saw firsthand how women like me suffer when policies don't account for our experiences, and I wanted to use my degree to make a difference. My kids and I were living in a shelter when I was accepted into law school.

Again, child care was an issue. Even though I was in school, in order to qualify for a child care subsidy, I had to be working full time. So I worked in order to have child care during the day. I often got about three hours of sleep while in law school. No one should have to do that. This prevented me from getting the grades I knew I could get. I couldn't participate as my peers did and it put me at a huge disadvantage.

My last year of law school I struggled to make child care work. The community child care program at El Centro de la Raza allowed me to pay a discounted rate and somehow by a miracle they made it work because they wanted to see me graduate from law school to help the community. Again lucky! Eventually I graduated and now I'm making higher wages than ever before. Yes, school was worth it!

Still, I struggle with my student loans. I pay for a preschool program for my now four-year-old, and I am lucky because I receive a discounted before- and after-school child care rate for my children. I often have to work weekends and evenings, especially if I am planning to be successful in my career. This is extremely difficult. It means that I have to leave work around 3 pm to pick up kids and take them to another babysitter and then drive back to work to continue to work in the evenings. This means I waste about an hour or more battling through traffic to transfer them to a daycare. I have to find many daycare providers and pay all kinds of prices depending on who it is and what I can find. This is a dance that so many parents have to do.

It's baffling that most people in my profession in Seattle are paying above 5,000 dollars a month on childcare. Many of them, like me, have to pay multiple providers to cover the hours we need for work. Some have to pay centers and multiple nannies because not one meets the hour requirements or time availability needed.

I am lucky to find support from friends and community members who help me fill in the gaps for the child care I still need. The teachers and staff pitch in for free to help me with my children in cases of urgent needs because they see I am by myself and I have no one. They know that if they don't help me, I could easily fall on my face. Again, I am lucky!

Families shouldn't have to rely on luck to succeed in their careers and become financially secure. This isn't an individual problem that needs individual solutions. Our child care system is terribly broken, and it's holding families back and harming children. It's not even working for the child care educators, the majority of whom are women and are struggling themselves because child care is one of the lowest paying industries. My friends who work in the industry are often at the food banks and struggling to pay their rent.

I have dealt with this for 14 years now and my mother struggled because of child care back when I was a child.

We can't wait any longer for solutions.

I've seen over and over that the system is just not designed to support families. It all seems built around the idea that each parent or guardian has a partner who can stay home. But that's not the reality, even in two parent households.

The child care crisis harms everyone, but it especially harms women. I believe it's a huge contributor to the pay gap and the glass ceiling. In order to climb the ladder at many jobs, you need to be willing to work late into the evening or come in on weekends but often, child care centers aren't open during those hours. I struggled with that personally when I worked in sales and needed to work in the evenings and still struggle with it today.

I've also known women who have refused raises because it would mean losing their child care subsidy, especially because the raise wouldn't have paid them enough to replace the subsidy.

There are so many reasons to invest in child care: it helps families, it helps kids, and it would be great for our economy.

I work hard. I want to have a career and be independent. If I'd had access to quality, affordable child care from the start, my whole career and my kids' lives would have looked very different. The same is true for many other families.

When you are discussing policy solutions to the child care crisis, I hope you will remember my story and support bold solutions. We need to tackle all aspects of this issue, from availability to affordability to staff training. Every family should have access to the high-quality child care they need to thrive. We have an obligation to protect the most vulnerable. Further, protecting our vulnerable and making sure that children and families can thrive will only help our economy and the stability of the workforce. Thank you.

Accessible and affordable childcare is a WIN WIN for everyone!

Testimony of Angélica González

House Committee on Education and Labor, Early Childhood, Elementary and Secondary Education Subcommittee

Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy.

February 6, 2020

Good morning Chairman Sablan, Ranking Member Allen and members of the Early Childhood, Elementary and Secondary Education Subcommittee. My name is Angélica María González and I thank you for the opportunity to testify here today. I am a single mom of three children, a recent law school graduate, a Seattle, Washington resident and a proud member of MomsRising. My children are fourteen, eight, and four. I currently work as a law clerk for Lane Powell.

As a single mother, who is the sole provider with no family, finding high-quality, affordable, reliable child care falls to me. But throughout my 14 years of parenting, doing so has never been easy and often it has been impossible. Despite trying my best, I have struggled to find and maintain the child care my family needs at every turn and this struggle has had a profoundly harmful impact on my family.

I am what you would call a true grit, hard worker, pull yourself up from your "bootstraps" type of person. But the truth is, is that the childcare system is so broken, that I was really only able to preserve and overcome on pure miracles and luck. And I believe my miracles happened so that I would have the opportunity to tell my story and fight for a just cause because the truth of the matter is, not everyone is lucky, and not every gets a miracle.

As a child I grew up with a single mother who struggled greatly with many issues such as housing and childcare which lead to growing up on the streets of Phoenix Arizona. At the age of eleven I left the streets on my own to find a better life and eventually made my way to Washington State where I found my father. I overcame many obstacles and faced many barriers.

At the age of sixteen I was on my own, at the age of seventeen seeing no future I dropped out from highschool and shortly thereafter had my first child, Jasmine. Looking into Jasmine's eyes as a baby, I knew I had to give her a better future than I knew. I was determined at that moment to work as hard as I could to make a better life for her. One of the first issues I ran into was acquiring childcare for my daughter so that I could go back to High School and graduate.

There was no location that would accept an infant and I had no money to pay anyone. This was the beginning of an issue that has not resolved itself to this day. At this time, I was a homeless

teen that was just focused on trying to graduate so that I could give my daughter a life I never had. Luckily for me, a small alternative High School allowed me to bring Jasmine with me to class and attend school and graduate. This is not the case for most teen moms.

In desperation of wanting to provide a better life as a mother, getting a college degree and well-paying career was a high priority for me. So I enrolled in Green River Community College, but I couldn't take my toddler to a college class, and there was no way I could afford the wildly expensive child care centers in my community.

The community college I attended **had child care** on campus for students who needed it - but the waitlist was unbelievably long for parents who could pay. And for parents who could not, it simply was not an option. I was told it could be more than a year before a spot was available. The center had one or two scholarships available for people like me who could not afford to pay childcare. It was not available and many other women were on a waitlist to receive the scholarship as they were in the same position as me.

Ultimately, I had to rely on intermittent, unlicensed care from people in my community while I got my degree. It was a huge source of stress. A year-and-a-half after I put my name on the waitlist, a spot finally opened up for my school's child care program. Luckily for me, the reason being many of the women who were waiting before me dropped off because they couldn't wait that long. That helped a lot, and I was able to finish my associate degree and transfer to the University of Washington, where I graduated with my bachelor's in 2010.

Life went on, struggles happened, but I continued to battle the childcare battle, of intermittent, unlicensed care. I never had a stable situation for my child, no early development, or quality in care. But see, this is what most people around me went through.

One day I commented on the instability of childcare and access as a student and a woman said you just have to stay at home and wait till your children are grown, then you can choose to go to school. But what she didn't realize is that staying at home was not an option for me, I had no one to pay my bills and I sure was not going to take my children to the streets or try and rely on a broken welfare system. I wanted to be self sufficient and provide for my children. What era was she referring to? Maybe this is why the childcare system is so hard, because it was built for an era that no longer existed, I thought.

After leaving an abusive relationship and struggling with homeless yet again, determined to be successful, I landed a great job as a family liaison for a school district. And I qualified for a child care subsidy from the state of Washington. That meant I could go to work each day knowing my children were in a safe, positive environment, and their care didn't eat up my paycheck.

Finally, I thought, my hard work had paid off. I had a career I loved, the care I needed, and the financial stability I had always dreamed of. But then, I received an unexpected \$200 child support payment from my children's father. Because my income appeared higher that month, all

of a sudden I lost the child care subsidy I relied on. Overnight, I went from paying \$15/month for child care to about \$800.

I was scared, confused and livid. That payment was an anomaly -- a one-time thing -- and that \$200 wouldn't cover the cost of child care anyway. I called the agency and tried to explain the situation. They told me it could be three months before all the paperwork could be processed and I would need to reapply after showing that I had no child support payments for three months! For us, this was an emergency. I needed to keep my job so I could put food on the table and keep a roof over our heads.

I tried to make it work. I got a second job at a nonprofit, which allowed me to bring my kids to work, so I could pay for child care and keep my first job. It was good that I could bring my kids, because no child care was available outside standard work hours and the care that was available was prohibitively expensive.

The setup was unsustainable. I was exhausted working all the time while caring for small children. And more and more, my kids were becoming a distraction at my second job. Financially, we were barely scraping by. It didn't work for me, for my kids, or my employer. Trying to "make it work" just wasn't working. Like many desperate families, I was forced to rely on unregulated care from someone in my neighborhood.

It was terrifying. I worried about my kids every day. The woman who watched them was watching many more children than one person can handle. She was the only option for so many parents. A neighbor told me she saw my three-year-old daughter nearly get hit by a car because no one was watching her and she ran into the street. There are no words to describe what it feels like to hear that. I pulled my kids from her care, and I vowed to never put my children in unlicensed care again.

Ultimately, I had to leave both jobs in search of higher-paying work that would allow me to cover the cost of child care. Finding a job like that was nearly impossible without more education, as was job searching with two children, and one being a toddler in my home. It was a Catch-22: In order to attend interviews, I needed someone to help care for my children, but without a job, I couldn't afford the child care I needed in the first place.

It is disgusting that families can be forced to compromise safety and quality when it comes to child care. We all want our children to be in safe environments where they are learning and growing, and where they get personalized attention from well-paid and well-trained staff. But for families like mine, often that's out of reach. That endangers not just the health and safety, but also the healthy development of children. We need bold solutions to change that.

Leaving that unlicensed care left me with really limited options. During that very vulnerable time, I found myself in an abusive relationship. I tried so hard to make it on my own and could not do it no matter how hard I tried and here came a man that promised to help me. He saw my

vulnerability and he was even introduced to me through my desperation of finding childcare. Had I never struggled with childcare, I never would have met him. It was difficult to escape, in part because I could not support myself and my kids -- and I knew I could not pay for child care on my own.

During the relationship, one thing that was held over me was the inability to make it work on my own. I was mocked because I was a woman that had a Bachelors degree, well educated but made less than a man with no education who worked on labor jobs that I could not obtain. The power dynamics were unfair and my struggles as a woman were used as a symbol of my weakness. And, I did feel weak, with no options, no value in life, and I was miserable.

An additional child later, when the relationship ended, I couldn't afford housing or childcare. But I was determined to try and fight again. I was offered a job that would have totally changed our situation: a well-paying management position. But in order to take it, I would need child care for my son, who was an infant at the time. For once, with my new salary, I thought I would be able to cover the cost of child care, even though it would eat up a huge portion of my paycheck.

I called a child care resource hotline and with their help, I contacted every licensed child care center in three counties. Not a single provider had a spot available and none expected to have one open any time soon. I was heartbroken. Once again, child care was the barrier that prevented my family from getting the financial security we needed. The long waitlist continues and some wait for 2 ½ years or more before being accepted, some never.

I was forced to turn down the job, and we lost our housing. Over the course of my kids' lives, we've spent time in shelters, and we've spent time living with friends. Moving my older kids around to different housing meant uprooting them from the schools and Head Start programs they loved. Head Start is a difficult program to get into, so it means that you lose it and have to start over on a waitlist each new location you move to.

Living in a shelter, I was at the end of my rope. It was around this time that I decided to go to law school. I wanted a higher-paying career so my children and I didn't have so much instability. I did not want to keep being so vulnerable as a woman. And law and policy had always been a passion of mine: I saw firsthand how women like me suffer when policies don't account for our experiences, and I wanted to use my degree to make a difference. My kids and I were living in a shelter when I was accepted into law school.

Again, child care was an issue. Even though I was in school, in order to qualify for a child care subsidy, I had to be working full time. So I worked in order to have child care during the day. I often got about three hours of sleep while in law school. No one should have to do that. This prevented me from getting the grades I knew I could get. I couldn't participate as my peers and put me at a huge disadvantage.

My last year of law school I struggled to make childcare work and the community childcare program at El Centro de la Raza allowed me to pay a discounted rate and somehow by a miracle made it work because they wanted to see me graduate from law school to help the community. Again lucky! Eventually I graduated and now I'm making higher wages than ever before. Yes school was worth it!

Still, I struggle with my student loans. I pay for a preschool program for my now four-year-old, and I am lucky because I receive a discount for before and after school childcare rate for my children, thanks to my St. Therese family. I often have to work weekends and evenings, especially if I am planning to be successful in my career. This is extremely difficult. It means that I have to leave work around 3 pm to pick up kids from work to take them to another babysitter and then drive back to work to continue to work in the evenings. This means I waste about an hour or more battling through traffic to transfer them to a daycare. I have to find many daycare providers and pay all kinds of prices depending on who it is and what I can find. A dance that so many have to play.

It's crazy that most people in my profession in Seattle are paying above 5,000 dollars a month on childcare. Many of them, like me, have to pay multiple providers to provide the hours we need for work. Some have to pay centers and multiple nannies because not one meets the hour requirements or time availability needed.

I am lucky to find support from friends and community members who help me fill in the gaps for the child care I still need. The teachers and staff at St. Therese pitch in for free to help me with my children in cases of urgent needs because they see I am by myself and I have no one. They know that if they don't help me, I could easily fall on my face. Again, I am lucky!

Families shouldn't have to rely on luck to succeed in their careers and become financially secure. This isn't an individual problem that needs individual solutions. Our child care system is terribly broken, and it's holding families back and harming children. It's not even working for the child care educators, the majority of whom are women and are struggling themselves because child care is one of the lowest paying industries. My friends who work in the industry are often at the food banks and struggling to pay their rent.

I have dealt with this for 14 years now and my mother struggled because of child care back when I was a child.

We can't wait any longer for solutions.

I've seen over and over that the system is just not designed to support families. It all seems built around the idea that each parent or guardian has a partner who can stay home. But that's not the reality, even in two parent households.

The child care crisis harms everyone, but it especially harms women. I believe it's a huge contributor to the pay gap and the glass ceiling. In order to climb the ladder at many jobs, you need to be willing to work late into the evening or come in on weekends but often, child care centers aren't open during those hours. I struggled with that personally when I worked in sales and needed to work in the evenings and still struggle with it today.

I've also known women who have refused raises because it would mean losing their child care subsidy, especially because the raise wouldn't have paid them enough to replace the subsidy.

There are so many reasons to invest in child care: It helps families, it helps kids, and it would be great for our economy.

I work hard. I don't want to rely on government assistance to provide for my kids. I want to have a career and be independent. If I'd had access to quality, affordable child care from the start, my whole career and my kids' lives would have looked very different. The same is true for many other families.

When you are discussing policy solutions to the child care crisis, I hope you will remember my story and support bold solutions. We need to tackle all aspects of this issue, from availability to affordability to staff training. Every family should have access to the high-quality child care they need to thrive. We talk about the importance of life, why are we not caring about the children that come into this life. We have an obligation to protect the most vulnerable. Further, protecting our vulnerable and making sure that children and families can thrive only **helps** our economy and the stability of the workforce. Thank you.

Accessible and affordable childcare is a WIN WIN for everyone!

Testimony of Angélica González

**House Committee on Education and Labor, Early Childhood, Elementary and
Secondary Education Subcommittee**

**Solving America's Child Care Crisis: Supporting Parents, Children, and the
Economy.**

February 6, 2020

Good morning Chairman Sablan, Ranking Member Allen and members of the Early Childhood, Elementary and Secondary Education Subcommittee. My name is Angélica María González and I thank you for the opportunity to testify here today. I am a single mom of three children, a recent law school graduate, a Seattle, Washington resident and a proud member of MomsRising. My children are fourteen, eight, and four. I currently work as a law clerk for Lane Powell.

As a single mother, who is the sole provider with no family, finding high-quality, affordable, reliable child care falls to me. But throughout my 14 years of parenting, doing so has never been easy and often it has been impossible. Despite trying my best, I have struggled to find and maintain the child care my family needs at every turn and this struggle has had a profoundly harmful impact on my family.

I am what you would call a true grit, hard worker, pull yourself up from your "bootstraps" type of person. But the truth is, is that the childcare system is so broken, that I was really only able to preserve and overcome on pure miracles and luck. And I believe my miracles happened so that I would have the opportunity to tell my story and fight for a just cause because the truth of the matter is, not everyone is lucky, and not every gets a miracle.

As a child I grew up with a single mother who struggled greatly with many issues such as housing and childcare which lead to growing up on the streets of Phoenix Arizona. At the age of eleven I left the streets on my own to find a better life and eventually made my way to Washington State where I found my father. I overcame many obstacles and faced many barriers.

At the age of sixteen I was on my own, at the age of seventeen seeing no future I dropped out from highschool and shortly thereafter had my first child, Jasmine. Looking into Jasmine's eyes as a baby, I knew I had to give her a better future than I knew. I was determined at that moment to work as hard as I could to make a better life for her. One of the first issues I ran into was acquiring childcare for my daughter so that I could go back to High School and graduate.

There was no location that would accept an infant and I had no money to pay anyone. This was the beginning of an issue that has not resolved itself to this day. At this time, I was a homeless teen that was just focused on trying to graduate so that I could give my daughter a life I never

had. Luckily for me, a small alternative High School allowed me to bring Jasmine with me to class and attend school and graduate. This is not the case for most teen moms.

In desperation of wanting to provide a better life as a mother, getting a college degree and well-paying career was a high priority for me. So I enrolled in Green River Community College, but I couldn't take my toddler to a college class, and there was no way I could afford the wildly expensive child care centers in my community.

The community college I attended had child care on campus for students who needed it - but the waitlist was unbelievably long for parents who could pay. And for parents who could not, it simply was not an option. I was told it could be more than a year before a spot was available. The center had one or two scholarships available for people like me who could not afford to pay childcare. It was not available and many other women were on a waitlist to receive the scholarship as they were in the same position as me.

Ultimately, I had to rely on intermittent, unlicensed care from people in my community while I got my degree. It was a huge source of stress. A year-and-a-half after I put my name on the waitlist, a spot finally opened up for my school's child care program. Luckily for me, the reason being many of the women who were waiting before me dropped off because they couldn't wait that long. That helped a lot, and I was able to finish my associate degree and transfer to the University of Washington, where I graduated with my bachelor's in 2010.

Life went on, struggles happened, but I continued to battle the childcare battle, of intermittent, unlicensed care. I never had a stable situation for my child, no early development, or quality in care. But see, this is what most people around me went through.

One day I commented on the instability of childcare and access as a student and a woman said you just have to stay at home and wait till your children are grown, then you can choose to go to school. But what she didn't realize is that staying at home was not an option for me, I had no one to pay my bills and I sure was not going to take my children to the streets or try and rely on a broken welfare system. I wanted to be self sufficient and provide for my children. What era was she referring to? Maybe this is why the childcare system is so hard, because it was built for an era that no longer existed, I thought.

After leaving an abusive relationship and struggling with homeless yet again, determined to be successful, I landed a great job as a family liaison for a school district. And I qualified for a child care subsidy from the state of Washington. That meant I could go to work each day knowing my children were in a safe, positive environment, and their care didn't eat up my paycheck.

Finally, I thought, my hard work had paid off. I had a career I loved, the care I needed, and the financial stability I had always dreamed of. But then, I received an unexpected \$200 child support payment from my children's father. Because my income appeared higher that month, all of a sudden I lost the child care subsidy I relied on. Overnight, I went from paying \$15/month for child care to about \$800.

I was scared, confused and livid. That payment was an anomaly -- a one-time thing -- and that \$200 wouldn't cover the cost of child care anyway. I called the agency and tried to explain the situation. They told me it could be three months before all the paperwork could be processed and I would need to reapply after showing that I had no child support payments for three months! For us, this was an emergency. I needed to keep my job so I could put food on the table and keep a roof over our heads.

I tried to make it work. I got a second job at a nonprofit, which allowed me to bring my kids to work, so I could pay for child care and keep my first job. It was good that I could bring my kids, because no child care was available outside standard work hours and the care that was available was prohibitively expensive.

The setup was unsustainable. I was exhausted working all the time while caring for small children. And more and more, my kids were becoming a distraction at my second job. Financially, we were barely scraping by. It didn't work for me, for my kids, or my employer. Trying to "make it work" just wasn't working. Like many desperate families, I was forced to rely on unregulated care from someone in my neighborhood.

It was terrifying. I worried about my kids every day. The woman who watched them was watching many more children than one person can handle. She was the only option for so many parents. A neighbor told me she saw my three-year-old daughter nearly get hit by a car because no one was watching her and she ran into the street. There are no words to describe what it feels like to hear that. I pulled my kids from her care, and I vowed to never put my children in unlicensed care again.

Ultimately, I had to leave both jobs in search of higher-paying work that would allow me to cover the cost of child care. Finding a job like that was nearly impossible without more education, as was job searching with two children, and one being a toddler in my home. It was a Catch-22: In order to attend interviews, I needed someone to help care for my children, but without a job, I couldn't afford the child care I needed in the first place.

It is disgusting that families can be forced to compromise safety and quality when it comes to child care. We all want our children to be in safe environments where they are learning and growing, and where they get personalized attention from well-paid and well-trained staff. But for families like mine, often that's out of reach. That endangers not just the health and safety, but also the healthy development of children. We need bold solutions to change that.

Leaving that unlicensed care left me with really limited options. During that very vulnerable time, I found myself in an abusive relationship. I tried so hard to make it on my own and could not do it no matter how hard I tried and here came a man that promised to help me. He saw my vulnerability and he was even introduced to me through my desperation of finding childcare. Had I never struggled with childcare, I never would have met him. It was difficult to escape, in

part because I could not support myself and my kids -- and I knew I could not pay for child care on my own.

During the relationship, one thing that was held over me was the inability to make it work on my own. I was mocked because I was a woman that had a Bachelors degree, well educated but made less than a man with no education who worked on labor jobs that I could not obtain. The power dynamics were unfair and my struggles as a woman were used as a symbol of my weakness. And, I did feel weak, with no options, no value in life, and I was miserable.

An additional child later, when the relationship ended, I couldn't afford housing or childcare. But I was determined to try and fight again. I was offered a job that would have totally changed our situation: a well-paying management position. But in order to take it, I would need child care for my son, who was an infant at the time. For once, with my new salary, I thought I would be able to cover the cost of child care, even though it would eat up a huge portion of my paycheck.

I called a child care resource hotline and with their help, I contacted every licensed child care center in three counties. Not a single provider had a spot available and none expected to have one open any time soon. I was heartbroken. Once again, child care was the barrier that prevented my family from getting the financial security we needed. The long waitlist continues and some wait for 2 ½ years or more before being accepted, some never.

I was forced to turn down the job, and we lost our housing. Over the course of my kids' lives, we've spent time in shelters, and we've spent time living with friends. Moving my older kids around to different housing meant uprooting them from the schools and Head Start programs they loved. Head Start is a difficult program to get into, so it means that you lose it and have to start over on a waitlist each new location you move to.

Living in a shelter, I was at the end of my rope. It was around this time that I decided to go to law school. I wanted a higher-paying career so my children and I didn't have so much instability. I did not want to keep being so vulnerable as a woman. And law and policy had always been a passion of mine: I saw firsthand how women like me suffer when policies don't account for our experiences, and I wanted to use my degree to make a difference. My kids and I were living in a shelter when I was accepted into law school.

Again, child care was an issue. Even though I was in school, in order to qualify for a child care subsidy, I had to be working full time. So I worked in order to have child care during the day. I often got about three hours of sleep while in law school. No one should have to do that. This prevented me from getting the grades I knew I could get. I couldn't participate as my peers and put me at a huge disadvantage.

My last year of law school I struggled to make childcare work and the community childcare program at El Centro de la Raza allowed me to pay a discounted rate and somehow by a miracle made it work because they wanted to see me graduate from law school to help the

community. Again lucky! Eventually I graduated and now I'm making higher wages than ever before. Yes school was worth it!

Still, I struggle with my student loans. I pay for a preschool program for my now four-year-old, and I am lucky because I received a discount for before and after school childcare rate for my children, thanks to my St. Therese family. I often have to work weekends and evenings, especially if I am planning to be successful in my career. This is extremely difficult. It means that I have to leave work around 3 pm to pick up kids from work to take them to another babysitter and then drive back to work to continue to work in the evenings. This means I waste about an hour or more battling through traffic to transfer them to a daycare. I have to find many daycare providers and pay all kinds of prices depending on who it is and what I can find. A dance that so many have to play.

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I have dealt with this for 14 years now and my mother struggled because of child care back when I was a child.

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The child care crisis harms everyone, but it especially harms women. I believe it's a huge contributor to the pay gap and the glass ceiling. In order to climb the ladder at many jobs, you need to be willing to work late into the evening or come in on weekends but often, child care centers aren't open during those hours. I struggled with that personally when I worked in sales and needed to work in the evenings and still struggle with it today.

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When you are discussing policy solutions to the child care crisis, I hope you will remember my story and support bold solutions. We need to tackle all aspects of this issue, from availability to affordability to staff training. Every family should have access to the high-quality child care they need to thrive. We talk about the importance of life, why are we not caring about the children that come into this life. We have an obligation to protect the most vulnerable. Further, protecting our vulnerable and making sure that children and families can thrive only helps our economy and the stability of the workforce. Thank you.

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February 18, 2020

Dear Chairman Sablan:

Thank you for the courtesy that was extended during my appearance as a witness at the February 6, 2020, hearing on child care. I respectfully request the opportunity to make the following minor typographical, grammatical or technical corrections in my original 5-page written testimony, provided two days in advance of the hearing. Changes are reflected in the bullets below in purple highlight:

- First paragraph, second-to-last sentence, my children are "fourteen, eight, and four"
- Fifth paragraph, second sentence should read: Looking into Jasmine's eyes as a baby, I knew I had to give her a better future I knew.
- Eighth paragraph should begin: The community college I attended had child care..."
- Ninth paragraph should include a period at the end of child care program: A year-and-a-half after I put my name on the waitlist, a spot finally opened up for my school's child care program
- Twenty-first paragraph, third sentence should read: The power dynamics were unfair and my struggles as a woman...
- Twenty-eighth paragraph, first sentence should read: Still, I struggle with my student loans. I pay for a preschool program for my now four-year-old, and I am lucky because I received a discount for before and after school child care rate for my children, thank to my St. Therese family."
- Twenty-ninth paragraph should begin: "crazy..."
- Thirtieth paragraph, second sentence should read: "The teachers and staff at St. Therese..."

- Thirty-ninth paragraph, second-to-last sentence should read:
"Further, protecting our vulnerable and making sure that children and families can thrive only **helps**"

For ease of reference, the above corrections are shown in the additional attachment ("Attachment A") that is labeled "Redline Showing Requested Corrections." Also attached is a clean version of my written testimony incorporating the above corrections ("Attachment B").

Very truly yours,

Angélica María González

Chairman SABLÁN. Thank you, Ms. González. Thank you, everyone. Under Committee Rule 8(a), we will now question the witnesses under the 5-minute rule. As the chair I will start and will be followed by the Ranking Member. We will then alternate between parties.

So, I now recognize myself for 5 minutes.

Let me start with Dr. Morrissey. A recent article from The Atlantic, that I would like to introduce into the record without objection, suggests that child care quality around the country varies widely. So, what does quality child care look like? How would a parent go into a child care setting and identify whether it is high-quality?

Ms. MORRISSEY. Sure. Child care quality is really about the relationship between a child and the adults caring for that child. And so, parents would want to look for adult engagement, they would want to look for warmth and responsiveness to a child who is having a tough day. They could also look for developmentally appropriate toys and curricula, but it is really—the key ingredient to quality is that caregiver-child relationship. Parents, as proxies, could look for licensure. It doesn't guarantee quality, but it means that the program is adhering to health and safety standards, which is incredibly important.

Beyond that, what I did and what I would recommend, is asking about worker wages and compensation, because we know that higher paid workers provide higher quality care. Those with sick time, paid vacation, they are able to stay in their positions and we know that consistent, stable care is very important.

Chairman SABLÁN. Happy care givers, happy children I would suppose.

So, what effects does the lack of high-quality child care have for children, communities, and our country?

Ms. MORRISSEY. It is a lost opportunity on multiple levels. But when children are in settings that aren't safe, that is obviously problematic. But when they are in settings without these warm responsive caregivers—maybe a caregiver has too many children in her or his care, there is not developmentally enriching experiences, the interactions—language rich environments are very important—that child—we know that the brain development in the first 3 years in particular is very, very important, and children's brain develops from the experiences in his or her environment. And enrich-

ing experience is key. And so, without that, there is harm. That child does not live up to his or her potential in terms of developing language and cognitive skills. And we know that disparities by income, race, and ethnicity emerge very, very early.

Chairman SABLAN. Thank you. I will have questions submitted for the record and ask that some of you who I don't ask your questions to, or other members, we would like to please receive a response to those questions.

Thank you, Dr. Morrissey.

Ms. González, thank you so much for sharing your experience with us. There must have been moments where it would have been great to be a fly on the wall in your home.

I find it deeply frustrating that we are asking parents like you to persevere through so much and for so long, all because policy makers have not yet solved the child care access and affordability problems that continue to hold so many parents back.

Well, I have limited time and I have other questions, so can you please tell us what, if anything, you have seen change in terms of the availability and quality of child care between when you had your oldest child, who is 14, to when you had your youngest?

Ms. GONZÁLEZ. Honestly, I have not seen anything change. And that is very disappointing. I have gone back to the community colleges and let me tell you what I have seen, I see more mothers going to school, trying to seek an education, and I see the gap growing, the issue growing.

Chairman SABLAN. So how does that compare to what you recall the challenges your mother faced finding reliable care when you were a child?

Ms. GONZÁLEZ. Yeah, my mom faced the same thing and she also had to rely on unregulated unlicensed care. And so, like some of the witnesses today were testifying is that we have a bunch of gaps. And even the subsidy only cover very few individuals. And it is just growing. Parents are in the workforce. Two parent households can't make it only one parent working. Two parents have to work nowadays with the costs.

Chairman SABLAN. Yeah, thank you. My time is up. I will submit—like I said, I will have questions for some of you, so please respond to those in writing.

I now recognize the ranking member for the purpose of questioning the witnesses. Mr. Allen, please.

Mr. ALLEN. Thank you, Mr. Chairman. Again, thank all of you for being here.

And, you know, I will tell you, I had four kids and I took my wife and I both, and she didn't work, so I—well, I say she didn't work, she worked. She taught piano in the home, which worked out great, and directed choirs at church. But still I don't know how in the world you are doing what you are doing. I just don't know how you do it.

But, anyway, Ms. Smith, thank you for being here today. And I just want to ask about the Preschool Development Grants. We significantly reformed that program when we passed Every Student Succeeds Act to help states assess their early childhood care needs. We are a few years into this now and I am hoping you can give me an idea on how that reformed program is working, what have

states learned, and whether we have seen any changes in addressing the child care needs in the states as a result of these grants and this investment.

Ms. SMITH. I think this is one of the most important investments that Congress has made recently in early childhood. It has really spurred the states on to look objectively at what is going on in their states. All of the reports to date suggest that states have a much better understanding of the need in their states, in their communities. And they are out talking to parents a lot more. I think in most states I have heard they have had many initiatives to really begin the conversation of what parents really want and need.

So, I think that the Preschool Development Grants have done amazing things to help states look at their systems and bring these funding streams together in a meaningful way.

Mr. ALLEN. And you discussed one pillar of reform needs to be to identify parent needs and preferences, to take them seriously. What do you mean when you add “and take them seriously”? In other words, why is it important to listen to the parents and to their needs and that feedback to go to the funding sources to say, hey, we need to fix this?

Ms. SMITH. Well, I think that the first thing that I would say is that, you know, parents know their children best. And they know what kind of setting their children should be in. And when I said in my testimony that what works well for home and when, I think younger children sometimes are better off in, for example, the setting described by Miss Harvey, in a home-based setting where it is smaller in its group size. And as children get older, they tend to want more—the parents want more socialization. I think it is important that we think about what parents know about their children and listen to them and design a system that meets those needs, not just the needs that are perceived out there by others, you know, when they look down and think about whether it is center based or home based. I think there is a big emphasis in this country on center-based care to the detriment of family child care these days. And we are losing family child care providers. That is an important component and it is one that parents—

Mr. ALLEN. Is that because of regulations?

Ms. SMITH. Some of it is—I don’t think it is regulations, I think it is really a couple of things going on out there that older people are aging out of our system and it is not an attractive thing for younger people.

Mr. ALLEN. Gotcha.

Ms. SMITH. I do think that getting back to the issue of cost, how many children can you take care of reasonably and still make any money. And I think that was to Ms. Harvey’s points that she was making.

So, I think we really need to look at the system and how we support all of the components. There is a place for a number of options for parents. And if we don’t start listening to them, I think we are headed down the wrong path.

Mr. ALLEN. Mm-hmm. You made reference that families should spend no more than 7 percent of their total income on child care.

Where do you get those numbers and how did you—how accurate is that?

Ms. SMITH. Well, I don't think that was in my testimony, so I—

Mr. ALLEN. Oh, okay.

Ms. SMITH. Seven percent I do think is being misinterpreted in this country.

Mr. ALLEN. Yeah.

Ms. SMITH. Seven percent, when the child care regulations were written, the seven percent was set at the benchmark for the child care for states in setting their co-pays for the child care subsidy program. And I think over time it has grown into seeming to be just a guidance on how much parents should pay. So, it really was not intended to be that. I think if we are going to look at what parents can afford to pay; we need to dig deeper into some of these issues of both cost and affordability. And I don't think it is as simple as a flat percentage.

Mr. ALLEN. Okay. Thank you. And I am out of time and I yield back.

Thank you very much.

Chairman SABLON. Thank you very much, Mr. Allen.

And I now recognize Ms. Schrier, the distinguished lady from Washington State, for 5 minutes.

Ms. SCHRIER. Thank you, Mr. Chairman.

Ms. González, first of all, welcome. Thank you to all of our witnesses. Your story was so incredibly impactful, and I think will stay with all of us as we consider child care going forward.

I want to congratulate you on getting your associates, your BA, your JD, and then I just also wanted to just do a shout out for Green River College. That happens to be in my district. I know you were on a very long wait list to get child care on campus. I am glad that it did at least provide some of the care. And I think you drive home why I partnered with Representative Clark to continue to advocate for increases to CCAMPUS, which funds child care on campus. So, thank you.

I wanted to just ask you first, the 7 percent number which is batted around. We have been talking about that, presidential candidates have been talking about that. What difference would it have made in your life if your child care costs, provided you could find a place—I know those were also struggles—if your costs were capped at 7 percent of your income?

Ms. GONZÁLEZ. It would have made child care more affordable. But right now, what is going on in America is child care is more expensive than rent, it is more expensive than college education. And people are struggling to even afford college, so how can we afford child care?

Ms. SCHRIER. I also have a question—maybe Ms. Smith, this would be a good one for you—we are trying to balance how much the government spends for child care and also what private businesses could do. Like Starbucks, for example, in Washington State provides some child care. How do you strike the right balance and incentivize businesses to invest in child care for their workers?

Ms. SMITH. Well, I think that depends on the size of the business. One of the things that we are coming to understand, bigger business can do more than small and medium-sized businesses.

And I think we can't paint businesses with the same brush as we try to do families. I think we need different incentives for smaller and medium businesses than larger. In the case of small and medium-sized businesses, in the conversations that we have been having with them, there are things like co-ops that they can come together and create a child care program that meets several businesses' needs. We have heard that. There are things that we can learn from businesses. And that is why I say in my testimony that we do need to engage businesses, but in a meaningful conversation about how to meet need.

Ms. SCHRIER. Speaking of a co-op—I am going a little off script here—when my child was young, we did a co-op preschool. I just thought it was a nice way for parents to be involved and children to be involved. It was not full day; it was just part of the day. So, I did it on my day off from work. But I wonder, as you talk about a co-op with businesses, if anybody has thought about a possible situation where you could have women—because it mostly affects women—working a four day week and the fifth day is spent at the, you know, kind of co-op child care center. They spend the whole day there; their child gets a break on the cost. And if the parent's kind of rotate, you get consistent people in the day care system. They can get trained on the job, like an apprenticeship program. Has anybody kind of imagined a system like that?

Ms. SMITH. I don't think that I have heard of that. Although, just to the point, I was visiting the Flathead Indian Reservation, where I am from actually, a few weeks ago and the Tribe has actually gone to exactly what you describe, 4 10 hour days with the child care program that I visited being open on the fifth day. And there was more parent participation in that program. So, it is kind of an interesting theory, but I don't know of anything on a grand scale anywhere that is being looked at.

Ms. SCHRIER. And then I had another question. Just from any of you, biggest misconceptions around the child care crisis in this country that we should be addressing from Congress?

Ms. HARVEY. I think what is important that I want to emphasize here as an in-home child care provider is the fact that many of our staff workers they themselves are in poverty. And that just really does not seem like a fair system. We are actually keeping America working, but yet ourselves we fall short and are struggling to pay our own bills.

So, I would like to leave Congress with that, that we must pull together collectively and find a solution to solve that.

Ms. SCHRIER. Let me ask you another question about that. More and more early childhood education systems—and I am almost out of time—are requiring a BA, for example, in early childhood education when we just heard that sometimes what you really need is a loving play-based place to be. It is unreasonable and then does it put upward price pressure?

Ms. HARVEY. Yes, it does, absolutely. I was fortunate that my union provided an 18-month co-op where 30 child care providers in Alameda County, we all pulled together and we were able to take classes. And this was, like I said, under the umbrella of our union. And we were taught by college professors. This just happened sev-

eral months ago, and we ended up with the child care permit that was really, you know—

Chairman SABLAN. I hate to do this, but her time is up and—

Ms. SCHRIER. I apologize for that.

Chairman SABLAN. I need to be fair to everyone.

Ms. Harvey, thank you. Thank you, Ms. Schrier.

Mr. Keller, you are recognized for 5 minutes, sir.

Mr. KELLER. Thank you, Mr. Chairman. And I want to thank the panel for being here today to discuss our children and early childhood care and supporting the parents and the entire family, and how it affects our economy.

Ms. Smith, a couple of things I guess I would just like to ask. In your testimony you referenced the Federal Government and how we cannot dictate how a family should choose to care for their children. What makes you say that? Are there proposals that have been offered that could lead to this? And if so, what are some of the important factors we should avoid? And what should we consider to avoid limiting parents, you know, in their options they have for their kids?

Ms. SMITH. Well, I think that as I said earlier, I think that parents know their children best and that all children don't fit in any one particular setting. And I go back to my own experience. When my children were young, I was running a child care center at the time for the Air Force and my own child was in a family child care home because I knew my child and she fit better in—her temperament fit better in that family child care home.

So I think that what I am concerned about—and I think in part to answer the question that was asked just now, what is the biggest misconception about our child care system right now, is that it is pretty much built around a 9:00 to 5:00 schedule in this country and most of our workforce doesn't work that way anymore. So, I think what we have got to rethink is giving parents the flexibility to have multiple options that meet their work schedules and that do not assume that everything has to be in a child care center.

And I think a lot of our policies, while they are not directly—a lot of the proposals are not directly saying child care centers, they lean heavily towards that type of a setting. And I would suggest that we need to keep our options open and we need to especially look at home-based care. Rural America, you know, in certain parts of this country, it is the only option.

Mr. KELLER. Yeah, I am familiar with that. Personal experience, when my children were young, my wife and I both worked and, you know, we started at 6:00 o'clock in the morning so we had to make sure options were available. And I think it is very important to make sure that families—as each child is individual. You know, you can have two children raised in the same house and, you know, people will say well we raised them in the same house, raised them in the same way, but they are not the same. Everybody is an individual and I think—so you think that more options allowing for an individual tailor plan for a family because all families are not the same, would be our best option?

Ms. SMITH. I do. I absolutely do.

The other thing I think that, you know, we need to think about in a system—if we re-imagine a system, that we have a lot of pro-

grams that run part day, part year in our country right now and they don't meet the needs of working families. And so, you know, parents who want to put their child in say a state pre-K program don't have the option if they don't have transportation while they are working.

And so, I think we need to think seriously about how we build a system that looks at our families and goes—again, going back to what parents in this country need right now.

Mr. KELLER. Okay. Thank you. I appreciate that.

And I yield back.

Chairman SABLON. The gentleman yields back. Thank you.

I now recognize Ms. Hayes for 5 minutes.

Ms. HAYES. Thank you, Mr. Chair.

Ms. Gonzales, we all heard your testimony. I want you to know that your story is my story. And the only difference is that I had my grandmother, who was a saving grace. But everything that you described has been my experience. And, unfortunately, the research shows that unlicensed care is often the only affordable care or available option for many low-income families.

I have to ask you, what was the longest waiting list that you were on while you waited for child care?

Ms. GONZÁLEZ. In my whole 14 years of child care experience, the longest waiting list was 2 1/2 years.

Ms. HAYES. That is what I anticipated you would say. And generally, 2 1/2 years later is 2 1/2 years too late.

My staff conducted a survey last year and the longest wait list for child care in my district is 3 years, so about the same. Forty-four percent of the people in my state live in child care deserts and communities that lacked any child care providers, and in child care deserts or communities that lacked any providers or providers with openings. While these deserts exist all across my district, what we found was that communities of color and low-income communities were the spots where it was the most difficult to find child care. And the average cost of care for a family with two children was about \$27,000 a year.

Dr. Morrissey, I would like to turn my attention to you. As an educator, I am interested in discussing how these child care deserts, high costs, and lack of availability can further entrench the achievement gaps, many of which we heard Ms. Harvey talk about. Does your research show about the emergence of racial and income achievement gaps? And at which stage do these gaps generally happen?

Ms. MORRISSEY. We certainly know that the achievement gap emerges early, well before kindergarten. And there is some research showing that there are differences in children's cognitive scores as early as 9 months, by their family income and by their parents' educational attainment. So, kindergarten is much too late I think for—it is not too late, I shouldn't say that—in terms of intervening, but we think more effective solutions would be to promote children's development much early.

We know that low-income children are much less likely to attend preschool, we know that higher income families are spending more and more money very early in their child's lives. They are choosing to enroll children in center-based care at earlier and younger ages,

whereas low-income families don't have that choice, often the options aren't there. We know there are differences in preschool participation across rural and urban communities as well. And so, the lack of availability kind of cascade and lead to gaps in achievement which are present at kindergarten and are very hard to narrow at that point, certainly not impossible, but it is quite hard.

Ms. HAYES. This is completely not research based, but my own personal experiences. I was a high school teacher for 14 years and you could tell which students, even at the high school level, were enrolled in early childhood education programs. Whether it was their reading skills, their language skills, their social skills, you could always tell which children had access to early childhood education, even sometimes 14 or 15 years later.

Do you think that our current childcare system, in which access to quality care is largely predicated on a parent's income, lends itself to narrowing or closing the achievement gap?

Ms. MORRISSEY. I think our current system, which we rely on parents to pay their own way, exacerbates inequality and the achievement gap. We have parents who can afford it, investing in their young children's education, and parents who can't, simply not having that option.

Ms. HAYES. Thank you. I just want to close by noting that under the Child Care for Working Families Act, 89,000 children in my district will be eligible for child care assistance, and the typical family in Connecticut's fifth district would pay about \$44 a week for child care. That assistance, that difference is life changing.

Ms. GONZÁLEZ. I don't know if this is your story, but I was the first in my family to graduate from college. And now, in the space of 7 years, I am a second-generation college educated family, because I passed that on to my daughter. So, when we are talking about closing these gaps, if we have the ability to show our children at a very young age that this is possible and what it looks like, it reduces the likelihood that our children will experience those same things.

Ms. GONZÁLEZ. I agree.

Chairman SABLÁN. Thank you.

Ms. HAYES. Mr. Chair, I yield back.

Chairman SABLÁN. Thank you, Ms. Hayes.

I would now like to recognize Dr. Shalala for 5 minutes please.

Ms. SHALALA. Thank you very much, Mr. Chairman.

Mr. Allen, I don't disagree with you about the fragmentation of the child care system.

Mr. Chairman, I would like to submit for the record a report. "It is About Time: Parents Who Work Nonstandard Hours Face Child Care Challenges". And also "The Grand Plan" to hear from grandparents who provide child care.

In my district, which is—

Chairman SABLÁN. Without objection.

Ms. SHALALA. Thank you.

In my district, which is over 70 percent Hispanic, grandparents play a significant role in providing child care, or another family member. And, therefore, I have always, for years, been interested in better support services for family child care.

But Ms. Henry made a very important point, and that is the people that work in family child care are getting minimum wage for the most part. And in my district, a lot of the family child care people have complained to me that too much of the money goes to administrative costs in sending them the money as opposed—and even when there are increases, those workers don't get those increases.

So listening to Mr. Allen, I have a much more fundamental question to ask each of you, and that is we spent decades—and I was responsible for the early Head Start program, as Ms. Smith knows—we spent decades filling in the gaps. And, in fact, the military taught us something very important, and that is they didn't fill in the gaps. They fundamentally rethought their child care system and invested whatever money was necessary, facilities, the quality of the workers. My long-term interest is in quality child care. I am very flexible about where we provide it because I do think that parents, they work different hours but more importantly, they live in different places, they have different ethnic backgrounds.

Should we continue to fill in the gaps or should we rethink the entire system given the resources that we are now spending on child care?

Let me start with Dr. Morrissey.

Ms. MORRISSEY. Sure. I—

Ms. SHALALA. And by the way, you should speak to the chairman of the committee, Mr. Scott, who is sitting over here, because both he and the chairman of this committee have an opportunity to answer your question—my question for you.

Ms. MORRISSEY. I think we are at a moment where families are struggling so much to pay for child care. And they have for decades. But we have—we can think more about bold solutions, about investing more. Our programs right now, Head Start and CCDBG being the largest ones, are the most funded and still reach only fractions of people eligible. And CCDBG subsidies do provide choice for parents if parents want to use home-based care. Particularly for infants and toddlers many families do choose that, and others choose center and preschool.

Ms. SHALALA. But it has had a mixed record in terms of quality.

Ms. MORRISSEY. Right.

Ms. SHALALA. Depending on what state you are in.

Ms. MORRISSEY. So, I think it has two problems. One, it doesn't serve enough families and, second, the reimbursement rates are too low to provide quality. Child care providers are operating on a shoe string budget and they simply can't with the reimbursement rates pay staff adequately. They can't buy clothes and food and supplies.

Ms. SHALALA. Ms. Harvey?

Ms. HARVEY. Yes, to answer your question, yes, we need to revamp the system. It is a crisis. What we are currently doing clearly is not working. And so, as an in-home child care provider, as I stated in my testimony, I am only required to have one additional assistant, I have four. Now, I have four because I want my quality to be a high-quality child care, meaning that children get the appropriate time and opportunity to have a good adult-child inter-

action every day so that we can meet all the needs that the children bring to us.

Ms. SHALALA. Thank you. Dr. Smith?

Ms. SMITH. I do think it is time to rethink the system. And I want to go back and just quickly say that one of the reasons that we were successful in the military was is that we decided early on we had to fix it all, that putting a band aid on one piece of it was not going to get us anywhere. And I think right now in this country that is where we are. Are we going to band aid this again or are we going to take this on and figure out how to do this system in a way that makes sense to parents?

Ms. SHALALA. To every parent.

Ms. SMITH. Every parent, yes. I—

Ms. SHALALA. Thank you.

Miss González?

Ms. GONZÁLEZ. Yes, I agree, we need bold solutions and to rethink the system, not just filling in gaps.

Ms. SHALALA. Thank you.

My point, Mr. Chairman, for my last 4 seconds, is we have talked about who gets the child care, whether they should have flexibility, but we should not separate the finance issue from the quality issue.

Chairman SABLAN. Yes.

Ms. SHALALA. That in the process of rethinking, what all of our people who have testified—have talked about quality as well.

Chairman SABLAN. Right. And in preparing for this hearing also I mean I just was—I have my own thoughts, profound thoughts about how important this matter is. I mean there are other equally important matters before the committee, but this in itself is one of the best investments we could do for our people, for our future actually and our economy. And that is why I mention—at this point I would like to recognize the ranking member of the full committee, Dr. Foxx, for 5 minutes.

Mrs. FOXX. Thank you, Mr. Sablan. I thank the witnesses for being here today.

Ms. Smith, you have a lot of experience in the child care field and we are grateful you are here. And you have been talking about bold reform in the system. When I think about bold reforms I think about looking at all the evidence, determining what is still needed versus what is no longer needed, and as you all have just been saying, rebuilding a new system that provides solutions to the current problems that exist.

Within the child care field we must first understand what role the Federal Government plays in the space now, how the states have stepped up to do more, and the market of options available to help us rebuild the system. Can we do all that if we simply take each program in isolation rather than looking at the Federal involvement in early childhood care in total?

Ms. SMITH. Excuse me, I think the answer to that is absolutely not. I don't think that we can get anywhere with just taking one program and looking at it. I think we have spent a lot of time in this country layering programs one on another. Sometimes they continue on beyond their usefulness in this country. And I think it is really time to think seriously about the big ones. I think Dr.

Morrissey said something about child care and Head Start being the big funding streams. I would say that TANF—there are a lot of TANF dollars going into child care, there is CACFP, the Child and Adult Care Food Program, dollars going in. There are a number of programs that if we were to look at these and be more efficient, we could build a system that would work for our families in a much better way.

Mrs. FOXX. Thank you.

And I know this was discussed a little, Ms. Smith, but I would like to ask more about business involvement. You discussed the need for business and philanthropic involvement. So, what more can or should the business community be doing? How can state, local, and even Federal Government help make it easier for the business community to get involved and help provide or support the high-quality child care parents are looking for?

Ms. SMITH. Well, I do think that the number one thing we need to do is start talking to business, like we need to talk to parents; what is it that businesses need and want. We have been going out and doing business roundtables around the country. And I think, as I said earlier, the needs of small and medium-sized businesses are different than large ones.

The other piece that I would suggest is a real issue is that we too frequently go to them and ask them to do it. And child care is not most companies' line of work. So how do we bring businesses together to support child care and get us where we need to go, and give them incentives to do more, but not ask them to do it. Because I think that is a struggle for a lot of businesses, especially small ones.

Mrs. FOXX. Well, I would be remiss if I didn't talk about the GAO report that highlights significant fraud risk in the Head Start program. I have asked Chairman Scott to hold a hearing on those findings, but until that happens I am going to use this opportunity to discuss those concerns.

A large part of the potential fraud noted by GAO was due to a lack of proper quality control measures, such as better monitoring and fraud risk assessment. In the undercover test it was a worker who doctored an application to exclude income, and in another two cases the Head Start staffer purposely ignored eligibility documentation of an applicant.

I think this is just another example of why we need to take a comprehensive look at how we are using hard working taxpayer funds to support the programs.

My colleagues tend to dig in to protect each program, but this report and this hearing give us a chance to highlight the need for comprehensive reform that includes careful attention to prevent fraud, to avoid programs that encourage fraud, and to support programs that help American families go to work knowing their children are in the best care environment for them.

With that I ask to submit the GAO report "Head Start: Action Needed to Enhance Program Oversight and Mitigate Significant Fraud and Improper Payment Risk" into the hearing record. I also would like to submit another GAO report that looks at support for child care, "Child Care and Early Education: Most States Offer

Preschool Programs and Rely on Multiple Funding Sources”, Mr. Chairman.

I will make one more quick comment about the last comment you made, Ms. Smith. What we are seeing in the field of education I think is what we are going to see in the field of child care too. Finally, business and industry is beginning to understand it has a vested interest in what happens in education. And if they don’t step up to help design what is going on in education, they are going to continue to get crappy results from the education system. If they don’t do the same thing with child care, they will see that it is affecting them and their bottom line. So, it is in their vested interest to do something about it.

Thank you, Mr. Chairman. I yield back.

Mrs. FOX.

Chairman SABLON. Thank you. Thank you, Dr. Fox.

I would like to now recognize the chairman of the full committee, Mr. Scott, for 5 minutes.

Mr. SCOTT. Thank you.

Ms. Smith, in December of 2017 you authored a brief highlighting the government’s under investment in children, and your conclusion was that while states and localities are directing substantial resources to education, and while the Federal Government makes important contributions to healthcare and nutrition assistance to low-income families, a large resource gap remains, particularly with respect to child care and early learning for young children. Is that still the case? And, if so, exactly what resource gaps do we need to fill?

Ms. SMITH. I am blanking on the article that you are referring to, but I would say that yes, it does. I think everyone here on this panel has suggested that early childhood is under-resourced. But I think before we move forward in terms of resourcing these programs, we need to rethink how they are being delivered right now. And is the money that we are putting into programs enough and aligned well enough that we are getting the most bang for the buck. Whether it is Federal, state, or local, I think we have got to take a look at these things. When we have programs, part day programs, full day programs, programs here and there, the efficiency is just not there.

And I think to be, you know, totally honest, before we would move forward, we need to figure this out about what are we getting for our current investments.

Mr. SCOTT. Are you suggesting more uniformity on how the services are provided? That is, everybody ought to get access to full-time care and not the kind of hodgepodge of some half day and some education, some not education?

Ms. SMITH. Well, I think that for some half day care works. I mean there are families who use, for example, state part day pre-K programs and work their schedules around that. But for the bulk of American families, that does not work. And so, I think as we think forward, that is why I keep saying we need to think about what works for whom and when, because some families can make part day programs work, some families need 24-hour care in this country. And I think before we move too far forward, we need to

recognize the needs as they exist in the current workforce and to support our businesses.

Mr. SCOTT. For those that need full day, 8 hour or so care, is it possible to provide that so that the parents can pay the fee—is it reasonable to expect parents to be able to afford that kind of service?

Ms. SMITH. Well, I think you have heard today that it depends. And I think, as I said in my testimony, we need to start with the families who need it the most and make sure that they have access and work our way up on the system. I think that, you know, there are families that can afford it, there are a lot of families who can't. And I would suggest that most of the working parents in this country are going to need some type of support.

Mr. SCOTT. What is the normal ratio between staff and children in these programs, Ms. Smith?

Ms. SMITH. Depends on the age of the child, but for infants and toddlers in this country, it is generally one to four, one adult for every four children. That is extremely labor intensive and expensive to produce, I am sure, as Ms. Harvey can attest to better than I can. So, I think the ratios change as the children get older and it is definitely easier to care for.

Mr. SCOTT. And at one to four, that would mean each parent would have to cover about 25 percent of the cost. And so, if the parent is median income and you expect to pay staff median income, you would be talking not 7 percent but 25 percent of the income just to cover the cost of the staff expense.

What level of salary should day care workers be getting? Should it be half or a third of median wage, median wage? Where should we be aiming to get quality services? Anybody want to answer? Dr. Morrissey?

Ms. MORRISSEY. I think child care workers should be paid commensurate with their educational attainment and their skills and experience. And we know that is certainly not the case, that kindergarten and K through 12 educators are paid much more relative to child care providers, yet they are doing the same work in educating our youngest, most impressionable children.

Mr. SCOTT. So, I think we can conclude that this thing won't work without significant Federal—some kind of subsidies. And that is what we have to figure out how to—as Ms. Smith has suggested—how to get the best bang for our buck. But we are not going to be able to do this without significant Federal support.

Thank you, Mr. Chairman.

Chairman SABLAN. The gentleman's time is expired.

Now I would like to recognize the gentleman from Wisconsin, Mr. Grothman, for 5 minutes please.

Mr. GROTHMAN. This question is for Ms. Smith. According to a 2019 report from Child Care Aware of America, Winnebago County, which is largely located in my district, is one of the least affordable counties in Wisconsin for center based infant child care for children under the age of 4. So unaffordable that for a two parent household they would have to spend 14 percent of their income for just 1 child. And for a single parent it would be even more burdensome.

Why is the cost of infant child care so high? Is there anything we can do to address the cost?

Ms. SMITH. Well, I think back to the issue of ratios that we were just talking about, that is the cost driver in infant care. So, if you have a ratio of one to four children, that is going to be more expensive than children older with a ratio of say one to ten or twelve. I think that is where we need to focus our attention. Infant and toddler care in this country is a crisis for almost every American family. And so, it gets back to where do we put our resources, especially when they are scarce. And I think we are going to have to think this thing through as we talk about a more systematic approach to this issue.

Mr. GROTHMAN. Okay. Is there a difference you see overall between rural and urban areas? If we want to generalize.

Ms. SMITH. Absolutely. And I do think that—I come from a rural area of Montana and I do understand the challenges in rural America. And I do think we need to, again, getting back to thinking about options for families, think about family child care and other options in small rural parts of our country.

Mr. GROTHMAN. Could you elaborate on family child care a little bit?

Ms. SMITH. I am sorry, what?

Mr. GROTHMAN. Elaborate on family child care.

Ms. SMITH. Family child care is essentially home-based care. It is in the care of a provider and the ratios are smaller, not smaller in terms of the numbers of children, but just group size is smaller in a home. For infants and toddlers, a lot of families prefer that. When we go out and talk to parents around the country, the first thing they are looking for—and I think both of these women on either side of me would say the same thing—they are looking for a home like environment for their children where they trust the provider and the provider is loving and cares for their children.

Mr. GROTHMAN. Is that a more reasonable cost?

Ms. SMITH. I don't know that it is a cost issue as much as it is an availability issue. And we have lost family child care providers across this country in significant numbers recently. Somewhat as we said earlier because people are aging out of family child care.

Mr. GROTHMAN. Wow. I am just making an assumption. Maybe I am wrong here. You can tell me if I am wrong. I would say if I am providing child care in my house I don't have to rent a brick and mortar place to provide the child care. So, one would assume that it might be easier, you could charge less for these not charge more if I am going to be offering child care out of my house? Is that true?

Ms. SMITH. Well, I think there are offsets because there are some things that are less expensive, and certainly brick and mortar is one of them. But I would also say that the length of the day in family child care homes is longer, that family child care providers generally—and I would defer to Ms. Harvey on this one—work 10 or 12 hours a day. So, I think that there are pros and cons when it comes to the cost issue.

Mr. GROTHMAN. Is there any reason why we can't do it? Is it regulatory? A problem in doing more home center child care?

Ms. SMITH. I don't—I have not heard that it is regulatory in terms of the loss. I think it is more the economy is hot right now

and pretty much you can get a job making a lot more money at McDonalds than you can—

Mr. GROTHMAN. Yeah, when we say we want to bring back home-based child care is there any reason why we can't do that?

Ms. SMITH. No. I think there isn't a reason. I think we just needed to focus on how do we support them, what do we offer them in terms of support systems, backup care for families, how do we support them in terms of their professional development. When they are working 12 hours a day, they cannot get out to get that. So, I think that there are a number of things that we can do. As I said, there is My Village out in Montana and Colorado that are working to support family child care providers in rural parts of our country and helping them with their business model, helping them be more efficient, et cetera.

So, there are a lot of things that we can do if we think about how we focus on these options.

Mr. GROTHMAN. Thank you.

Chairman SABLON. Thank you. Thank you, everyone.

At this time I would like to remind my colleagues that pursuant to committee practice, materials for submission for the hearing record must be submitted to the committee clerk within 14 days following the last day of the hearing, preferably in Microsoft Word format. The materials submitted must address the subject matter of the hearing and only a member of the committee or an invited witness may submit materials for inclusion in the hearing record. Documents are limited to 50 pages each. Documents longer than 50 pages will be incorporated into the record via an internet link that you must provide to the committee clerk within the required timeframe. But please recognize that years from now that link may no longer work.

And now, without objection, I would like to enter into the record a letter from Child Care Aware of America in support the Child Care for Working Families Act as a comprehensive solution to the Nation's child care crisis, a report from the Center for American Progress showing that working families spend on average almost 10 percent of their income on child care, and a report from the U.S. Government Accountability Office showing that in fiscal year 2015, the last year for which data from the GAO are available, only one out of six Federally eligible children received a child care subsidy, a report from the Center for the Study of Child Care Employment at the University of California Berkeley showing that child care providers earn a median of \$10.72 an hour and more than half of child care workers participate in Federal income support programs, a report from the Bipartisan Council for a Strong America showing that the child care crisis has a cost of \$57 a year on the American economy—this must mean \$57 billion a year on the American economy, and a brief written by today's witness, Ms. Smith, Linda Smith, showing that our country is under-investing in young children, particularly when it comes to child care and early learning. That is your brief, right, Ms. Smith?

Ms. SMITH. Yes, sir.

Chairman SABLON. Okay. Again, I want to thank all of you, the witnesses, for your participation today. And what we have heard is very valuable. Members of the committee may have some addi-

tional questions for you, and we ask the witnesses to please respond to those questions in writing. The hearing record will be held open for 14 days in order to receive those responses.

I remind my colleagues that pursuant to committee practice, witness questions for the hearing record must be submitted to the majority committee staff or committee clerk within 7 days and the questions, again, I repeat, must address the subject matter of the hearing.

And I now recognize the distinguished ranking member for his closing statement.

Mr. ALLEN. Thank you, Mr. Chairman. And I would like to thank each of the witnesses again for testifying today and sharing your invaluable perspectives and stories on this growing challenge we have in the workplace. All of us here agree that it is vital to address the problem in our child care system.

First and foremost, we need high quality options for parents and families that meet their unique needs and support children's development in the critical years, those early years of their life. The problem is how do we pay for it. This not only strengthens families, but it offers the opportunity to strengthen our economy and to grow our workforce, which, you know, we have more jobs in this country than we have people looking for jobs, which is great, but we have got to figure out how to deal with these challenges.

In order to make this a reality, we can't continue down the same path we are currently on in this system that is confusing and is nearly impossible to navigate for both parents and providers by simply spending more money to solve the problem. We need to take a fresh look is what I am hearing here today, top down—or bottom up solution, talking to our providers, talking to our parents and their needs. And we need to look at empowering state and local leaders who better know the needs of their communities and encouraging employers in local philanthropies who are looking to help and focus on what works for those most in need. For example, Ms. González, I think you said that there were members of your community that stepped up and helped you. And, you know, that is the American way to do things. And their needs out there. And I think if people know those needs, they will respond to those needs. The American people for the most part are very generous people. And if they know there are needs there, particularly, Ms. González, in your situation, certainly I would think the American people would respond.

But I am glad that we have been able to continue this important conversation and to seek the solutions. And I want to thank you again and thank our chairman for holding this hearing. And hopefully this body can move in a direction that will be appropriate to deal with this, what I see as a bit of a crisis out there in the workplace.

Thank you very much.

Chairman SABLON. Thank you, Mr. Allen. And, again, thank you to our distinguished witnesses for being with us and sharing their thoughts with the committee.

Today the committee certainly heard compelling testimony that our country's child care is in crisis. In preparing for this I went

back and recalled some of my own growing years and I couldn't figure out how my mother was able to raise seven children.

Mr. ALLEN. You turned out okay.

Chairman SABLON. Yes. I like to think so. It wasn't perfect, but I think she did her best.

And as our witnesses confirmed, skyrocketing costs are keeping parents across the country from securing the quality affordable child care they need for their children and families to thrive. Ms. González, now a lawyer, can testify to that herself.

Meanwhile, early childhood educators and child care workers themselves have been left with chronically low wages and little support for professional growth. Together, these challenges are dragging down our economy to the tune of \$57 billion a year. And despite these issues, Federal investment in affordable and quality child care continues to fall woefully short and where states and local governments try to help where they can, as much as they can. And, as a result, we have a system in which only the wealthy have access to quality child care options, while the underserved families are left with few or often simply no affordable options for quality child care. The alternative that Ms. González had or the alternative that I had personally, to get a relative to watch our child when I went out to dinner, is no longer available today as they were.

So regardless of party affiliation, I think this is an American problem, not a Republican or Democratic problem. We should all agree that no parent should have to choose between keeping their job and paying for child care and no child should be denied the opportunity to learn and grow in a quality early learning environment because of their family income. We can and we must significantly increase Federal investments to improve the accessibility and quality of care so that all children and families have the support they need during their critical early years of life. And just as it is a critical early piece of life, I hope that today's hearing is a start also in getting Congress to—this committee and getting the House and the other body of Congress to start move forward legislation to provide some relief to this crisis that we have.

So, I look forward to working with my colleagues to ensure that our country sets all families on a path to a healthy and thriving future.

And if there is—I guess there is no further business. Without objection, the Subcommittee on Early Childhood, Elementary, and Secondary Education stands adjourned. Thank you.

[Additional submissions by Mr. DeSaulnier follow:]

**Solving America's Child Care Crisis:
Supporting Parents, Early Educators, Children, and the Economy**

February 6, 2020

Written Testimony for the Early Childhood, Elementary and Secondary Education
Subcommittee, Committee on Education and Labor

Statement of the Early Care and Education Organizing Network

The ECE Organizing Network¹ is comprised of diverse national organizations across the country united by a commitment to grassroots organizing to expand affordable child care and early education and a shared economic, racial, and gender justice lens in their work. We thank Chairman Sablan, Ranking Member Allen and members of the committee and subcommittee for prioritizing this essential issue.

Our members have come together to develop key principles for solving America's child care crisis that we would like to share with you. The ECE organizing network envisions a world where...

high quality child care and early education for kids ages 0-13, and older children with disabilities - is affordable, accessible, guaranteed to everyone, and prioritized as a public investment, and

families who are marginalized because of class, race, disability, family structure, and/or immigration status are able to access quality, affordable care, and

child care options receive public funding to serve the diverse needs and preferences of families, including culturally- and linguistically-competent care options, home-based care and care during non-standard hours that is available when and where families need it (weekends, after school, nights, when job schedules change, and in areas that are currently childcare deserts), and

early educators are paid, at a minimum, a living wage with benefits, are able to work with dignity, are empowered to use their voice on the job, and able to join a professional

¹ The ECE Network is comprised of 9to5, AFT, CAP, Caring Across Generations, Community Change, Every Child Matters, Family Values @ Work, Jobs with Justice, Labor Project for Working Families, the Main Street Alliance, MomsRising, Parents Together Action, Restaurant Opportunities Centers United, SEIU, United for Respect, UPLAN, Working America and the Women's Economic Justice Project at The Century Foundation. For more information about the ECE Network visit <https://movementforchildcare.org/>

organization like a union; are well-trained and fairly compensated; reflect the diversity of families served, and

early educators who have degrees, credentials, or demonstrated competency levels equivalent with K-12 teachers are compensated at the same level, and

child care policy addresses social justice goals, including addressing historic discrimination based on race, sex, ability, gender identity and sexuality, and

all stakeholders – parents, early educators and other providers – have a real voice and meaningful role in shaping and refining the system, and

public funding expands with need and is inclusive of the above principles.

We ask that any child care policies you consider include these priorities.

Thank you for your consideration.



**Solving America's Child Care Crisis:
Supporting Parents, Children, and the Economy**

February 6, 2020

Written Testimony for the Early Childhood, Elementary and Secondary Education
Subcommittee, Committee on Education and Labor

Statement of Julie Kashen, director, Women's Economic Justice and senior fellow, The
Century Foundation and Levi Bohanan, Policy Entrepreneur, The Next 100

What could be more fundamental to American communities than how we care for our children? Picture the newborn snuggling with her mom. Imagine a baby smiling at his dad for the first time, or the joy when a toddler takes her first steps or says his first word. Think about the power of the love and the bonds that parents have with their children at every age. The collective journey of democracy means we must care for each other, support parents, and support the most vulnerable members of our society, including children. It is immoral to do anything else. Thank you to the subcommittee for prioritizing this issue and ensuring that Congress focuses on ensuring high-quality child care options that don't break the bank, in every community.

Today, too many families cannot find affordable, high quality child care options when and where they need them. This impacts children's well-being and preparedness for school and parents' ability to work or go to school. The burden falls disproportionately on mothers, since women do more of the unpaid work within the home, including spending more time caring for children than men—even men with similar demographic backgrounds and parental status.¹ Single-parent and lower-income families are hit especially hard. Communities of color also often have less access to great child care options,² so the lack of comprehensive child care solutions exacerbates racial inequities,

¹ Sarah Jane Glynn, "Breadwinning Mothers Continue to be the U.S. Norm," Center for American Progress, May 10, 2019, <https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/breadwinning-mothers-continue-u-s-norm/>

² John Halpin, Karl Agne, and Margie Omero, "Affordable Child Care and Early Learning for All Families," Center for American Progress, Sept. 13, 2018, <https://www.americanprogress.org/issues/early-childhood/reports/2018/09/13/457470/affordable-child-care-early-learning-families/>

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since high-quality care can lead to better school, life, and work outcomes.³ Smart child care policies are not only the right thing to do; they are also a pathway to progress on gender, racial, and income equality; child development and family well-being; educational outcomes; and economic growth.

In addition, historically, child care often relied on unpaid labor. For example, women who were enslaved were often tasked with caring for children. More recently, many families relied on the unpaid labor of moms, although single moms and moms of color often still had to find a way to work inside and outside the home. The economic value of care work remains depressed as a result of this history. This has led to economic insecurity and inequality for generations of people working in child care, who are primarily women and disproportionately women of color.⁴ Today, childcare workers are paid a median wage of just over \$11 per hour.⁵ In addition, few have the benefit of a union or other worker organization to ensure they have a voice at work.

Smart child care and early education policies must employ a social justice lens, so that they (1) address affordability and availability for families, (2) ensure that child care jobs are good jobs, with good wages and benefits and the right to organize, (3) implement quality-assurance measures with the resources to improve quality and sensitivity to cultural differences in defining quality, (4) address the continuum of care from birth to the needs of school-age children and children with disabilities, and (5) are available when and where families need it.

³ Lawrence J. Schweinhart, Jeanne Montie, Zongping Xiang, W. Steven Barnett, Clive R. Belfield, Milagros Nores, "The HighScope Perry Preschool Study Through Age 40," (Ypsilanti, Mich.: HighScope Educational Research Foundation, 2005), http://www.highscope.org/file/Research/PerryProject/specialsummary_rev2011_02_2.pdf. Center for the Developing Child, Harvard University, 2017, <https://developingchild.harvard.edu/science/key-concepts/brain-architecture/>

⁴ Julie Kashen, Halley Potter, and Andrew Stettner, "Quality Jobs, Quality Care, The Century Foundation, June 13, 2016, <https://tcf.org/content/report/quality-jobs-quality-child-care/>

⁵ Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Childcare Workers, on the Internet at <https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm> (visited September 04, 2019)

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The [Child Care for Working Families Act](#) is a great example of a policy proposal that will meet the needs of families, taking into account equity goals. It guarantees high-quality child care and early education for ages 0–13, as well as for older children with disabilities. It makes child care and early education affordable and accessible to everyone, and makes the significant public investment necessary to meet families' needs. By providing financial assistance for child care on a sliding scale based on income, it is inclusive of all families while targeting populations who historically have been oppressed or denied resources.

The bill would serve the diverse needs and preferences of families, including culturally and linguistically competent care options, home-based care and care during non-standard hours that is available when and where families need it (weekends, after school, nights, when job schedules change, and in areas that are currently child care deserts). It also addresses the embarrassingly poor wages paid to early educators who deserve to be paid well, use their individual voices on the job, and have the freedom to join a professional organization like a union; and reflects the diversity of families served. Ensuring that child care jobs are good jobs is key to addressing child care quality, and this provision goes hand in hand with bill's provisions to ensure that child care providers get the funding they need to improve the overall quality of the programs they offer.

There is widespread support for these types of comprehensive reforms. A 2018 [poll](#), fielded by GBA Strategies, showed that 77 percent of voters support congressional action to increase child care assistance and expand early education. Support for the specifics of the Child Care for Working Families Act is even stronger than support for the issue generally. The poll found 83 percent of voters support guaranteeing child care assistance to low-income and middle-class families on a sliding scale based on household income, [more than doubling the number of children eligible](#).⁶

⁶ John Halpin, Karl Agne, and Margie Omero



And the support reflects an engaged community of activists. In 2018, more than 250 parents, teachers, caregivers, and advocates from twenty-five states gathered in Washington, D.C. for the first ever Grassroots Assembly for Child Care and Early Education. Hosted by the Early Care and Education Organizing Network, a network of more than twenty national organizations representing millions of members, the diverse convening brought together individuals to learn from each other, plan together, exchange information about local organizing efforts, and share concerns and information with elected leaders. Since then, the [Grassroots Movement for Child Care and Early Education](#), a network of leaders across the country committed to policy action on child care and early education, has been working to mobilize and build momentum for national progress.

Thank you to the members of Congress who are listening and prioritizing child care for all. It's long past time for Congress to act.

A handwritten signature in black ink, appearing to read 'Julie Kashen'.

Julie Kashen
Senior Fellow and Director, Women's Economic Justice

A handwritten signature in black ink, appearing to read 'Levi Bohanan'.

Levi Bohanan
Policy Entrepreneur, The Next 100

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[Additional submissions by Mrs. Foxx follow:]



United States Government Accountability Office

Report to the Ranking Member
Committee on Education and Labor
House of Representatives

May 2019

CHILD CARE AND EARLY EDUCATION

Most States Offer Preschool Programs and Rely on Multiple Funding Sources

GAO-19-375

GAO Highlights

Highlights of GAO-19-375, a report to the Ranking Member, Committee on Education and Labor, House of Representatives

Why GAO Did This Study

Each year, millions of children age 5 and under receive publicly funded early care and education services. Federal appropriations for Head Start and the Child Care and Development Fund were \$9.8 and \$8.1 billion respectively in fiscal year 2018. However, comprehensive information on ECE programs created and funded by states is not available. GAO was asked to identify and describe all state ECE programs.

This report examines (1) the number and characteristics of state ECE programs and the extent to which they share characteristics or overlap with federal or other state programs; and (2) how states fund their ECE programs, including any related benefits and challenges reported by states. GAO sent two surveys to program officials in 50 states and the District of Columbia. The first survey identified state programs providing early learning or child care services to children from birth to age 5, and the second gathered more information about the programs identified, including their characteristics and funding sources. GAO analyzed the survey data to determine which characteristics state programs shared with Head Start, the Child Care and Development Fund, and other state programs, as well as the benefits and challenges of using multiple funding sources.

View GAO-19-375. For more information, contact Kathryn Larin at (202) 512-7215 or larink@gao.gov.

May 2019

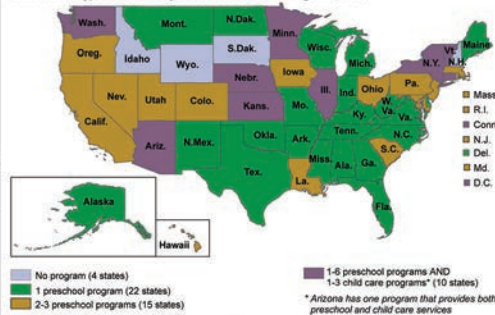
CHILD CARE AND EARLY EDUCATION

Most States Offer Preschool Programs and Rely on Multiple Funding Sources

What GAO Found

GAO's national survey of state program officials identified 86 state early care and education (ECE) programs: 73 preschool programs serving 3- to 5-year-olds and 13 child care programs serving 0- to 2-year-olds. According to GAO's survey, most programs focused on helping at-risk children become ready for school and improving the quality of their care. In 18 states, survey responses showed that at least two ECE programs shared characteristics, offering similar services (e.g., teacher training) or prioritizing enrolling similar groups of children (e.g., low-income children). Additionally, most state ECE programs offered at least one of the same services or prioritized at least one of the same groups as the federal Head Start program or programs funded by the Child Care and Development Fund. For example, program officials reported that some state ECE programs mirror Head Start so that they can enroll additional children or offer more hours of care per day.

Number and Type of State Early Care and Education Programs, 2018



Sources: GAO survey of state program officials. MapInfo (map). | GAO-19-375

Officials from most state ECE programs GAO surveyed reported using multiple sources to fund their programs. Of the 86 surveyed state ECE programs, 55 reported using at least one funding source in addition to state funds in 2018, and 31 reported using at least two additional sources beyond state funds. Integrating state funds with federal and local funds may broaden the effect and reach of services provided to children and families. Program officials reported a variety of benefits of using multiple funding sources, such as an increased ability to serve more families from targeted populations, as well as challenges such as reconciling different eligibility and reporting requirements.

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Abbreviations

CCDF	Child Care and Development Fund
ECE	early care and education
Education	U.S. Department of Education
HHS	U.S. Department of Health and Human Services

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U.S. GOVERNMENT ACCOUNTABILITY OFFICE

May 8, 2019

The Honorable Virginia Foxx
 Ranking Member, Committee on Education and Labor
 United States House of Representatives

Dear Dr. Foxx,

Each year, millions of children aged 5 and under receive publicly funded early care and education services. Research has shown that participation in high-quality early care and education (ECE) programs¹ can improve children's developmental outcomes and their readiness for school, particularly for children from economically disadvantaged families.² Federal and state support for ECE programs has evolved over time in response to emerging needs. The vast majority of federal funding in this area is concentrated in two programs administered by the Department of Health and Human Services (HHS): Head Start and the Child Care and Development Fund (CCDF), which provides funding for state child care programs. Information on ECE programs created and funded by states is less readily available.

You asked us to identify all ECE programs created and funded by states. This report examines (1) the number and characteristics of state ECE programs and the extent to which they share characteristics or overlap with federal or other state programs; and (2) how states fund their ECE programs, including any related benefits and challenges reported by states.

¹ In this report, we refer to early care and education programs as "ECE programs," which include preschool programs and child care programs. To analyze data on ECE programs for this report, we defined preschool programs as programs with the words "preschool," "pre-elementary," "pre-kindergarten," or "pre-k" in their names; programs serving only children who are 3, 4, or 5 years old; and programs that provide a second year of kindergarten before traditional kindergarten. We defined child care programs as programs that serve 0- to 2-year-olds and those that do not meet our definition of preschool programs.

² For examples, see Sarah Friese et al., *Defining and Measuring Access to High-Quality Early Care and Education: A Guidebook for Policymakers and Researchers*, OPRE Report #2017-08 (Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, February 2017), and Deborah A. Phillips et al., *The Current State of Scientific Knowledge on Pre-Kindergarten Effects*, (Washington, D.C.: Brookings Institution, 2017).

To address these objectives, we first compiled a list of ECE programs and points of contact from published reports.³ Then, in March 2018 we sent an email-based questionnaire to child care and early learning officials in all 51 states for each program identified by these reports. We requested that state officials confirm the name of the program, the point of contact, and whether it met the following criteria:⁴

1. The program was created by a state entity, such as a state legislature, state agency, or state-wide council;
2. it had an explicit purpose of providing or funding early learning or child care services to children from birth to age 5 in an educational or child care setting; and
3. it used state funds, even if it also used other types of funds.⁵

We confirmed the appropriateness of our selection criteria with officials from the Department of Education (Education), HHS, and representatives from organizations such as National Institute for Early Education Research, Child Trends, and Education Commission of the States.

We also requested that state officials identify any additional programs meeting our criteria and provide points of contact for those programs. All states responded to our survey. We grouped the programs into four categories of state ECE programs: preschool, supplemental Head Start, child care, and child care/preschool, and combined categories as

³ See Allison H. Friedman-Krauss et al., *The State of Preschool 2017: State Preschool Yearbook*, (New Brunswick, NJ: National Institute for Early Education Research, 2018). Our initial list included 51 programs that provide child care subsidies funded primarily by the federal Child Care Development Fund (CCDF), obtained from Sarah Minton et al., *The CCDF Policies Database Book of Tables: Key Cross-State Variations in CCDF Policies as of October 1, 2016*, OPRE Report 2017-105, (Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2017).

⁴ Throughout this report, we refer to the District of Columbia as a state.

⁵ Our criteria do not exclude programs that have a second primary purpose, such as helping parents to work. They also do not exclude programs that count their state expenditures toward a federal matching/maintenance of effort requirement, or that are funding streams rather than traditional "programs." These criteria do exclude home visit programs which do not occur in an educational or child care setting. Professional development and licensing programs also are excluded because they do not provide direct services to children.

appropriate for certain analyses.⁶ Because some programs we identified were child care subsidy programs primarily funded by the federal CCDF, we did not consider them to be state ECE programs.⁷

To address both objectives, in July 2018 we sent a web-based survey to contacts for the ECE programs identified by our email questionnaire. We received a 100 percent response rate to this survey. We analyzed survey data for information on program characteristics, including goals and eligibility requirements.⁸ To examine characteristics that state ECE programs share with federal programs, we compared survey responses about state programs' services and the groups of children they prioritize for enrollment with responses to the same questions from a 2016 GAO survey of Head Start and CCDF officials.⁹ We also used GAO guidance on fragmentation, overlap, and duplication across programs to examine potential overlap among state ECE programs.¹⁰ Specifically, we compared ECE programs within each state to examine whether two or more programs prioritized the same groups or offered the same services. For information on how states fund their programs, including programs administering CCDF subsidies, we also reviewed survey responses on program funding sources, state fiscal year 2018 funding amounts, and the benefits and challenges of using multiple funding sources. We also reviewed relevant literature and interviewed officials at HHS and

⁶ See appendix I for more information on our methodology. Appendix II lists the state ECE programs we identified.

⁷ The CCDF is a federal funding source provided to states through a block grant and used to fund programs that provide child care subsidies to low-income parents. A portion of the CCDF funds are allocated to states without them needing to contribute any state funding; but, if a state chooses to receive its full federal CCDF allocation, it must first spend a designated amount of its own state funds.

⁸ We did not conduct a separate legal review to identify and analyze relevant state programs or verify the accuracy of the information program officials provided to us.

⁹ See GAO, *Early Learning and Child Care: Agencies Have Helped Address Fragmentation and Overlap through Improved Coordination*, GAO-17-463 (Washington, D.C.: July 13, 2017) for information on the previous survey and analysis of federal ECE programs.

¹⁰ GAO, *Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide*, GAO-15-49SP (Washington, D.C.: April 14, 2015).

Education, as well as selected state program officials.¹¹ For more information on our methodology, see appendix I.

We conducted this performance audit from August 2017 to May 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

ECE Programs

The CCDF is a key federal funding source provided to states through a block grant and used to fund programs that provide child care subsidies to low-income parents.¹² CCDF has the dual purposes of promoting children's healthy development and school success and supporting parents who are working or participating in training or education activities.¹³ In fiscal year 2018, total federal appropriations for CCDF were \$8.1 billion (see table 1). A portion of the CCDF funds are allocated to states without them needing to contribute any state funding; but, if a state chooses to receive its full federal CCDF allocation, it must first spend a designated amount of its own state funds. Within the parameters of federal statute and regulations, states generally determine their own policies for CCDF funds, including eligibility requirements and subsidy

¹¹ We contacted selected state program officials to clarify their survey responses or obtain illustrative examples.

¹² CCDF serves eligible children under age 13. 42 U.S.C. § 9858n(4)(A). However, in fiscal year 2017, the majority of children served were younger than 5 years old. CCDF is comprised of discretionary funding authorized by the Child Care and Development Block Grant Act of 1990, as amended, and mandatory and matching funding authorized under section 418 of the Social Security Act. CCDF discretionary funding does not require a state contribution. Moreover, a portion of the mandatory funding is guaranteed to states, without states having to match the funds with state child care spending. To be eligible for its share of the remaining mandatory funds (matching funds), a state must first spend a designated amount of its own state funds. 42 U.S.C. § 618(a)(2).

¹³ States generally provide subgrants to counties or other local entities for distribution to parents.

amounts.¹⁴ Further, states are not required to serve all eligible families who apply for CCDF-funded subsidies. Given this flexibility, families with similar circumstances may be able to receive CCDF-funded subsidies in some states but not others. All 51 states have a child care subsidy program primarily funded by CCDF, which we call "CCDF" for the purposes of this report. States may also offer additional child care programs that use other funding sources, which we call "child care" programs.

Table 1: Child Care and Development Fund (CCDF) and Head Start Federal Appropriations for Fiscal Years 2017-2019

Dollars in billions

Fiscal year	CCDF appropriations	Head Start appropriations
2017	\$5.8	\$9.2
2018	\$8.1	\$9.8
2019	\$8.2	\$10.1

Source: Health and Human Services 2020 budget information | GAO-19-375.

The federal government's largest investment in ECE programs is Head Start. Head Start is comprised of two programs: Head Start, which provides early care and education to 3- and 4-year-olds, and Early Head Start, which serves pregnant women and children from birth up to age 3. In fiscal year 2018, total federal funding for Head Start was \$9.8 billion. Unlike CCDF, Head Start provides federal grants directly to community-based (local) public and private nonprofit and for-profit service providers who promote school readiness by delivering education, nutrition, health, and other social services primarily to children in poverty. Within the parameters of federal guidance and regulations, flexibility in local program design and operation is encouraged, and there is wide variation across the country in local program costs and how Head Start services are delivered. Like CCDF, Head Start does not serve all eligible children. Some state programs provide supplemental Head Start funding to expand

¹⁴ See, for example, 45 C.F.R. § 98.20(b). CCDF regulations generally require eligible children to be under 13 years of age and prescribe income limitations that children's families must meet. 45 C.F.R. § 98.20(a). In addition, states are required to give priority for child care services funded by CCDF to children of families with very low incomes, children with special needs, and children experiencing homelessness. 45 C.F.R. § 98.46(a).

services and/or the number of children enrolled.¹⁵ We call these programs "supplemental Head Start" programs for purposes of this report.

Program Fragmentation and Overlap

Fragmentation refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and opportunities exist to improve service delivery. Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve their goals, or target similar beneficiaries.¹⁶ As we have previously reported, fragmentation and overlap can exist across many areas of government activity.¹⁷ Reducing, eliminating, or better managing fragmentation and overlap can help agencies provide more efficient and effective services.¹⁸ In some cases, however, it may be appropriate or beneficial for multiple agencies or entities to be involved in the same programmatic or policy area, due to the complex nature or the magnitude of federal and state efforts or level of unmet need.

We previously reported that the federal ECE investment is fragmented in that it is administered through multiple federal agencies.¹⁹ We also reported on the potential for overlap among the array of federal ECE programs, as some programs target similar beneficiaries and others

¹⁵ W. Steven Barnett and Allison H. Friedman-Krauss, *State(s) of Head Start*, (New Brunswick, NJ: National Institute for Early Education Research, 2016). CCDF regulations generally require eligible children to be under 13 years of age and prescribe income limitations that children's families must meet. 45 C.F.R. § 98.20(a). In addition, states are required to give priority for child care services funded by CCDF to children of families with very low incomes, children with special needs, and children experiencing homelessness. 45 C.F.R. § 98.46(a).

¹⁶ GAO-15-49SP.

¹⁷ GAO has conducted a review of opportunities to reduce fragmentation, overlap, and duplication every year since 2011. For example see GAO, *2018 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-18-371SP (Washington, D.C.: Apr. 26, 2018) and *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

¹⁸ GAO, *Opportunities to Reduce Fragmentation, Overlap, and Potential Duplication in Federal Teacher Quality and Employment and Training Programs*, GAO-11-509T (Washington, D.C.: Apr. 6, 2011).

¹⁹ See GAO-17-463 and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue* GAO-12-342SP (Washington, D.C.: Feb. 28, 2012), 194.

engage in similar activities. HHS and Education stated that the overlap is purposeful and necessary to meet the needs of children and parents. However, we also found that there still may be eligible children who do not receive services.

Program Officials Identified 86 State ECE Programs, Mostly Preschool, That May Share Characteristics or Overlap with Other ECE Programs to Expand Access

Most State ECE Programs are Preschool Programs

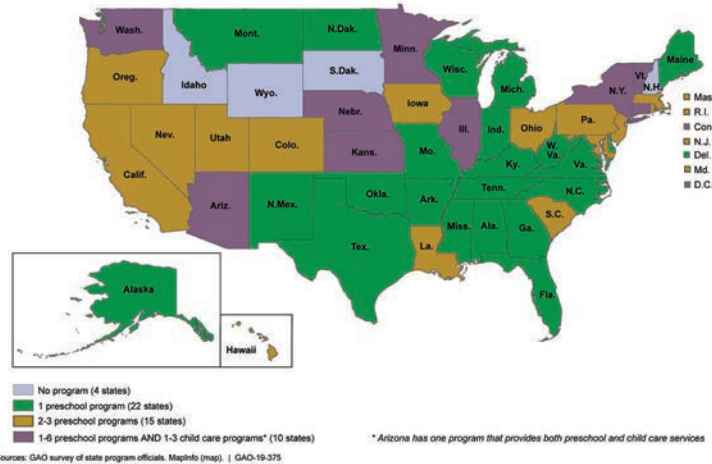
Program officials identified 86 state ECE programs in their responses to our survey.

- The majority of the programs officials identified (73) were preschool programs serving 3- to 5-year-olds, including five supplemental Head Start programs. Forty-seven states had at least one preschool program and officials from four states—Idaho, New Hampshire, South Dakota, and Wyoming—reported that they had no state preschool program (fig. 1).
- Ten states also administered 13 child care programs, including two that provided both child care and preschool services, according to our survey results.

Additionally, all 51 states reported that they administered a program that used federal CCDF funds to provide child care subsidies.²⁰ See appendix III for details on the characteristics of these programs.

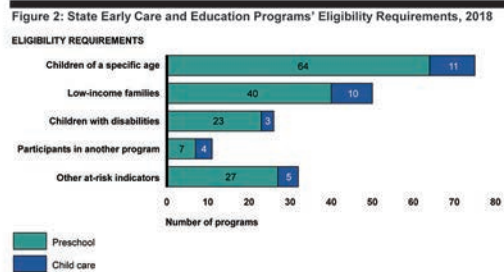
²⁰ In this report, we do not consider these subsidy programs to be state ECE programs. Therefore, we exclude them from the analysis of state ECE program characteristics.

Figure 1: Number and Type of State Early Care and Education Programs, 2018



Most State ECE Programs Serve At-Risk Children, Generally Aiming to Increase School Readiness

The majority of state ECE programs, as reported by program officials, sought to serve vulnerable children, either through eligibility requirements or by prioritizing specific at-risk groups of children for enrollment. Indicators of risk could include having a low family income, participating in another program for disadvantaged children (such as foster care or the school lunch program), or being from a family that is migrant or experiencing homelessness, among others. For example, 50 state ECE programs required children to be from low-income families in order to be eligible, according to our survey results (fig. 2).

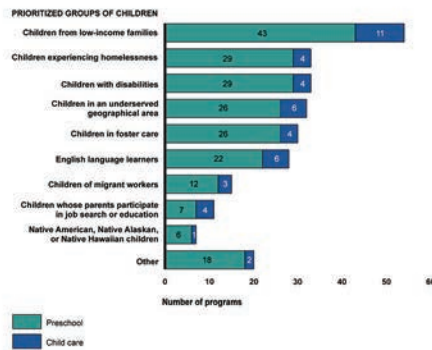


Source: GAO survey of state program officials. | GAO-19-375

Note: Officials from eight state programs did not answer this question in our survey, including five that indicated that local programs or providers had sole responsibility for determining program eligibility and another two that reported that the program did not have any eligibility requirements. Preschool programs served 3- to 5-year-olds and included state programs that supplemented Head Start. Child care programs served 0- to 2-year-olds and included two programs that also provided preschool services. This figure excludes child care subsidy programs funded primarily by the federal Child Care and Development Fund. Other at-risk indicators listed by program officials included homelessness, being in the foster system, and being the child of a teen parent, among others.

Additionally, officials reported that most programs prioritized specific groups of at-risk children for enrollment, such as children in foster care, experiencing homelessness, or learning English (fig. 3). For example, one program assigned points to eligible children based on risk factors associated with school performance, such as having an incarcerated parent or living in a home affected by substance abuse. Children with more points, who experienced more risk factors, were prioritized for enrollment over other eligible children, according to survey responses from a program official.

Figure 3: Groups of Children Prioritized for Enrollment by State Early Care and Education Programs, 2018

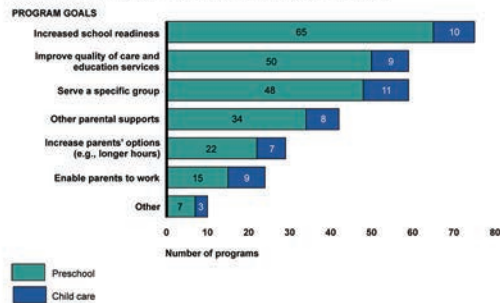


Source: GAO survey of state program officials. | GAO-19-375

Note: Officials from 20 state programs did not answer this question in our survey, including 10 that indicated that local programs or providers had sole responsibility for determining which populations to prioritize and another six that reported that the program did not prioritize any particular groups of children. Preschool programs served 3- to 5-year-olds and included state programs that supplemented Head Start. Child care programs served 0- to 2-year-olds and included two programs that also provided preschool services. This figure excludes child care subsidy programs funded primarily by the federal Child Care and Development Fund. Other risk factors identified in our survey included having a teen, deployed, incarcerated, or illiterate parent, domestic violence or involvement of Child Protective Services, and substance abuse, among others.

In addition to serving specific groups of children, program officials reported that more than half of the state ECE programs aimed to increase children's readiness for school and improve the quality of early childhood care, among other goals (fig. 4).

Figure 4: State Early Care and Education Programs' Goals, 2018



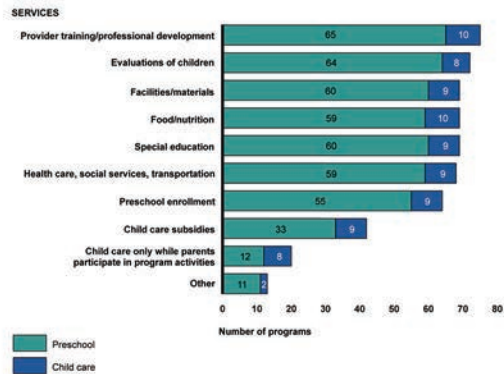
Source: GAO survey of state program officials. | GAO-19-375

Note: Officials from five state programs did not answer this question in our survey, including three that indicated that local programs or providers had sole responsibility for determining program goals and one that reported that the program did not have any documented goals. Preschool programs served 3- to 5-year-olds and included state programs that supplemented Head Start. Child care programs served 0- to 2-year-olds and included two programs that also provided preschool services. This figure excludes child care subsidy programs funded primarily by the federal Child Care and Development Fund.

Program officials reported that most state ECE programs offered a range of services to children and care providers (fig. 5).²¹ For example, training or professional development for care providers, medical or educational evaluations of children, and food and nutrition such as lunch or milk were among the most commonly reported services.

²¹ Some programs specified allowable services and allowed grantees to choose which services to offer. This list of services offered includes both allowed and required services.

Figure 5: State Early Care and Education Programs' Services, 2018



Source: GAO survey of state program officials. | GAO-19-375

Note: Officials from six state programs did not answer this question in our survey, including three that indicated that local programs or providers had sole responsibility for determining program services and another two that reported that the program did not have any requirements for program services. Preschool programs served 3- to 5-year-olds and included state programs that supplemented Head Start. Child care programs served 0- to 2-year-olds and included two programs that also provided preschool services. This figure excludes child care subsidy programs funded primarily by the federal Child Care and Development Fund. Some programs allowed but did not require grantees or care providers to offer certain services; thus, some services included in this figure may not have been available to all program participants.

Some State ECE
Programs Share
Characteristics with
Federal ECE Programs or
Overlap with Other State
ECE Programs to Expand
Access or Address
Specific Needs

Shared Characteristics
between State ECE Programs
and Head Start or CCDF

When we compared the state ECE programs identified in our survey with the federal ECE programs we analyzed in prior work, we found that some state ECE programs shared characteristics with Head Start or CCDF.²² Specifically, 69 state preschool programs offered at least one of the same services as Head Start or prioritized at least one of the same groups of children for enrollment. Four programs matched all of Head Start's prioritized groups of children and program services that we measured (see table 2). We also compared the 13 state child care programs with CCDF.²³ All 13 child care programs reported sharing at least one characteristic with CCDF, but none shared all of them.

²² To examine characteristics that state ECE programs share with federal programs, we compared survey responses about state programs' services and groups of children they prioritize for enrollment with responses to the same questions from a 2016 GAO survey of Head Start and CCDF officials. See GAO-17-463.

²³ As stated previously, all states administer a child care subsidy program funded by the federal CCDF.

Table 2: Number of State Early Care and Education Programs That Prioritized the Same Groups of Children or Offered the Same Services as Head Start or the Child Care and Development Fund (CCDF), 2018		
Characteristic of CCDF and/or Head Start	Number of state preschool programs sharing characteristic with Head Start	Number of state child care programs sharing characteristic with CCDF
Groups of children prioritized		
Number of state ECE programs responding to questions about prioritized groups of children	52	13
Children from low-income families	43	11
Children with disabilities	29	4 ^a
Children experiencing homelessness	29	4
Native American children	6	1
Children in foster care	26	^b
Children in migrant families	12	^b
All groups of children	5	0
Program services offered		
Number of state ECE programs responding to questions about services	66	13
Slots in preschool classrooms	55	9
Child care subsidies	5	9
Facilities or materials	60	9
Provider training	65	10
Evaluations of children for medical or educational purposes	64	8
Health care, social services, or transportation	59	^b
All services	50	6
All prioritized groups and program services	4	0

Source: GAO survey of state program officials and GAO-17-463. | GAO-19-375

Note: Preschool programs served 3- to 5-year-olds and included state programs that supplemented Head Start. Child care programs served 0- to 2-year-olds and included two programs that also provided preschool services. Some program officials who did not respond to these survey questions indicated that these decisions were made by local providers. Some programs allowed but did not require grantees or care providers to offer certain services; thus, some services included in this table may not have been available to all program participants. To examine characteristics that state ECE programs shared with federal ECE programs, we compared our survey responses about state programs' services and groups of children they prioritized for enrollment with federal ECE program officials' responses to the same questions from a 2016 GAO survey. See GAO-17-463.

^aAccording to HHS, CCDF programs are required to prioritize children with special needs, which may include children with disabilities, and each state defines children with special needs in its CCDF plan.

^bFederal program did not have this characteristic.

Sharing characteristics with Head Start or CCDF may have had benefits for low-income families and children in states with such programs. Benefits may have included covering additional eligible beneficiaries, filling gaps in services provided, or complementing federal programs. For example, some program officials reported that their state ECE programs mirrored Head Start's eligibility rules so that they could extend access to children who were eligible for Head Start but not enrolled. Research shows that neither Head Start nor CCDF serve all eligible children nationwide: the Congressional Research Service estimated that around 16 percent of eligible children received CCDF subsidies in 2015,²⁴ and another report estimated that fewer than 40 percent of children eligible for Head Start were enrolled during the 2014-2015 program year.²⁵ Some state ECE programs may also have complemented federal programs, such as Head Start, by addressing specific needs. For example, program officials reported that preschool programs in 19 states shared some characteristics with Head Start, but offered services to children whose families earned too much to qualify for Head Start. Additionally, survey responses from preschool and supplemental Head Start programs in several states indicated that they served the same children as Head Start but funded additional hours of care per day or days per year.

Potential Overlap among ECE Programs within States

Within states, some ECE programs potentially overlapped because they served children of the same age range and offered similar services or prioritized similar groups of children. According to our survey results, 11 states had at least two state ECE programs that prioritized the same group of children for inclusion, and 16 states had at least two state ECE programs that provided a similar service (see table 3). Three states had at least two ECE programs that prioritized all the same groups of children and offered all the same services, according to survey responses from program officials.

²⁴ The Congressional Research Service found that 1.4 million children received child care subsidies out of the 8.5 million children estimated to be eligible in 2015 under state CCDF rules. See Congressional Research Service, *U.S. House of Representatives Committee on Ways and Means 2018 Green Book*, (Washington, D.C.: November 2018).

²⁵ The National Institute for Early Education Research found that less than 40 percent of 3- and 4-year-olds in poverty (a proxy for Head Start eligibility) were enrolled in Head Start. See Barnett and Friedman-Krauss, *State(s) of Head Start*.

Table 3: States with At Least Two Early Care and Education Programs that Prioritized the Same Groups of Children or Offered the Same Services, 2018

Characteristic	State																			
	CA	CO	CT	HI	IA	KS	LA	MD	MA	MN	NV	NJ	OH	OR	PA	RI	SC	UT	VT	WA
Two or more programs prioritizing the same group of children	-	☒	■	■	■	☒	■	☒	☒	■	■	■	■	■	☒	■	■	■	■	-
Two or more programs offering the same service	■	■	■	■	■	■	■	■	■	■	■	■	■	■	☒	☒	■	☒	■	☒
Two or more programs with ALL the same groups of children AND services	-	-	■	-	-	☒	■	-	-	☒	-	■	-	☒	☒	-	☒ ^a	-	-	-

Legend:

■ = At least two programs in the state that served the same age of children shared this characteristic.

- = There are no programs in the state serving the same age of children that share this characteristic.

■ = One program in the state had this characteristic, and data were not available for another program(s).

Source: GAO survey of state program officials. | GAO-19-375

Note: In each state, we compared preschool programs (serving 3- to 5-year-olds) to other preschool programs and compared child care programs (serving 0- to 2-year-olds) to other child care programs, excluding programs funded primarily by the federal Child Care and Development Fund. Some program officials that did not respond to these survey questions indicated that these decisions were made by local providers rather than at the state level or that the program did not have a policy of prioritizing certain groups of children or specifying allowed services.

^aIn South Carolina, two programs prioritized all the same groups of children, but data on services offered were not available for one of the programs. A different set of programs shared all the same services.

However, there were a few factors that may limit the extent to which these programs overlapped:

- Some state ECE programs' policies allowed the same services but did not require them, according to program officials' survey responses. If the optional services were not offered, these programs would not have overlapped programs that were required to offer the services. For example, 48 preschool programs were required to provide training for care providers and another 17 were allowed to provide training. These programs would not have overlapped on this characteristic if the 17 programs did not actually provide training.
- According to survey responses, some state ECE programs allowed local program officials or caregivers to make some policy decisions, leading to variation within these states and reducing the potential for overlap. For example, one state program allocated funding to school districts, allowing them to decide who was eligible for the program and which services were permitted. Different school districts may have

made choices that reduced or increased their overlap with other programs.

- Within the broad categories of state ECE programs, there may have been additional variation in program characteristics that our survey did not capture. For example, one state reported that it had a preschool program for 3- and 4-year-olds and a transitional kindergarten program for 5-year-olds. Although for the purposes of this report we categorized both programs as preschool programs because they served 3- to 5-year-olds, this would not constitute overlap because the programs served children of different ages.

Like state ECE programs that shared characteristics with Head Start and CCDF, overlapping state programs may have extended access to additional children, complemented other programs, or filled gaps in services. Further, overlap may have been purposeful and necessary to help meet the needs of children and parents.

Program Officials
Reported Using
Multiple Funding
Sources to Support
ECE Programs,
Which Presented
Benefits and
Challenges

Most State Funds Were
Spent on Preschool and
CCDF and Most State
ECE Programs Used
Multiple Funding Sources

Most state funds spent on ECE programs were spent on preschool and matching contributions to CCDF, according to our survey results.²⁶ In 2018, program officials reported spending \$9.44 billion on 111 ECE programs, including CCDF.²⁷ Of this amount, almost two-thirds (62 percent) was spent on preschool programs and about one-third (35 percent) was spent on matching contributions to CCDF.²⁸ Table 4 shows the amount of state spending ECE program officials reported by program type.

²⁶ All states administer a child care subsidy program funded primarily by CCDF. To receive its full federal allocation of CCDF funds, a state must spend a designated amount of its own state funds. Four states—Idaho, New Hampshire, South Dakota, and Wyoming—did not have a preschool program.

²⁷ The number of programs reporting funding information is less than 137 because not all surveyed program officials provided funding information, and some did not report information for 2018. We did not independently verify the reported funding numbers.

²⁸ Because CCDF allows states to count state preschool funds as part of states' mandatory CCDF matching funds contribution, state CCDF spending may include a double count of state spending on preschool. Additionally, because officials from 26 programs did not report funding amounts, the percent of total spending allocated to preschool programs and CCDF would likely be different if all 137 programs were included.

Table 4: State Funding Reported by Officials from State Early Care and Education Programs and Child Care and Development Fund (CCDF), 2018

Dollar amounts in billions

Program type	Programs reporting	2018 state funds
Preschool	54	\$5.89
Supplemental Head Start	5	0.10
Child Care	9	0.09
Other ^a	2	0.06
CCDF matching contribution	41	3.31
Total	111	\$9.44

Source: GAO survey of state program and Child Care and Development Fund officials | GAO-19-375.

Note: We asked program officials to provide data for their state's fiscal year 2018. The number of programs reporting funding information is less than 137 because some state program and CCDF officials did not report funding information for 2018. According to HHS, all states provided a CCDF matching contribution. CCDF allows states to count state preschool funds as part of states' mandatory matching funds; thus states' CCDF spending may include a double count of state spending on preschool. We did not independently verify the reported funding numbers.

^aOther^a refers to state programs that fund both child care and preschool providers and/or local programs.

We previously reported that the federal investment in ECE programs is fragmented because it is administered through multiple agencies.²⁹ One result of fragmented funding streams is that no one funding stream covers the full cost of the features that are present in high-quality, full-workday, full-year programs.³⁰ As a result, HHS and Education encourage states and local providers to develop financial strategies that maximize resources and take advantage of available funding streams to broaden the reach and impact of quality ECE programs.

Our survey found that the majority of state ECE programs used multiple funding sources. Although officials from 31 of 86 state ECE programs in our survey reported being funded solely by state funds, 55 reported using

²⁹ See GAO-17-463 and GAO-12-342SP.

³⁰ Margie Wallen and Angela Hubbard, *Blending and Braiding Early Childhood Program Funding Streams Toolkit: Enhancing Financing for High-Quality Early Learning Programs*, version 2, (Chicago, IL: Ounce of Prevention Fund, November 2013).

at least one funding source in addition to state funds.³¹ Additionally, more than half of these 55 state ECE program officials (31) reported using at least two additional funding sources in 2018 (see table 5). For example, a preschool program official reported the program used state aid dollars from the state school funding formula, federal Individuals with Disabilities Education Act funds, federal Head Start and CCDF funds, and local funds when applicable. Another child care/preschool program official noted their program was primarily funded through a public/private partnership but also required a 100 percent match from local grantees.

Table 5: Funding Sources Reported by State Early Care and Education (ECE) Programs in 2018

Reported state ECE program funding sources in 2018	Number of programs
State funds only	31
More than one funding source	55
State and one additional funding source	24
State and two or more funding sources	31
Total number of reporting programs	86

Source: GAO survey of state program officials | GAO-19-375

Using Multiple Funding Sources Presented Benefits and Challenges for ECE Programs and Local Providers

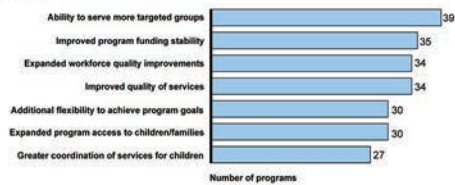
In response to our survey, state ECE program officials and CCDF officials reported a number of benefits from using multiple funding sources beyond increased funding, including an increased ability to serve more families from targeted populations (see fig. 6).³² For example, a preschool program official reported that using multiple funding sources allowed the state to serve all of the 4-year-olds in the state's highest need communities. Another preschool program official reported that the program planned to use multiple funding sources to maintain enrollments

³¹ In the small number of cases in which the information program officials initially reported was not clear, we reviewed program documentation to clarify survey responses and ensure the accuracy of funding source information. For example, in their survey responses, program officials in Kansas and Kentucky reported using funds from the Master Tobacco Settlement, and a Louisiana program official reported using funds collected from coastal oil drilling royalties. For the purposes of our report, we reported the tobacco and coastal drillings funds as state funds.

³² We included the responses of CCDF officials in our discussion of the benefits and challenges of using multiple funding sources because CCDF is comprised of federal funds and the state's matching contribution.

once the program's Preschool Development Grant ended.³³ Thus, integrating state funds with federal and local funds may have broadened the effect and reach of quality services provided to children and families.³⁴

Figure 6: Benefits of Using Multiple Funding Sources Reported by Officials from State Early Care and Education Programs and Child Care and Development Fund (CCDF)



Source: GAO survey of state program and Child Care and Development Fund officials. | GAO-19-375

Note: In our survey, 54 of the 106 programs that reported using multiple funding sources answered questions about the benefits and challenges of using multiple funding sources. Of those, 46 programs reported at least one benefit.

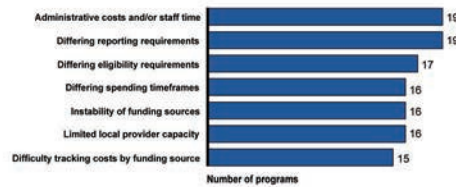
Along with providing benefits, the use of multiple funding sources can also produce challenges for state ECE programs and CCDF (see fig. 7). In responding to our survey, program officials who reported using multiple funding sources indicated that variation in the rules governing ECE funding sources, including different eligibility and reporting requirements, can create administrative burdens for officials integrating the funds to support their programs. Funding sources tend to operate independently of one another, and each funding source comes with its own set of regulations, requirements, and allowed activities and uses of funds. Thus,

³³ The federal Preschool Development Grants program, jointly administered by HHS and Education, has supported expanding access to high-quality preschool for low- and moderate-income 4-year-olds since 2014. In September 2018 HHS announced a new initiative under this grant authority: Preschool Development Grants Birth through Five.

³⁴ See GAO, *Child Care: Information on Integrating Early Care and Education Funding*, GAO-16-775R (Washington, D.C.: Sep. 14, 2016). We previously reported that state officials and selected local providers of ECE programs identified a number of benefits and challenges associated with integrating funding from CCDF, Head Start, and state preschool programs. Those providers noted benefits and challenges similar to those reported in our survey.

managing differing and possibly conflicting funding sources can challenge program officials. A CCDF official reported that the state's eligibility standards had to satisfy the requirements of all the funding sources used, and that the state did this in part by conducting an annual audit to ensure the state had met all the requirements for the various funding sources.

Figure 7: Challenges of Using Multiple Funding Sources Reported by Officials from State Early Care and Education Programs and Child Care and Development Fund (CCDF)

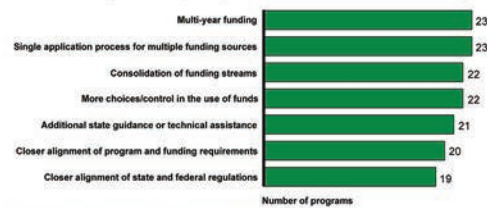


Source: GAO survey of state program and Child Care and Development Fund officials. | GAO-19-375

Note: In our survey, 54 of the 106 programs that reported using multiple funding sources answered questions about the benefits and challenges of using multiple funding sources. Of those, 32 programs reported at least one challenge.

Program officials we surveyed reported a number of solutions that might help mitigate the challenges they cited, including additional training and more funding source flexibility (see fig. 8). For example, a supplemental Head Start program official reported that additional and ongoing training/technical assistance on cost allocation and funding streams could be beneficial to implementing a mixed delivery system needed to align Head Start, school based programming, and state child care licensing requirements. A CCDF official reported that increased flexibility around state policy choices in the CCDF grant would reduce states' administrative burden.

Figure 8: Solutions to Mitigate the Challenges of Using Multiple Funding Sources Reported by Officials from State Early Care and Education Programs and Child Care and Development Fund (CCDF)



Source: GAO survey of state program and Child Care and Development Fund officials. | GAO-19-375

Note: In our survey, 54 of the 106 programs that reported using multiple funding sources answered questions about the benefits and challenges of using multiple funding sources. Of those, 36 programs reported at least one solution to mitigate the challenges.

To cover the costs of providing high quality ECE programs, many local providers also relied on multiple funding sources. Officials from 97 of the 137 surveyed ECE programs (including CCDF) reported that local providers in their programs used multiple funding sources, and officials from 48 programs noted that those local providers may be challenged by the use of multiple funding sources. For example, a preschool program official reported that local providers faced some of the same challenges as state program providers. However, those challenges were compounded by some local providers' limited capacity. For example:

- A child care program official noted that local providers may be challenged by the time constraints and personnel needed to manage multiple funding streams.
- A preschool program official reported that differing eligibility and program requirements among funding sources may be confusing for local providers.
- A supplemental Head Start program official noted that the amount of paperwork and reporting that need to be completed at different times of the year to meet local, state or federal timelines may challenge local providers.

-
- A child care/preschool program official added that local providers may also face budgeting challenges because different funding streams fund at different amounts and for different services.

Our results are consistent with earlier findings in which selected local ECE providers detailed similar challenges they encountered when trying to combine federal funding sources in order to better leverage those funds.³⁵

Recognizing the challenges local providers face, officials in our survey reported that their states had taken steps to make provision of state ECE and CCDF services easier. For example, one state that provided supplemental Head Start/Early Head Start state funding allowed local providers to use those funds for approved innovative initiatives that enabled providers to request exemptions from some state enrollment regulations that, if not met, could have reduced the provider's state funding. The state also helped to reduce the administrative burden on local providers by cutting back required paperwork. For example, the state allowed providers to use the Head Start program plan as the application for both the state's ECE scholarship program and the state's provider quality rating system. Similarly, another state created a single provider application for all the state's ECE programs to reduce required paperwork. Another state assisted local providers and increased efficiency by aligning the state's preschool program's payment calendar with the CCDF program payment calendar.

Agency Comments

We provided a draft of this report to HHS and Education for review and comment. Education informed us that it had no comments on the report. HHS provided technical comments, which we incorporated as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Secretary of the Department of Education, the Secretary of the Department of Health and Human Services, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>. If

³⁵ GAO-16-775R.

you or your staff have any questions about this report, please contact me at (202) 512-7215 or larink@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.



Sincerely yours,
Kathryn A. Larin
Director
Education, Workforce, and Income Security Issues

Appendix I: Objectives, Scope, and Methodology

This report examines (1) the number and characteristics of state early care and education (ECE) programs and the extent to which they share characteristics or overlap with federal or other state programs; and (2) how states fund their ECE programs, including any related benefits and challenges reported by states. To address these objectives, we created a preliminary list of state ECE programs, surveyed program officials to confirm the accuracy of our list and to collect information about the characteristics and funding sources of each program, reviewed relevant literature, interviewed federal and state program officials and early childhood experts, and reviewed relevant federal laws and regulations.

Program Definition

For purposes of this report, we used the following criteria to identify state early childhood programs: (1) the program was created by a state entity, such as a state legislature, state agency, or state-wide council; (2) it has an explicit purpose of providing or funding early learning or child care services to children from birth to age 5 in an educational or child care setting; and (3) it expends state funds, even if it also expends other types of funds. Our criteria did not exclude programs that had a second primary purpose, such as helping parents to work. They also did not exclude programs that count their state expenditures toward a federal matching/maintenance of effort requirement, or that are funding streams rather than programs. These criteria do exclude home visit programs which do not occur in an educational or child care setting. Professional development and licensing programs also are excluded because they do not provide direct services to children. We confirmed the appropriateness of our selection criteria with officials from the Departments of Education (Education) and Health and Human Services (HHS) and representatives from organizations such as the National Institute for Early Education Research, Child Trends, and the Education Commission of the States.

Identifying Programs

To create a list of ECE programs meeting our criteria, we first compiled a preliminary list of 117 program names and contacts from published

reports.¹ In March 2018 we sent an email questionnaire to child care and early learning officials for each program identified by these reports, as well as other early learning officials in each state. The questionnaire asked officials to:

- confirm the program names and contacts for the programs we identified in their state,
- confirm whether the programs in their state met all of our criteria, and
- provide names and contacts for any additional programs in their state meeting our criteria.

We received responses from program officials in all 51 states, which confirmed information for 107 programs on our list (56 state ECE programs and 51 programs administering CCDF subsidies) and identified an additional 30 state ECE programs that met our criteria.² We did not conduct a separate verification that the survey responses we received included all programs meeting our criteria in each state, but rather relied on the survey responses provided. In addition, we did not conduct a separate legal review to identify and analyze relevant programs or verify the accuracy of the information officials provided to us.

Surveying for Program Characteristics and Funding Sources

To obtain information on the characteristics and funding sources of each ECE program, we surveyed officials from 86 state ECE programs and 51 programs administering CCDF subsidies in July 2018, receiving a 100 percent response rate. The survey was deployed using a self-administered, web-based questionnaire with unique usernames and passwords for each respondent.

¹ See Allison H. Friedman-Krauss et al., *The State of Preschool 2017: State Preschool Yearbook*, (New Brunswick, NJ: National Institute for Early Education Research, 2018). Our initial list included 51 programs that provide child care subsidies funded primarily by the federal Child Care Development Fund (CCDF), obtained from Sarah Minton et al., *The CCDF Policies Database Book of Tables: Key Cross-State Variations in CCDF Policies as of October 1, 2016*, OPRE Report 2017-105, (Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2017).

² Throughout this report, we refer to the District of Columbia as a state. We received information on 145 programs but determined that eight of them did not meet our criteria. As such, the total number of programs included is 137—86 state ECE programs and 51 CCDF.

To develop the survey, we performed a number of steps to ensure the accuracy and completeness of the information collected, including an internal peer review by an independent GAO survey expert, and pre-testing of the survey instrument. Pre-tests were conducted over the phone with ECE program officials in five states to check the clarity of the question and answer options, as well as the flow and layout of the survey. The states that participated in pre-testing were selected based on variation in geography and program type (i.e., child care versus preschool). We revised the survey based on the reviews and pre-tests. We did not independently verify the legal accuracy of states' responses to the survey.

Our survey contained a range of fixed-choice and open-ended questions related to the characteristics and funding of early childhood programs. These questions were grouped into three subsections that covered (1) confirmation that the surveyed program met our criteria for an ECE program; (2) information on program characteristics; (3) program funding; and (4) programs' use of multiple funding sources, including any applicable benefits and challenges.

To achieve our 100 percent response rate, we made multiple follow-up contacts by email and telephone in August 2018 with early childhood program officials who had not yet completed the survey. While all surveyed officials affirmatively checked "completed" at the end of the Web-based survey, not all officials responded to every question or the sub-parts of every question. In a small number of cases, we reviewed program documentation to clarify survey responses but did not independently verify the legal accuracy of the information provided by the program officials.

Because this was not a sample survey, it has no sampling errors. However, the practical difficulties of conducting any survey may introduce errors, commonly referred to as non-sampling errors. For example, unwanted variability can result from differences in how a particular question is interpreted, the sources of information available to respondents, or how data from respondents are processed and analyzed. We took steps to minimize these factors by employing recognized survey design practices in the development of the questionnaire and in the collection, processing, and analysis of the survey data, including our reviews, pre-tests, and follow-up efforts. In addition, the web-based survey allowed early childhood program officials to enter their responses directly into an electronic instrument, which created an automatic record for each program in a data file. By using the electronic instrument, we

eliminated the errors associated with a manual data entry process. Additionally, response data were analyzed using statistical software. Lastly, data processing and programming for the analysis of survey results was independently verified to avoid any processing errors and to ensure the accuracy of this work. On the basis of our application of recognized survey design practices and follow-up procedures, we determined that the data were of sufficient quality for our purposes.

Data Analysis

We categorized state ECE programs into four types:

- **preschool**, which have the words "preschool," "pre-elementary," "pre-kindergarten," or "pre-k" in their names; serve only children who are 3, 4, or 5 years old; or provide a second year of kindergarten before traditional kindergarten;
- **child care**, which serve 0- to 2-year-olds and do not meet our definition of preschool programs;
- **supplemental Head Start**, which specifically supplement the federal Head Start program;
- **child care/preschool**, which offer grants to both child care and preschool providers.

Based on these definitions, we determined that 20 of the additional 30 programs we identified using our first questionnaire were preschool programs, and 10 were child care programs. We analyzed survey responses for information on program characteristics, including goals and eligibility requirements. When describing program characteristics, we collapsed the four program types into two by combining supplemental Head Start into the preschool category and including the child care/preschool programs in the child care category. We also analyzed survey responses on program funding, including funding amounts and the benefits and challenges of using multiple funding sources.³ For this analysis, we used five program categories—the four state program categories and CCDF.

To examine characteristics that state ECE programs shared with federal ECE programs, we compared the survey responses about state

³ The information in this report was obtained from survey responses by program officials. We did not conduct a separate legal review to identify and analyze relevant programs or verify the accuracy of the information officials provided to us.

Appendix I: Objectives, Scope, and Methodology

programs' services and groups of children they prioritized for enrollment with Head Start and CCDF officials' responses to the same questions from a 2016 GAO survey.⁴ We also used GAO guidance on fragmentation, overlap, and duplication across programs to examine potential overlap among state ECE programs.⁵ Specifically, we compared prioritized groups and services offered among state ECE programs of the same type within each state to examine potential overlap among state ECE programs.

We conducted this performance audit from August 2017 to May 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁴ See GAO, *Early Learning and Child Care: Agencies Have Helped Address Fragmentation and Overlap through Improved Coordination*, GAO-17-463 (Washington, D.C.: July 13, 2017) for information on the previous survey and analysis of federal ECE programs.

⁵ For more information on evaluating fragmentation, overlap, and duplication, see GAO, *Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide*, GAO-15-49SP (Washington, D.C.: April 14, 2015).

Appendix II: List of State Early Care and Education Programs

Our survey of program officials in each state identified 86 state early care and education programs, as listed in table 6.

State	State early care and education program name	Program type
AL	First Class Pre-K Program	Preschool
AK	Alaska Pre Elementary Grants Program	Preschool
AZ	Quality First Scholarships Program	Child Care/ Preschool
AR	Arkansas Better Chance for School Success Program	Preschool
CA	California State Preschool Program	Preschool
CA	California Transitional Kindergarten Program	Preschool
CO	Colorado Preschool Program	Preschool
CO	Preschool Special Education Program	Preschool
CT	School Readiness Program	Preschool
CT	Connecticut Child Day Care Contracts Program	Child Care
CT	Smart Start Program	Preschool
DE	Early Childhood Assistance Program	Preschool
DC	Pre-Kindergarten (PK3 and PK4)	Preschool
DC	Quality Improvement Network Program	Child Care
FL	Voluntary Prekindergarten Program	Preschool
GA	Georgia's Pre-K Program	Preschool
HI	Preschool Open Doors Program	Preschool
HI	EOEL Public Pre-Kindergarten Program	Preschool
HI	Preschool Special Education Program	Preschool
IL	Preschool for All Program	Preschool
IL	Prevention Initiative Program	Child Care
IN	On My Way Pre-K Program	Preschool
IA	Shared Visions Preschool Program	Preschool
IA	Statewide Voluntary Preschool Program for Four-Year-Old Children Program	Preschool
KS	Kansas Preschool Program	Preschool
KS	State Pre-Kindergarten Program	Preschool
KS	Kansas Early Childhood Block Grant Program	Child Care/ Preschool
KY	Kentucky Preschool Program	Preschool
LA	8(g) Student Enhancement Block Grant Program	Preschool
LA	Cecil J. Picard LA 4 Early Childhood Program	Preschool
LA	Nonpublic Schools Early Childhood Development Program	Preschool
ME	Public Preschool Program	Preschool
MD	Prekindergarten Program	Preschool

Appendix II: List of State Early Care and Education Programs

State	State early care and education program name	Program type
MD	Head Start Program	Head Start
MA	Inclusive Preschool Learning Environments Grant Program	Preschool
MA	Universal Pre-Kindergarten Program	Preschool
MA	Head Start State Supplemental Grant Program	Head Start
MI	Great Start Readiness Program	Preschool
MN	Migrant Child Care Services Program	Child Care
MN	Voluntary Prekindergarten Program	Preschool
MN	School Readiness Program	Preschool
MN	Early Learning Scholarships Program	Preschool
MN	School Readiness Plus Program	Preschool
MN	Preschool Special Education Program	Preschool
MN	Head Start Program	Head Start
MS	Mississippi Early Learning Collaborative Program	Preschool
MO	Missouri Preschool Program	Preschool
MT	STARS Preschool Pilot Program	Preschool
NE	Early Childhood Education Grant Program	Preschool
NE	Sixpence Program	Child Care
NV	Nevada State Pre-Kindergarten Program	Preschool
NV	Nevada Ready! Pre-K Program	Preschool
NJ	New Jersey Former Abbott Preschool Program	Preschool
NJ	Former Early Childhood Program Aid Program	Preschool
NJ	Early Launch to Learning Initiative Program	Preschool
NM	New Mexico PreK Program	Preschool
NY	New York State Prekindergarten Program	Preschool
NY	Child Care Facilitated Enrollment Project Program	Child Care
NC	North Carolina Pre-Kindergarten Program	Preschool
ND	Pre-Kindergarten Program	Preschool
OH	Early Childhood Education Grant Program	Preschool
OH	Preschool Special Education Program	Preschool
OK	Four-Year-Old Program	Preschool
OR	Oregon Pre-Kindergarten Program	Preschool
OR	Preschool Promise Program	Preschool
PA	Head Start Supplemental Assistance Program	Head Start
PA	Pennsylvania Pre-K Counts Program	Preschool
RI	State Prekindergarten Program	Preschool
RI	State Supplement for Head Start Program	Head Start
SC	Education Improvement Act Child Development Program	Preschool

Appendix II: List of State Early Care and Education Programs

State	State early care and education program name	Program type
SC	South Carolina Child Early Reading Development and Education Program	Preschool
SC	First Steps to School Readiness Program	Preschool
TN	Voluntary Pre-K Program	Preschool
TX	Texas Prekindergarten Program	Preschool
UT	Utah School Readiness Initiative Program	Preschool
UT	Utah Preparing Students Today for a Rewarding Tomorrow Program	Preschool
VT	Strengthening Families Grant Program	Child Care
VT	Universal Prekindergarten Program	Preschool
VT	Early Care and Development Program Grants Program	Child Care
VA	Virginia Preschool Initiative Program	Preschool
WA	Seasonal Child Care Program	Child Care
WA	Early Childhood Education and Assistance Program	Preschool
WA	Early Support for Infants and Toddlers Program	Child Care
WA	Children's Administration Child Care Program	Child Care
WV	West Virginia Universal Pre-K Program	Preschool
WI	Four-Year-Old Kindergarten Program	Preschool

Source: GAO survey of state program officials. | GAO-19-375

Note: We defined preschool programs as programs with the words "preschool," "pre-elementary," "pre-kindergarten," or "pre-k" in their names; programs serving only children who are 3, 4, or 5 years old; and programs that provide a second year of kindergarten before traditional kindergarten. We defined child care programs as programs that serve 0- to 2-year-olds and those that do not meet our definition of preschool programs. State Head Start programs specifically supplement the federal Head Start program. Child care/preschool programs offer grants to both child care and preschool providers. This table excludes child care subsidy programs funded primarily by the federal Child Care and Development Fund.

Appendix III: Characteristics of Child Care and Development Fund Programs in States

All 50 states and the District of Columbia have a child care subsidy program primarily funded by the Child Care and Development Fund (CCDF). We surveyed CCDF officials from each of the 51 states' subsidy programs listed in table 7 and obtained information about their characteristics. We did not include this information in our analysis of state early care and education programs because CCDF is primarily federally funded. Figures 9 through 12 show the number of CCDF subsidy programs with each characteristic, according to officials' responses to our survey.

Table 7: State-Administered Child Care and Development Fund Subsidy Programs, 2018

State	Program name
AL	Child Care Subsidy Program
AK	Child Care Assistance Program
AZ	Child Care Assistance Program
AR	Child Care Assistance Program
CA	California Alternative Payment Program
CO	Colorado Child Care Assistance Program
CT	Care 4 Kids Program
DE	Child Care Subsidy Program
DC	Subsidized Child Care Program
FL	School Readiness Program
GA	Childcare and Parent Services Program
HI	Child Care Connection Hawaii Program
ID	Idaho Child Care Program
IL	Child Care Assistance Program
IN	CCDF Program
IA	Child Care Assistance Program
KS	Child Care Subsidy Program
KY	Child Care Assistance Program
LA	Child Care Assistance Program
ME	Child Care Subsidy Program
MD	Child Care Subsidy Program
MA	Early Education and Care Financial Assistance Program
MI	Child Development and Care Program
MN	Child Care Assistance Program
MS	Child Care Payment Program
MO	Child Care Subsidy Program

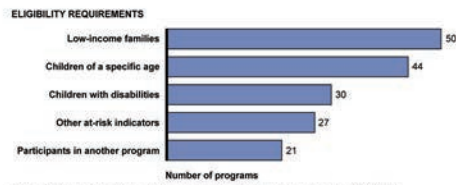
Appendix III: Characteristics of Child Care and
Development Fund Programs in States

State	Program name
MT	Best Beginnings Child Care Scholarship Program
NE	Child Care Subsidy Program
NV	Child Care and Development Program
NH	New Hampshire Child Care Scholarship Program
NJ	Child Care Subsidy Program
NM	Child Care Assistance Program
NY	Child Care Subsidy Program
NC	Subsidized Child Care Assistance Program
ND	Child Care Assistance Program
OH	Publicly Funded Child Care Program
OK	Child Care Subsidy Program
OR	Employment Related Day Care Program
PA	Child Care Works Subsidized Child Care Program
RI	Child Care Assistance Program
SC	SC Voucher Program
SD	Child Care Assistance Program
TN	Child Care Certificate Program
TX	Child Care Services Program
UT	Child Care Assistance Program
VT	Child Care Financial Assistance Program
VA	Child Care Subsidy Program
WA	Working Connections Child Care Program
WV	Child Care Program
WI	Wisconsin Shares Child Care Subsidy Program
WY	Child Care Subsidy Program

Source: GAO survey of Child Care and Development Fund state subsidy program officials. | GAO-19-375

Appendix III: Characteristics of Child Care and
Development Fund Programs in States

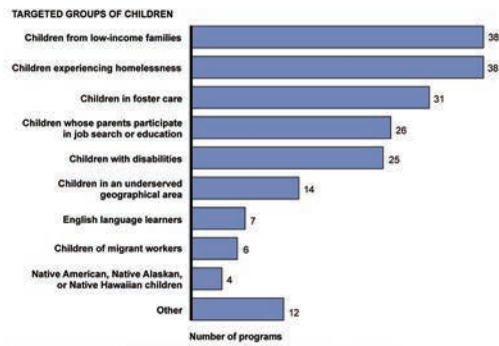
Figure 9: Child Care and Development Fund (CCDF) Subsidy Programs' Reported
Eligibility Requirements, 2018



Source: GAO survey of Child Care and Development Fund state subsidy program officials. | GAO-19-375

Note: Other at-risk indicators listed by program officials included homelessness, being in the foster care system, and being the child of a teen parent, among others. According to HHS, all CCDF programs are required to have eligibility requirements related to income and age, although some CCDF officials did not report them in our survey. We did not assess states' compliance with CCDF requirements.

Figure 10: Groups of Children Child Care and Development Fund (CCDF) Subsidy Programs Reported Prioritizing for Enrollment, 2018

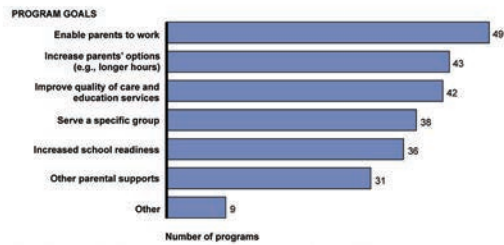


Source: GAO survey of Child Care and Development Fund state subsidy program officials. | GAO-19-375

Note: According to HHS, all CCDF programs are required to prioritize children from very low-income families and children experiencing homelessness, although not all CCDF officials reported doing so. Officials from 10 of 51 subsidy programs did not answer this question in our survey, reporting that their programs did not prioritize any particular groups of children. We did not assess states' compliance with CCDF requirements. Other risk factors identified in our survey included participation in the Temporary Assistance for Needy Families program, having a teen parent, domestic violence or involvement of Child Protective Services, and substance abuse, among others.

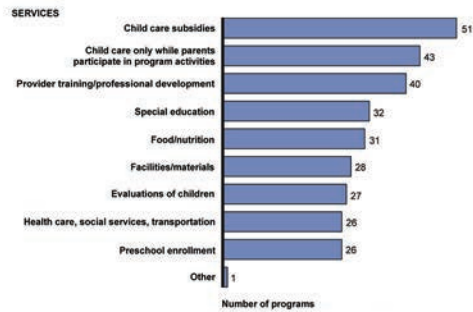
Appendix III: Characteristics of Child Care and Development Fund Programs in States

Figure 11: Child Care and Development Fund Subsidy Programs' Reported Goals, 2018



Source: GAO survey of Child Care and Development Fund state subsidy program officials. | GAO-19-375

Figure 12: Child Care and Development Fund Subsidy Programs' Reported Services, 2018



Source: GAO survey of Child Care and Development Fund state subsidy program officials. | GAO-19-375

Note: Some programs allow but do not require grantees or care providers to offer certain services; thus, some services included in this graph may not be available to all program participants.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Kathryn Larin, (202) 512-7215 or larink@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Jamila Jones Kennedy (Assistant Director), Brittni Milam (Analyst-in-Charge), Caitlin Cusati, Cheryl Jones, and Kirsten Lauber made key contributions to this report. Also contributing were Luqman Abdullah, Holly Dye, Dennis Fauber, Hedieh Fusfield, Janet Mascia, Sheila R. McCoy, Mimi Nguyen, Steven Putansu, James Rebbe, Katya Rodriguez, Ronni Schwartz, Almeta Spencer, and Sarah Veale.

Related GAO Products

2018 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits.
[GAO-18-371SP](#). Washington, D.C.: Apr. 26, 2018.

Early Learning and Child Care: Agencies Have Helped Address Fragmentation and Overlap through Improved Coordination.
[GAO-17-463](#). Washington, D.C.: July 13, 2017.

Child Care: Information on Integrating Early Care and Education Funding.
[GAO-16-775R](#). Washington, D.C.: Sep. 14, 2016.

Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide. [GAO-15-49SP](#). Washington, D.C.: April 14, 2015.

2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue.
[GAO-12-342SP](#). Washington, D.C.: Feb. 28, 2012.

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 September 2019: <https://www.govinfo.gov/content/pkg/CPRT-116HPRT43751/pdf/CPRT-116HPRT43751.pdf>

[Additional submissions by Chairman Sablan follow:]

House Education & Labor Committee, Early Childhood, Elementary and Secondary Education Subcommittee Hearing: "Solving America's Child Care Crisis: Supporting Parents, Children and the Economy."



Chairman Sablan, Ranking Member Allen, and Members of the Subcommittee:

Thank you for holding this important hearing on solving America's child care crisis. America's future depends on high quality, affordable child care that fuels today's economy by helping parents work and lays the foundation for a brighter future by supporting children's healthy development. Unfortunately, despite important gains in recent years, access to this high-quality, affordable child care remains out of reach for too many hard-working families and their children.

I am Myra Jones-Taylor, Chief Policy Office of ZERO TO THREE, a national nonprofit organization located in Washington D.C. whose mission is to ensure all babies and toddlers have a strong start in life. I am grateful to the Subcommittee for bringing needed attention to this critical issue that affects all working families.

For working families, including the 62 percent of mothers with children under 3 in the workforce, having access to affordable, high-quality child care supports their abilities to work and provide for their children secure in the knowledge that they are being cared for in a safe, nurturing environment.¹ For children, these high-quality environments support their early learning and development and help set them up for future successes that benefit all of us.

At ZERO TO THREE, we translate the science of early childhood development into useful knowledge and strategies for parents, practitioners, and policymakers. We work to ensure that babies and toddlers benefit from the family and community connections critical to their wellbeing and healthy development. And the science tells us that the experiences we have and the relationships we form in the earliest years of life are the most crucial ingredient in shaping the foundation of who we become in the future. The importance of these early relationships is why it is not enough to simply support access to basic care that allows parents and caretakers to work. If they are to thrive, young children need access to high-quality, nurturing care environments that facilitate the types of relationships with adult caregivers that are key to children's healthy development.

As passionate advocates for the needs of infants and toddlers and their families, we at ZERO TO THREE have welcomed the recent attention Congress has paid to increasing access to quality child care. The 2014 reauthorization of the Child Care and Development Block Grant and the recent increases to the program's appropriations, as well as continued support for Early Head Start and Head Start, have been crucial in ensuring more children and families have access to these quality care and learning environments. These steps, however, have been insufficient for far too many families with young children. The high cost of care combined with insufficient public investment continues to force far too many families to have to make difficult decisions between cutting back on work or placing their children in substandard care. These families cannot wait any longer for the support they need to both provide their children the best possible start in life and be productive workers. As such, I welcome the opportunity to discuss the critical importance of providing the substantial public investments needed to expand access to high-quality, affordable child care for all families.

Current Landscape

The science of early childhood brain development tells us all the moments in a young child's day matter. High quality child care improves children's early learning; cognitive and language development; social and emotional development; and school achievement, building the foundation children need to thrive as adults.² But available research shows that 75 percent of toddlers in center-based care and 93 percent in home-based care are in low or mediocre quality settings that can be detrimental to their healthy

development.⁸³ Despite research demonstrating that overburdened and under-resourced children benefit most from quality child care, these children too often face even greater barriers to accessing quality care.⁸⁴

Our existing child care market is failing to help families who need quality care the most. Unlike with K-12 education, we place most of the burden for paying for child care on parents; however, most young children are in families with fairly modest incomes towards the start of their careers. Even families with moderate incomes struggle to afford child care for their infants, which exceeds the cost of 4-year public college in 30 states and the District of Columbia.⁸⁵ Meanwhile, the providers who do the important work of caring for young children during their years of greatest brain development can barely afford to make ends meet themselves, making less than \$24,000 a year on average⁸⁶, in effect subsidizing this critical service through their own low wages. Without additional public support, families and early childhood educators will continue to struggle with a broken child care market that limits access to the quality opportunities that can build a strong foundation for children's futures.

The federal government's support for child care and early learning opportunities for infants and toddlers largely flows through two major programs: the Child Care and Development Fund (CCDF) and Early Head Start (EHS), a comprehensive multi-setting program for babies and toddlers in poverty. The Child Care and Development Fund includes the mandatory Child Care Entitlement to the States and the discretionary Child Care and Development Block Grant (CCDBG), which governs the policy for both sources of funding. States must use three percent of their funds to improve the quality of services for infants and toddlers. Nearly 1 in 3, (30 percent) of children served by CCDF are under age three.

Early Head Start was created in the 1994 reauthorization of Head Start to provide comprehensive early development and learning services to infants, toddlers and pregnant women in poverty, and is the only federal program specifically designed to improve the early learning experiences of this group of very young children and to support their parents' ability to nurture their early development.⁸⁸ EHS provides services in a variety of settings including the family's home, centers, and family child care homes. Consistent with its mission to improve the early development of very low-income babies, regardless of their parents' work status and starting prenatally where possible, EHS does not always serve as child care for working families. However, many EHS parents are working, and because of EHS' quality standards and proven effectiveness, EHS center and family child care options can be models for providing high-quality child care services.⁸⁹ The Congressionally mandated Early Head Start Research and Evaluation Project found that Early Head Start makes a positive difference for children and families across a variety of indicators associated with children's success in school and family self-sufficiency.⁹⁰ Yet despite these demonstrable successes, Early Head Start does not come close to serving all eligible infants and toddlers who could benefit from its services. In 2018, Early Head Start was funded to serve just under 167,000 infants, toddlers, and pregnant women – just 8 percent of the more than 2 million eligible infants and toddlers living in poverty that year.⁹¹

CCDF supports states in improving working families' access to child care options, either by contracting directly with providers to support eligible children or offering eligible families a child care subsidy to defray the high cost of care. In recognition of the importance of quality care for children's development, Congress reauthorized CCDBG in 2014 and strengthened federal requirements related to health, safety, and licensing. Yet even under these new requirements, states retain a great deal of flexibility in establishing minimum health and safety standards, group size limits and staff-child ratios, and eligibility standards.

While CCDF has largely enjoyed bipartisan support, in recognition of its importance as both a work support and a means to improve the quality of care available to children in low- and moderate-income working families, it has never been funded at a sufficient level to reach all families who would benefit from its support. In 2016, just 15 percent of the 13.3 million children eligible for child care subsidies under federal rules (those living in families with incomes below 85 percent of their state median income) received a child care subsidy under CCDF.⁹² In fact, compared to the needs of low- and moderate-income

families for help in affording infant-toddler care that can exceed public college tuition, the shortfall is much greater. The *State of Babies Yearbook: 2019* shows that only 4.2 percent of families who could use help in paying for care receive it under CCDF.³⁶ Only 12 states allow child care subsidies for families with incomes above 200 percent of the federal poverty level (FPL)—approximately \$50,000 for a family of four.³⁸

In recent years, Congress has recognized the need for increased investment in the child care system, increasing discretionary funding for CCDBG by \$2.4 billion in 2018 and maintaining that historic increase in subsequent budgets. This new funding has allowed states to increase provider payment rates, expand eligibility thresholds, and move families off waiting lists, all while improving the quality of child care. But still, too many families still do not have access to the assistance they need to make quality child care affordable.

The Path Forward

Like clean water, safe food, and good public schools, high quality, affordable child care and early learning opportunities benefit us all and must be a national priority. It is past time our leaders commit to providing the substantial public investments necessary to expand equitable access to high-quality, affordable child care for all families. To help guide this work, a coalition of child care experts and stakeholders, including ZERO TO THREE, developed the following principles that any child care proposal should include:

- **Quality:** All children can receive high-quality child care that is well-resourced, recognizes parents as partners, and is driven by brain science.
- **Access:** Families can access the high-quality child care setting that best meets their needs.
- **Affordability:** Families can get the financial support they need to afford high-quality child care.
- **Workforce:** Early childhood professionals in all settings can receive the support, resources, and compensation they need to provide high-quality care and support their own families.

Any plan designed to comprehensively address the challenges working families face in accessing quality, affordable child care should be guided by these principles. We cannot allow ourselves to be distracted by unproductive conversations pitting increased access against higher quality. America's children and families need and deserve both — and the foundation of our future workforce depends on the quality of the early experiences they receive.

Additionally, policymakers should recognize the unique needs of the most overburdened and under-resourced children and families and commit to growing the capacity of Early Head Start as the beginning of a prenatal-to-five continuum of services. Early Head Start has demonstrated real, positive changes for the pregnant women, infants, and toddlers it serves and the time to build on its promise is now. Here are five ways you can help reaffirm and grow Early Head Start's unique mission of providing high-quality child development services to the young children and families who are most in need.

1. Increase federal and state investments in Early Head Start to ensure that 50 percent of eligible infants and toddlers are served by 2025.
2. Continue to anchor Early Head Start in adequately resourced community assessments and informed local choices for the program options most needed in communities.
3. Grow a well-qualified and fairly-compensated Early Head Start workforce, prepared to serve the youngest children and families.

4. Preserve Early Head Start's mission of boosting the development of the infants and toddlers facing the biggest challenges, regardless of their parents' current work or training status, including emphasizing enrolling more pregnant women to maximize the time they and their children benefit.
5. Fund new research to assess how Early Head Start is benefiting families and children as it implements the new Head Start Program Performance Standards.

Paths to Avoid


As this committee considers how to advance access to quality early care and education opportunities for infants and toddlers and their families in the coming months, it is critical that you avoid taking steps that would set the goal of high-quality child care for all backwards in the name of temporarily improving access for some.

First, deregulation is not the solution to the child care crisis. While some have suggested that we could expand access to child care by cutting back on certain regulations, such as staff-child ratios and group size; this is a false choice that risks not only setting back the bipartisan progress Congress has made in improving the quality of CCDF-funded care, but also severely damaging the health and safety of America's babies and toddlers. Low-staff child ratios in infant classrooms are one of the most frequently cited state licensing regulations that drive up child care costs; however, those who would propose rolling back these regulations to allow more children to be served fundamentally misunderstand what children need to thrive. The relationship between skilled caregivers and the children they serve is the primary element of quality in child care settings, and low staff-child ratios (ideally 1:4 for infants and toddlers) are what foster those relationships, help children make the connections that support their development, as well as preserve their health and safety. Families' access to child care that meets their needs cannot come at the expense of their children's health, safety, and development.

Second, we ask that you avoid considering any proposals that would weaken the quality of services available to the most overburdened and under-resourced children and families. Critics of our current system frequently point to fragmentation, and the existence of multiple programs, as a major driver of the current child care crisis. However, what these critics fail to acknowledge is the crucial role some of these different programs play in supporting the healthy development of the children and families most in need of support. Programs like Early Head Start, for example, go beyond simply providing quality early learning opportunities for the children and families under the poverty line whom they serve. Rather, they are two-generation approaches that support comprehensive, wrap-around supports through a variety of settings. They recognize the integral role parents play in shaping early development as well as the fact that children are unable to learn and develop properly when they have unmet needs at home. These supports are a key part of why Early Head Start has achieved the successes we have described above. We do believe that EHS can be an important model in influencing state programs providing early care and learning to infants and toddlers if states are willing to make the investment. The fact remains that we must keep our eyes on the main driver of today's child care crisis – that there is simply too little public funding in the system to make up for the fact that the child care market is failing families, children, and the providers that care for them.

Conclusion

Our current child care system is failing to meet the needs of young children and their families. Parents and child care providers bear the burden of the cost of quality care, and they have reached their limits in a conundrum that cannot be solved by simple market forces. High costs and insufficient public support limit access to high-quality care and force too many families into choosing between leaving their work or putting their children in substandard care. This undermines not only the workforce of today, but also that of the future, as the quality of children's early environments shapes the foundation of their future development and learning.



While Congress has taken some important steps to increase access to quality, affordable child care and early learning opportunities, these measures have not been sufficient to meet the significant need that exists. Now is the time to provide the significant public investment necessary to build a comprehensive system of early child care and learning that meets the needs of all families with young children. ZERO TO THREE is pleased that Congress has taken the time to address the importance of child care policy and we stand ready as a resource to inform and advance these important policies.

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Working Families Are Spending Big Money on Child Care

By Rasheed Malik June 20, 2019

American families are struggling with the costs of child care—a key element in the ever-rising expenses associated with middle-class opportunity. Quality, affordable child care allows parents who want to work to stay in the labor force, encourages the healthy development of young children, and supports families at a stage in their lives during which small investments return large social dividends.¹ Absent large-scale policy action on this issue, young adults have reported child care expenses as the top reason they are having fewer children than they would like.² In fact, in 2018, the U.S. fertility rate fell to a record low for the third straight year, falling below the replacement rate needed to keep the population constant from one generation to the next.³

For those who do have young children, parenthood in the United States can feel like a relentless series of financial challenges. Over the past two decades, middle-class wages have barely kept pace with the rate of inflation, while the costs of securing a family in the middle class—including the necessary costs of housing, education, health care, and child care—have risen considerably.⁴ During this same time, income inequality has escalated, with wealth and incomes for the top 1 percent and the upper middle class pulling away from the rest of Americans.⁵

Under the current policies, most parents must cover the full cost of child care on their own, an expense that few can afford. Even low-income families—whose children likely qualify for child care assistance—are often forced to pay for child care, since fewer than 1 in 6 subsidy-eligible children receives assistance.⁶ Meanwhile, to the extent that child care is affordable for parents at all, this is only because the child care workforce effectively subsidizes child care costs with low worker wages. The typical U.S. child care worker earns just \$11 per hour.⁷

In reality, most young children have working parents, making child care integral to family life.⁸ To understand better the cost burden on families and the types of arrangements that parents make to manage financially, this issue brief examines recent data on child care payments and patterns that provide insight into the types of child care that families use. This issue brief reports findings from a new analysis of child care spending data from the most recent wave of the Survey of Income and

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Program Participation (SIPP), released in May 2019.⁹ (see Methodological note)
 This nationally representative survey, designed and implemented annually by the U.S. Census Bureau, offers broad-ranging, detailed information on households' income dynamics, assets, health insurance, employment, participation in assistance programs, and child care arrangements, among other subjects. The author analyzed family incomes, demographics, child care spending, and the number and types of child care arrangements used by families with at least one child under age 5.

An overview of the SIPP results

The results of the child care spending analysis show that among working families with children under age 5 that pay for child care, average child care spending amounts to nearly 10 percent of the average family income, or 40 percent higher than the U.S. Department of Health and Human Services' definition of affordability.¹⁰ This is also an 11 percent increase from the 8.9 percent of average family income spent on child care that the U.S. Census Bureau found in a 2013 analysis of SIPP data.¹¹ Lower-income families spend a much higher percentage of their income on child care, while higher-income families spend more overall. This is not surprising, given that higher-income families use licensed child care—which is likely to be safer and of higher quality—much more frequently than lower-income families. Finally, all families, regardless of their income level, frequently juggle multiple child care arrangements, with more than half of young children in multiple child care arrangements and nearly one-quarter using three or more arrangements.

Increases in the share of families paying for child care and the amount they are spending would not necessarily be a bad thing if families were using higher-quality care for their children. However, the findings in this issue brief show that middle-class and low-income working families have less access to licensed child care but must spend a larger share of their income when they do pay for child care. It is important to consider the long-term economic impacts of these findings, as the middle class is shrinking in most metropolitan areas and wage growth is increasingly concentrated among the richest households.¹² A public investment in child care can effectively act as wage increases for millions of middle-class and low-income families, who are often in their lowest earning years as young adults.

Child care spending among working families with young children

According to the U.S. Department of Health and Human Services (HHS), child care is considered affordable if it costs families no more than 7 percent of their income. Across nearly every category—whether it be marital status, race, age, education level, or income—families paying for child care spend, on average, a greater share of their income than the HHS benchmark of affordability.¹³ In fact, on average, working

families paying for child care spend about 40 percent more than what is considered affordable.¹⁴ The Survey of Income and Program Participation asks parents how much their family spends on child care in a typical week, for all children under age 15. While most child care spending is on care for children younger than age 5, school-age children with working parents can also require child care before or after school.¹⁵ The resulting household-level estimates of child care costs consider the full array of child care expenses that families incur so that parents can participate in the workforce.

A descriptive summary of child care spending by demographic variables is presented in Table 1. It shows the number of families with children under age 5, the percentage of families making child care payments, and the average income and child care expenditure among families with children under age 5 in which the surveyed parent—almost always the mother—is employed.¹⁶ The author uses the term “working families” to refer to these households in the discussion of the findings.

These 5.1 million working families spent an average of \$250 per week on child care, which is about 10 percent of the average family income.¹⁷ Since child care expenditures were recorded slightly differently in the 2014 SIPP than in the 2008 SIPP, this increase in child care spending could be partly due to changes in the survey design.¹⁸ Additionally, without more information about the quality of the child care these parents are paying for, it is difficult to determine whether this increase in spending comes from rising costs of child care or greater demand for higher-quality child care.

About 30 percent of working families with children under age 5 are considered low income.¹⁹ Only 4 in 10 low-income working families pay for child care, but among those that do, child care costs consume 35 percent of their income—five times more than what is considered affordable. Middle-class working families making from 200 percent to 399 percent of the federal poverty level are spending an average of 14 percent of their income on child care, which is twice the child care affordability standard. (see Figure 1)

SIPP data show that high-income families are much more likely to pay for child care. As other research has noted, while the mean of child care spending has risen dramatically in recent years, the median has not risen as quickly.²⁰ This is because high-income parents are increasing their investment in their children’s care and education at a faster rate than ever before.²¹ This raises concerns about widening inequalities among young families in the absence of wide-ranging public investment in early care and education.

TABLE 1

More than half of working families with children under age 5 pay for child care

Child care spending and share making payments among families with employed mothers, by selected characteristics

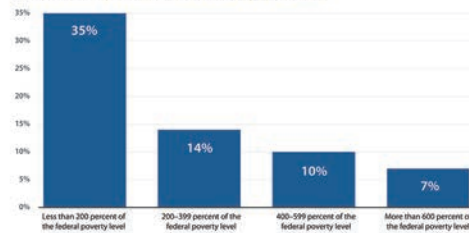
	Number of families (rounded to nearest thousand)	Share of families making child care payments	Average weekly child care expenditures	Average monthly family income	Share of families' monthly income spent on child care
All families with children under age 5	9,180,000	55%	\$250	\$10,981	10%
Mother's marital status					
Married	6,052,000	61%	\$273	\$13,685	9%
Divorced, separated, or widowed	778,000	54%	\$196	\$5,505	15%
Never married	2,349,000	41%	\$192	\$3,623	23%
Mother's race/ethnicity					
White (including Hispanic)	6,567,000	55%	\$249	\$11,043	10%
Non-Hispanic white	5,112,000	58%	\$263	\$11,771	10%
Black	1,734,000	51%	\$186	\$7,033	11%
Asian	507,000	67%	\$421	\$21,242	9%
Hispanic (of any race)	1,660,000	48%	\$212	\$8,201	11%
Mother's age					
15–24 years	840,000	41%	\$134	\$3,872	15%
25–34 years	4,924,000	52%	\$247	\$9,815	11%
35+ years	3,416,000	63%	\$273	\$13,502	9%
Mother's education level					
Less than high school	684,000	35%	\$180	\$4,611	17%
High school	1,748,000	39%	\$166	\$5,269	14%
Some college	2,696,000	50%	\$205	\$5,871	15%
Bachelor's degree	2,273,000	64%	\$266	\$13,515	9%
Graduate or professional degree	1,779,000	75%	\$334	\$17,414	8%
Income relative to the federal poverty level					
Less than 200 percent (less than \$50K for a family of four)	2,699,000	40%	\$188	\$2,319	35%
200–399 percent (\$50–100K for a family of four)	2,807,000	51%	\$197	\$5,979	14%
400–599 percent (\$100–150K for a family of four)	1,556,000	63%	\$224	\$9,844	10%
More than 600 percent (more than \$150K for a family of four)	2,037,000	76%	\$362	\$22,654	7%

Note: This analysis omits families without income. The current federal poverty level for a family of four is \$25,750.

Source: Author's analysis of U.S. Census Bureau, "Survey of Income and Program Participation, 2014 Panel Wave 3," available at <https://www.census.gov/programs-surveys/sipp/data/datasets/2014-panel-wave-3.html> (last accessed June 2018).

FIGURE 1
Low-income working families spend more than one-third of their income on child care

Share of income spent on child care among paying families



Note: The current federal poverty level for a family of four is \$25,750.
Source: Author's analysis of U.S. Census Bureau, "Survey of Income and Program Participation, 2014 Panel Wave 1," available at <https://www.census.gov/ipeds/data/sipp/2014/panel/wave1.html> (last accessed June 2019).

The overall share of working families paying for child care increased by more than 20 percent since the last SIPP census report, rising from a rate of 45.5 percent of families to 55.3 percent.²³ The largest increases in the share paying for child care were among families with mothers over age 35, Non-Hispanic white mothers, Asian mothers, and mothers with a bachelor's degree or higher. Each of these groups is associated with higher family incomes than the other groups within their category—race or education level, respectively—supporting the observation that higher-income families are more likely to pay for child care.

As with the percentage of families paying for child care, there are differences in the share of family income spent on child care between groups with different demographic characteristics. For example, unmarried parents spend more than twice what married couples spend as a proportion of their family income. Parents without a high school degree spend a much bigger portion of their paycheck on child care than parents who are college graduates, though they are only half as likely to pay for it at all. Unmarried parents and parents without a high school degree earn less, on average, than groups that spend a smaller share of their income on child care. In absolute terms, these families pay less for care than their higher-income peers. Relative to their lower incomes, however, child care is a larger expense for these low-income families.

Number and type of working families' child care arrangements

The cost of child care can vary significantly by the type of child care. Families often consider a variety of factors when selecting child care, including cost, location, quality, and operating schedule. For low-income families, cost and location constraints are driving factors behind the type of child care they use. Table 2 reports the share

of children in each type of child care arrangement recorded by the SIPP. The survey allows parents to indicate as many child care arrangements as they need for each child, although the number of hours is not recorded for each care arrangement. Thus, this analysis cannot determine the primary child care arrangement where the child spends the most time. For this table, the author has combined substantially similar categories for the sake of comparability with previous Census Bureau analyses of the SIPP.²³ The population of interest for this analysis is the estimated 15.7 million children under age 5 in at least one child care arrangement while their parents are working, in school, or otherwise unavailable to care for them.²⁴

TABLE 2
Most young children spend time in multiple child care settings

Child care arrangements for children under age 5

Type of care arrangement	Number of children	Percentage of children whose parents report using child care	Percentage of all children
Any relative care	12,517,372	79.7%	63.0%
Surveyed parent	3,031,813	19.3%	15.3%
Other parent	5,583,830	35.6%	28.1%
Sibling (over age 15)	472,619	3.0%	2.4%
Grandparent	8,856,012	56.4%	44.6%
Other relative	3,530,107	22.5%	17.8%
Any licensed child care	7,328,628	46.7%	36.9%
Child care facility	7,012,917	44.7%	35.3%
Child care center	4,842,353	30.9%	24.4%
Preschool or pre-K	3,517,587	22.4%	17.7%
Head Start program	1,709,608	10.9%	8.6%
Family child care home	1,753,898	11.2%	8.8%
Unlicensed nonrelative care	3,789,835	24.1%	19.1%
Self-care	143,149	0.9%	0.7%
All children under age 5 whose parents report using a child care arrangement	15,696,426	-	79.0%
All children under age 5	19,875,373	-	-

Note: Rows sum to more than 100 percent because many families use more than one child care arrangement.
Source: Author's analysis of U.S. Census Bureau, "Survey of Income and Program Participation, 2014 Panel Wave 1" available at <https://www.census.gov/programs-surveys/sipp/data/states/2014-panel/wave-1.html> (last accessed June 2018).

For this population of young children, there are three broad child care categories: relative care, which includes parents, siblings, and grandparents or other relatives; licensed child care, which includes child care centers, preschool or pre-K, Head Start programs, and family child care homes; and other child care arrangements, such as self-care, in which the child is left alone without a caregiver, or unlicensed nonrelative care. An estimated 80 percent of children under age 5 spend at least some time with

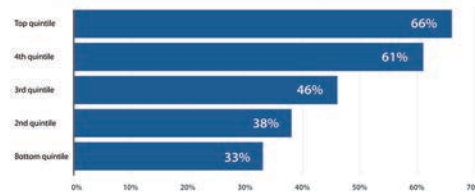
a relative during the week; 47 percent spend some time in licensed child care; and 24 percent spend some time in an unlicensed, nonrelative child care setting. About 56 percent of young children who need child care spend at least some time in the sole care of a grandparent.²⁵ Typically, this is not their only child care arrangement. More than half of children under age 5 who need child care are in two or more care arrangements, with 25 percent in three or more care arrangements. While grandparent care is most common, a growing share of children under age 5—47 percent—spend at least some time in a licensed child care setting such as a child care center, pre-K, Head Start programs, or a family child care home. These categories sum to more than 100 percent because most children are in multiple child care arrangements.

After dividing the larger category of relative care into three distinct groups—nuclear family, grandparents, and other relatives—the author examined the prevalence of multiple care arrangements across the resulting five basic child care types: licensed care; nuclear family care; grandparent care; other relative care; and nonrelative unlicensed care. Using these five categories, this study finds that 56 percent of young children spend time in at least two types of child care, with 24 percent spending time in three or more types of care and 5 percent spending time in four types of care.²⁶

Use of licensed child care for children in families in the top income quintile is twice as high as use in the bottom income quintile. (see Figure 2)²⁷ States set standards that child care providers must meet in order to become licensed in that state, including the number of children a provider can care for before licensing is required, fireproofing, and minimum adult-to-child ratios. Nonprofit, for-profit, or publicly funded child care providers make up the licensed child care market. The increased rate of licensed child care among high-income families is likely part of the reason that high-income families are more likely to pay for child care, as well as why they are paying more for child care, on average.

FIGURE 2
High-income families are twice as likely to use licensed child care as low-income families

Share of families using licensed child care, by income quintile



Source: Author's analysis of U.S. Census Bureau, "Survey of Income and Program Participation, 2014 Panel Wave 1," available at <https://www.census.gov/programs-surveys/sipp/data/datasets/2014-panel/wave-1.html> (last accessed June 2018).

Conclusion

Child care affordability should be a central goal for policymakers pursuing an inclusive growth strategy for the American economy—one that generates short-term as well as long-term economic benefits. Lawmakers must act to invest in solutions that increase child care supply, support child care workers, and make quality child care affordable for working families. The recently reintroduced Child Care for Working Families Act is one current proposal that addresses costs while also ensuring quality. It does so by greatly increasing child care assistance for low-income and middle-class families and raising wages considerably for the underpaid child care workforce.²⁸

Better work-family policies are likely to pay for themselves in the long run, while acting as an economic catalyst for labor supply in the short run. An equitably designed policy approach can also direct many of the benefits to women, middle-class working families, and families of color, who have shouldered the cost of policy inaction for decades. A progressive economic growth strategy that includes bold child care investments will help families at a critical moment in their lives, allowing more young parents to stay in the labor force while improving the quality of child care for millions of children.

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Methodological note

For this issue brief, the author analyzed the 2014 panel of the Survey of Income and Program Participation, which conducted annual waves of interviews with a nationally representative sample of about 53,000 households and was released in 2019. This analysis uses data from Wave 3, for which interviews were completed in June 2016. Questions about child care arrangements were asked of the reference parent for each child under age 15. In most cases, the mother is the reference parent. If neither parent is in the household, the guardian is the reference parent. Usage of child care arrangements, as well as child care expenses, refer to a typical week in December of the reference year, which for Wave 3 interviews is 2015. The SIPP does not collect information on hours, location, or cost per arrangement. Reference parents were asked about how much they spent on child care overall, for all arrangements for all their children.

Endnotes

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- 16 The author calculates that 96 percent of the reference parents in this survey are mothers.
- 17 Author's calculation based on U.S. Census Bureau, "2014 Survey of Income and Program Participation, Wave 3."
- 18 In the 2008 SIPP design, the child care expenses were recorded for each arrangement and for each child under age 15. However, in the 2014 SIPP design, this was changed to record household-level spending for all children under age 15. Limiting the sample to families with children under age 5 allows for reasonable comparability, but it is possible that this survey design change may have altered the respondents' recollection of how much was spent on child care.
- 19 In this issue brief, "low income" is defined as any family income below 200 percent of the federal poverty level, which for a family of four is \$51,500 per year. Office of the Assistant Secretary for Planning and Evaluation, "2019 Poverty Guidelines," available at <https://aspe.hhs.gov/2019-poverty-guidelines> (last accessed June 2019).
- 20 Andrew Flowers, "The Cost Of Child Care Might Not Be Skyrocketing," *FiveThirtyEight*, July 23, 2015, available at <https://fivethirtyeight.com/features/the-cost-of-child-care-might-not-be-skyrocketing/>; Chris M. Herbst, "The Rising Cost of Child Care in the United States: A Reassessment of the Evidence" (Bonn, Germany: Institute of Labor Economics, 2015), available at <http://ilo-isa.org/ilo/22.pdf>.
- 21 Ibid.
- 22 U.S. Census Bureau, "Who's Minding the Kids? Child Care Arrangements: 2011 – Detailed Tables: Table 5: Families with Employed Mothers that Make Child Care Payments, by Age Groups and Selected Characteristics," available at <http://www.census.gov/data/tables/2008/demo/2011-tables.html> (last accessed June 2019).
- 23 The categories were made up by combining three Head Start categories into one, all family member-based care being combined into relative care, and "child care center" being combined with "preschool/nursery school" and "Head Start" to make the "child care facility" category. "Any licensed care" includes all children in either a child care facility or a family child care home.

24 Note: There are approximately 19.8 million children under age 5 in the United States. The author estimates from the SIPP that 21 percent of these children are always in the care of a parent, without any need for child care.

25 Note: "Children needing care" is defined as the 79 percent of children under age 5 who spend some time in the care of someone else while the surveyed parent works/goes to school/is not available.

26 The five categories that the author constructed are "licensed care," nuclear family, "grandparent," other relative, and "nonrelative care." Licensed care contains the following types of care: child care center; nursery/preschool; Head Start; and family child care. Nuclear family care contains the following types of care: reference parent; spouse or sibling over age 15. The other three categories are taken from the SIPP itself.

27 Note: This data set does not identify which providers are licensed, so the author has used a set of provider types as a proxy for licensure. This includes Head Start, family child care homes, child care centers, and nursery schools or preschools.

28 Child Care for Working Families Act of 2019, H.R. 1364, 116th Cong., 1st sess. (February 26, 2019), available at <https://www.congress.gov/bills/116th-congress/house-bill/1364/text>.



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

February 15, 2019

The Honorable Lamar Alexander
Chairman
The Honorable Patty Murray
Ranking Member
Committee on Health, Education, Labor and Pensions
United States Senate

The Honorable Robert C. "Bobby" Scott
Chairman
The Honorable Virginia Foxx
Ranking Member
Committee on Education and Labor
House of Representatives

Child Care and Development Fund: Subsidy Receipt and Plans for New Funds

The federal child care subsidy program known as the Child Care and Development Fund (CCDF) is the primary source of federal funding dedicated to assisting low-income families who are working or participating in education and training by increasing their access to quality child care.¹ In fiscal year 2015, the latest year for which data are publicly available, CCDF provided child care assistance to about 1.4 million children each month.² Discretionary funding for CCDF is authorized by the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended, and the U.S. Department of Health and Human Services (HHS) administers the funds to states.³ In addition to authorizing funding, the CCDBG Act of 2014 included various

¹CCDF is not an entitlement program, which means that states are not required to serve all eligible families who apply for CCDF subsidies; thus some eligible families who apply for subsidies may not receive them. Families who qualify for, but do not receive, CCDF subsidies could still receive public assistance for child care through other federal or state programs such as Head Start or a state's pre-kindergarten program if they meet eligibility requirements. Further, not all eligible families may apply for CCDF subsidies because, as we previously found, several factors influence families' child care decisions that can make it difficult or unappealing to pursue subsidies. See GAO, *Child Care: Access to Subsidies and Strategies to Manage Demand Vary Across States*, GAO-17-60 (Washington, D.C.: Dec. 15, 2016).

²At the time of this report's issuance, preliminary 2016 data from the U.S. Department of Health and Human Services also estimated that about 1.4 million children received child care assistance each month.

³Discretionary CCDF funds are entirely federal funds that are allocated to states based on a statutory formula. See, 42 U.S.C. § 9858m. Under the program, these discretionary funds do not require a state match. CCDF is also made up of mandatory and matching funding, which is authorized under the Social Security Act (42 U.S.C. § 618) and administered by HHS. A portion of the mandatory funding is guaranteed to states, without states having to match the funds with state child care spending. To be eligible for its share of the remaining mandatory funds (matching funds), a state must first spend a designated amount of its own state funds. 42 U.S.C. § 618(a)(2).

requirements for states. Among them, states must spend at least 70 percent of remaining discretionary funds on subsidies for eligible families, after setting aside funds for administrative and quality activities.⁴ In fiscal year 2019, states are required to spend at least 8 percent of CCDF funding for "quality activities"—activities that are designed to improve the quality of child care services the state provides—which may include supporting the professional development of the child care workforce and improving the supply and quality of child care programs and services for infants and toddlers.⁵ In March 2018, the Consolidated Appropriations Act, 2018 was enacted, which provided \$5.2 billion in discretionary CCDF funding for fiscal year 2018, nearly twice the amount provided in fiscal year 2017.⁶

The CCDBG Act of 2014 also included a provision for GAO to review every 2 years the number of families eligible to receive assistance under the CCDBG Act of 1990, as amended, as well as those who have applied for assistance and those who have been placed on a wait list for assistance.⁷ To address this provision, this report describes (1) what is known from the most recent data available from HHS about the extent to which eligible children received child care subsidies and their characteristics, and (2) how states plan to use the increase in CCDF funding from the Consolidated Appropriations Act, 2018, including addressing wait lists. The report includes the slides we used to brief your staff in October 2018 (see enclosure I). HHS since updated its data on subsidy receipt in January 2019, and this letter reflects the updated data.

To answer what is known from the most recent data available from HHS about the extent to which eligible children received child care subsidies and their characteristics, we summarized the most recent analysis of CCDF eligibility and subsidy receipt data available from HHS's Assistant Secretary for Planning and Evaluation (ASPE), as reported in *Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2015* (January 2019). According to HHS, the eligibility estimates were produced using the Transfer Income Model (TRIM), a micro-simulation model developed and maintained by the Urban Institute under contract with ASPE. TRIM is based on the Annual Social and Economic Supplement of the Current Population Survey (CPS). TRIM compares family income and work status data from the CPS against CCDF rules to generate estimates of children and families eligible for subsidies.

To answer how states plan to use the increase in CCDF funding from the Consolidated Appropriations Act, 2018, including addressing wait lists, we collected information from state

⁴42 U.S.C. § 9858(c)(3)(E)(ii). The CCDBG Act of 1990, as amended, requires states to spend 70 percent of remaining discretionary funds on "direct services," which HHS defines in its grant reporting instructions as "solely...for child care subsidies to eligible children." States may spend no more than 5 percent of CCDF funding on administrative activities. 42 U.S.C. § 9858(c)(3)(C).

⁵42 U.S.C. § 9858e(a)(2)(A), (b)(1)(A), (b)(4). Under the statute, the minimum percentage states must spend on quality activities increases to 9 percent of CCDF funding for fiscal year 2020 and beyond. In addition, for each fiscal year starting in fiscal year 2017, states must spend at least an additional 3 percent on activities related to the quality of child care for infants and toddlers. 42 U.S.C. § 9858e(a)(2)(B).

⁶Pub. L. No. 115-141. Because funds appropriated under this act are discretionary CCDF funds, states are also required to spend at least 70 percent of the remaining funds on subsidies for eligible families after setting aside funds for quality and administrative activities.

⁷Pub. L. No. 113-186, § 12(a), 128 Stat. 1971, 2001. For the remainder of this report, unless otherwise noted, we refer to the CCDBG Act of 1990, as amended, as "the CCDBG Act."

CCDF administrators in two ways.⁸ First, we surveyed CCDF administrators in the 50 states and the District of Columbia (D.C.) using a Word-enabled questionnaire in May and June 2018 and received a 100 percent response rate. We asked CCDF administrators about state child care activities, including those related to CCDBG Act requirements, and any additional purpose for which their state expected to spend at least some of the additional funds from the Consolidated Appropriations Act, 2018. We took several steps to minimize measurement error and data collection and processing errors.⁹ Specifically, we pre-tested draft versions of the questionnaire with CCDF administrators in three states to check the clarity of the questions and layout of the questionnaire, and made revisions in response, as appropriate. In addition, we directly extracted respondent data from our questionnaire into a spreadsheet to facilitate analysis, and visually inspected the extracted data for any errors. Second, we conducted semi-structured interviews with CCDF administrators in 15 states, including D.C., in May and June 2018 to collect in-depth information about their plans to use the new funding and the impact on their wait lists, if applicable. We selected states with and without wait list policies that also reflected variation in the level of CCDF funding set aside for quality activities, according to the most recently available data from HHS, and geography (see enclosure III for a list of these states). Through our interviews and follow-up, we obtained information on states' plans for future spending, potential impacts of not having received the new funds, and challenges associated with the funding. While information obtained during these interviews is not generalizable and may be preliminary and subject to change, it provides point-in-time insight into state plans for these funds from a variety of states.

We conducted this performance audit from April 2018 to February 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

States administer the federal CCDF program by providing subsidies to eligible families in the form of certificates or vouchers to use for child care in homes, child care centers, and classrooms, or through grants or contracts to child care providers. States have flexibility to establish specific eligibility criteria within broad federal eligibility rules, according to HHS regulations.¹⁰ For example, under federal eligibility rules, a family's income may not exceed 85 percent of state median income,¹¹ but most states set their income limits below the federal maximum. As a result, generally, fewer families qualify for subsidies under state eligibility rules than under federal eligibility rules, according to HHS.

⁸For purposes of this report, we are referring to the increase in CCDF funds appropriated under the Consolidated Appropriations Act, 2018 as "new funds" or "new funding."

⁹Measurement error can include variations in how respondents interpret questions, respondents' willingness to offer accurate responses, and nonresponse error (failing to collect data on answers to individual questions from respondents).

¹⁰45 C.F.R. §§ 98.16(g)(5), 98.20(b).

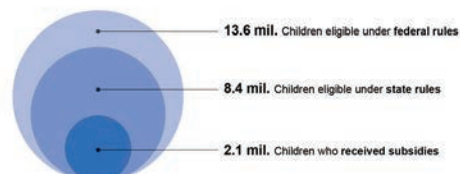
¹¹42 U.S.C. § 9858n(4)(B).

The CCDBG Act of 2014 and HHS's final rule implementing the law specify activities that state child care programs are required to or have the option to undertake as part of their CCDF program. These activities fall into four key areas, according to HHS: (1) protecting the health and safety of children in child care; (2) helping parents make informed consumer choices and access information to support child development; (3) supporting equal access to stable, high-quality child care for low-income children; and (4) enhancing the quality of child care and the early childhood workforce. The Act added some specific requirements, such as requirements for comprehensive criminal background checks for child care providers.¹² States may also use CCDF funds for a variety of additional child care activities that are not explicitly required under the act. Enclosure II describes various state child care activities and their related requirements from the CCDBG Act of 2014, where applicable.

HHS Estimated That One-Quarter of Eligible Children Received Subsidies, and They Were Younger and from Lower-Income Families than Other Eligible Children

An estimated one-quarter of children eligible for child care subsidies under state eligibility rules received them (2.1 million of the 8.4 million children in an average month estimated to be eligible under state rules), according to HHS's analysis of data from fiscal year 2015, the most recent year for which such analysis is available.¹³ This represented 15 percent of all children estimated to be eligible under federal rules (see fig. 1).

Figure 1: HHS's Estimated Number of Children Eligible Under Federal and State Rules, and Estimated Number Receiving Child Care Subsidies, Fiscal Year 2015



Source: Office of the Assistant Secretary for Planning and Evaluation, Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2015 (Washington, D.C.: January 2016). | GAO-19-222R

¹²Pub. L. No. 113-186, § 7, 128 Stat. 1971, 1990 (adding 42 U.S.C. § 9858f).

¹³This fiscal year 2015 estimate, reported by HHS's Office of the Assistant Secretary for Planning and Evaluation, represents the number of children who received child care subsidies funded through CCDF or related government funding streams, which includes counts of children who receive subsidies funded directly through the Temporary Assistance for Needy Families (TANF) program, the Social Services Block Grant, or state expenditures claimed as TANF maintenance of effort funds. The ASPE estimate was produced using a different methodology than the fiscal year 2015 figure cited earlier in this report: it includes subsidies funded through these additional related government funding streams whereas the 2015 figure, from HHS's Administration for Children and Families, is limited to subsidies funded through CCDF only and reported by states to HHS. Additionally, the ASPE estimate is limited to children in the 50 states and Washington, D.C. only. See ASPE, *Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2015*. Fiscal year 2015 data were not available at the time of our briefing in October 2016. Therefore, the briefing slides in enclosure I reflect data from fiscal year 2013, the most recently available data at that time.

HHS also estimated that, among families who met federal eligibility criteria in fiscal year 2015, children from lower-income families were more likely to receive child care subsidies compared to children from higher-income families. For example, 45 percent of 5-year-olds from families with incomes below the federal poverty line received subsidies, while 11 percent of 5-year-olds with family incomes between 150 and 199 percent of poverty received subsidies. In addition, HHS estimated that, for those eligible under federal rules in fiscal year 2015, preschool-aged children were more likely to receive subsidies compared to older, school-aged children.¹⁴ For example, 51 percent of 3-year-olds from families with incomes below the federal poverty line received subsidies, while 29 percent of 6- to 9-year-old children with family incomes below the poverty line received subsidies.

Almost All States Plan to Spend New Funds on Activities Related to CCDBG Act Requirements, and One-Third to Address Wait Lists, Despite Future Funding Uncertainty

Almost all states (44) reported they expect to spend the new discretionary CCDF funding from the Consolidated Appropriations Act, 2018, on at least one of several state child care activities related to CCDBG Act requirements, according to our survey.¹⁵ The most frequently reported activities were child care provider payment rates and parental copayments (31 states), professional development of the child care workforce (30 states), and consumer education (30 states) (see fig. 3 in enclosure I). For example, under the CCDBG Act, states must certify that their child care provider payment rates are sufficient to ensure that children who are eligible for subsidies have the same access to child care services as children who are not eligible for CCDF subsidies. When determining payment rates for CCDF providers, states are required to consider the costs associated with higher-quality care.¹⁶ Officials in two states told us their states plan to increase payment rates for subsidized child care providers who provide nighttime and weekend care, in an effort to promote access to child care for families with nontraditional work hours. Another state plans to use these funds to increase payment rates for providers of infant and toddler care to increase access for eligible infants and toddlers, according to its CCDF administrator.

Three-quarters of states we surveyed (38) also reported they expect to spend the new funds on at least one additional state child care activity that is not explicitly required.¹⁷ The activities most frequently cited were for a tiered quality rating system (25 states), a child care resource and referral system (20 states), and spending on quality activities beyond the required minimum (20 states) (see fig. 4 in enclosure I). According to HHS, states are required to provide information on child care provider quality, as determined by a quality rating and improvement system or other indicator of quality, if available.¹⁸ Although tiered quality rating systems are not required,

¹⁴GAO previously found that children who received CCDF subsidies in an average month in 2011-2012 were often younger and from lower-income families when compared to all eligible children. GAO-17-60.

¹⁵Of the remaining states, six answered "don't know" for all activities, and one answered either "no" or "don't know" for all activities.

¹⁶42 U.S.C. § 9858c(c)(4)(B)(iii)(II), (c)(5). In setting payment rates, states must ensure equal access for CCDF-eligible children to child care services that are comparable to child care services provided to families who do not receive subsidies. 42 U.S.C. § 9858c(c)(4)(A). HHS suggests states use a benchmark of the 75th percentile of rates reported in the market rate survey for payment rates, while noting there is no specific threshold set for equal access.

¹⁷Of the remaining states, eight states answered "don't know" for all optional activities, four states answered either "no" or "don't know" for all activities, and one state answered "no" for all activities.

¹⁸42 U.S.C. § 9858c(c)(2)(E)(i)(II), 45 C.F.R. § 98.33(a)(3).

some state officials we interviewed were planning on using funds to increase reimbursements for high-quality child care providers (which would be determined through a quality rating system), while other state officials planned to use funds on efforts to implement or improve their current tiered quality rating system. According to CCDF administrators from several states, these efforts can incentivize child care providers to increase the quality of their child care services to qualify for higher reimbursements. In the absence of the new funds, officials in one state, for example, said they may have needed to disenroll some families receiving subsidies in order to reallocate needed funds to implement and administer their rating system. Without the new funds, officials in another state said they would not have been able to update the state's tiered quality rating system, which is necessary to create a sufficient financial incentive for child care providers to improve the quality of their service.

Nearly one-third of states (16) reported in our survey that they plan to use new CCDF funds to pay for subsidies for children on their wait lists to receive child care, among other subsidy-related plans.¹⁹ States may use a wait list when they do not have sufficient CCDF funds to provide subsidies to all eligible families that apply.²⁰ According to our interviews with CCDF administrators, all 5 states that use a wait list might have had to expand their wait lists in the absence of the new funds. For example, one state's CCDF administrator told us the state's wait list may have expanded further without the new funds after already growing following implementation of the 12-month eligibility redetermination requirement, which allowed participating families to continue receiving subsidies for a longer period of time. Without the new funds, another state might have needed to further restrict its priority population for child care subsidies, in effect, reducing the number of families that receive priority, which would contribute to an increase in the size of the state's wait list, according to a state official. Similarly, officials in half of the states we interviewed without wait lists indicated they might have needed to create one had they not received the new funds.

However, several state CCDF administrators expressed uncertainty about their states' plans for using the new CCDF funds in our interviews (conducted in May and June 2018). Officials from more than a third of the states we interviewed (6) said their spending plans were still in flux. In some of these states, officials said they were still developing and reviewing their funding proposals as part of their state's legislative and budgeting process and they were awaiting future legislative approval or spending authorization.²¹ For example, in one state, the CCDF

¹⁹Other subsidy-related areas in our survey in which states reported plans to spend new CCDF funds include provider payment rates and parental copayments (31 states), 12 month eligibility period and graduated phase-out requirements (25 states), and tiered quality rating systems (25 states).

²⁰Our survey collected information on whether states planned to spend at least some of the new funds on subsidies for children on a wait list, if applicable in that state. Our survey did not collect information on whether states were using a wait list. The National Women's Law Center reported in 2017 that 19 states used a wait list for CCDF. See National Women's Law Center, *Persistent Gaps: State Child Care Assistance Policies 2017* (Washington, D.C.: October 2017). According to our survey data, 12 of the 19 wait list states in the National Women's Law Center study reported that they would spend at least some of the new funds on subsidies for children on a wait list.

²¹In August 2018, HHS issued a memorandum to states containing guidance on spending the new CCDF funds. According to the memo, states retain flexibility on how to invest funds to best meet their needs, though they were requested to remain mindful of congressional priorities that the funds are intended to increase access to affordable, high-quality child care to more low-income working families. The memo states there were no changes to discretionary spending requirements, aside from the prohibition that no funds made available in the fiscal year 2018 appropriations may be provided to any child care provider if a serious injury or death occurred with that provider due to a substantiated health or safety violation. States have until September 30, 2019, to obligate the new funds and until September 30, 2020, to liquidate them, according to HHS.

administrator said she was awaiting information on how much money the state would receive before she planned to convene stakeholder groups to discuss potential funding proposals. In another state, the CCDF administrator said her office needed to wait for other local budget appropriation decisions before her office could commit the new CCDF funds to specific priorities. Officials in more than half of the states we interviewed also told us they faced challenges making spending decisions because it was unclear to them whether the new funds would be provided on an ongoing basis.²² For example, CCDF administrators in two states that plan to expand subsidies to children on their wait lists expressed concerns about having to disenroll children from the program if funding is discontinued.

Agency Comments

We provided a copy of this draft report to HHS for review and comment. HHS provided technical comments only, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of the Department of Health and Human Services, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or larink@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in enclosure IV.




Kathryn A. Larin
Director, Education, Workforce, and Income Security Issues

Enclosures – 4

²²Future funding is subject to the annual appropriations process.

Enclosure I: Briefing to Senate Committee on Health, Education, Labor and Pensions and House Committee on Education and the Workforce, October 24, 2018

Enclosure I

**Child Care and Development Fund
(CCDF): Subsidy Receipt and Plans
for New CCDF Funds**

**Briefing to Senate Committee on Health, Education,
Labor and Pensions and House Committee on
Education and the Workforce**

October 24, 2018

Note: Data on subsidy receipt included in this briefing were updated by the Department of Health and Human Services in January 2019. For the most recent data on subsidy receipt, refer to the letter that precedes Enclosure I.

Page 1



Introduction: GAO's Mandate Under the Child Care and Development Block Grant (CCDBG) Act of 2014

- The CCDBG Act of 2014 included a provision for GAO to study the extent of participation in the CCDF program across states, including the number of families receiving subsidies and those placed on wait lists, and publish a report every 2 years.
- GAO's most recent report on this topic, *Child Care: Access to Subsidies and Strategies to Manage Demand Vary Across States* (GAO-17-60), was published in December 2016.
- This briefing provides preliminary information collected for GAO's second report in response to the mandate, which will be issued in winter 2019.

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Objectives

1. What is known from the most recent data available from the U.S. Department of Health and Human Services (HHS) about the extent to which eligible children received child care subsidies and their characteristics?
2. How do states plan to use the increase in CCDF funding from the Consolidated Appropriations Act, 2018, including addressing wait lists?

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Methodology

1. Summarized the most recent HHS analysis of CCDF eligibility and subsidy receipt data as reported in *Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2013* (November 2017).
2. Surveyed CCDF administrators in 50 states and the District of Columbia (D.C.) (100 percent response rate) to collect information about how states expect to use the new CCDF funding from the Consolidated Appropriations Act, 2018.
3. Conducted semi-structured interviews with CCDF administrators in 15 states including Washington, D.C. to collect in-depth information about these states' plans to use the new CCDF funding and the impact of the new funding on their wait lists, if relevant (states were selected, in part, based on the presence or absence of a state wait list policy as of October 1, 2016).
4. Reviewed relevant federal laws and regulations, including the CCDBG Act of 1990, as amended, and the 2016 CCDF Final Rule, as well as HHS guidance memorandum to states on use of new funds.

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Background: CCDF

- CCDF is made up of two funding streams—discretionary funding authorized under the CCDBG Act of 1990, as amended, and mandatory and matching funding authorized under the Social Security Act—administered by HHS at the federal level.
- The CCDBG Act of 2014 reauthorized the CCDBG Act of 1990 and authorized discretionary CCDF funding through fiscal year 2020. The act also includes various requirements states must meet.
 - After setting aside funds for quality and administrative activities, states are required to spend at least 70 percent of their remaining discretionary funds on subsidies for eligible families.
- The Consolidated Appropriations Act, 2018, enacted in March 2018, provided \$5.2 billion for the CCDBG Act of 1990, as amended.
 - The law requires that the funds be used to supplement, not supplant, state general revenue funds for child care assistance for low-income families.

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Background: HHS Data

- HHS has published 7 reports on child care eligibility and receipt using data from fiscal years 2003 (issued April 2005), 2005 (issued July 2008), 2006 (issued April 2010), 2009 (issued December 2012), 2011 (issued February 2015), 2012 (issued November 2015), and 2013 (issued November 2017).
- According to HHS, another report will be published sometime in 2019 but no issue date has yet been determined. Accordingly, the most recent data were published by HHS in November 2017 for fiscal year 2013.

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Background: Federal and State Eligibility Rules

- States have the flexibility to establish specific eligibility criteria within broad federal eligibility rules, according to HHS regulations.
- Generally, fewer families qualify for subsidies under state eligibility rules than under federal eligibility rules, according to HHS.

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Background: Activities Related to CCDBG Act Requirements

The CCDBG Act of 2014 and the 2016 final rule included major changes in four key areas, according to HHS:

1. Protecting the health and safety of children in child care.
2. Helping parents make informed consumer choices and access information to support child development.
3. Supporting equal access to stable, high-quality child care for low-income children.
4. Enhancing the quality of child care and the early childhood workforce.

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Background: Additional State Child Care Activities

States may conduct a variety of additional state child care activities that, while not explicitly required by the CCDBG Act of 1990, as amended, may be funded with CCDF funds.

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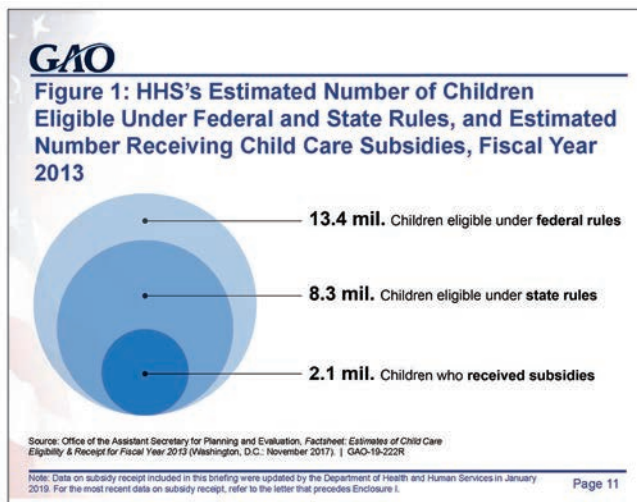


Objective 1: Eligibility and Receipt of Child Care Assistance Subsidies

- About one-quarter of children eligible for child care subsidies under *state eligibility rules* received them (2.1 million in an average month), according to HHS's analysis of data from fiscal year 2013, the most recent year for which such analysis is available.¹
- This represents 16 percent of all children estimated to be eligible under *federal rules*.

¹This fiscal year 2013 estimate, reported by HHS's Office of the Assistant Secretary for Planning and Evaluation, represents the number of children who received child care subsidies funded through CCDF or related government funding streams, which includes counts of children who receive subsidies funded directly through the Temporary Assistance for Needy Families (TANF) program, the Social Services Block Grant, or state expenditures claimed as TANF maintenance of effort funds.

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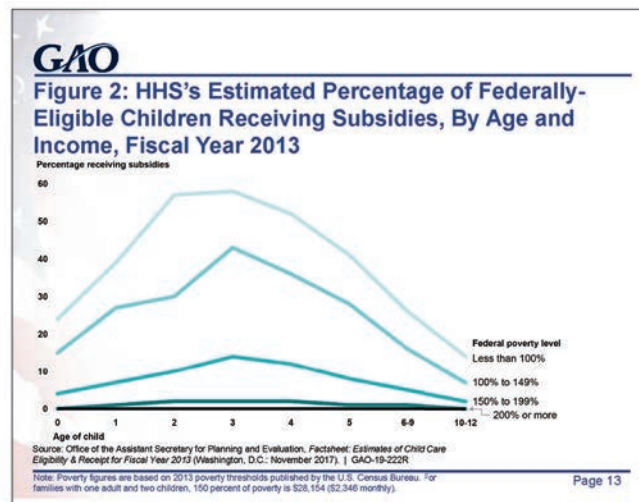




Objective 1: Characteristics of Eligible Children Who Received Child Care Subsidies

- HHS estimated that, among families who met federal eligibility criteria in fiscal year 2013:
 - children from lower-income families were more likely to receive child care subsidies compared to children from higher-income families, and
 - preschool-aged children were more likely to receive subsidies compared to older, school-aged children.

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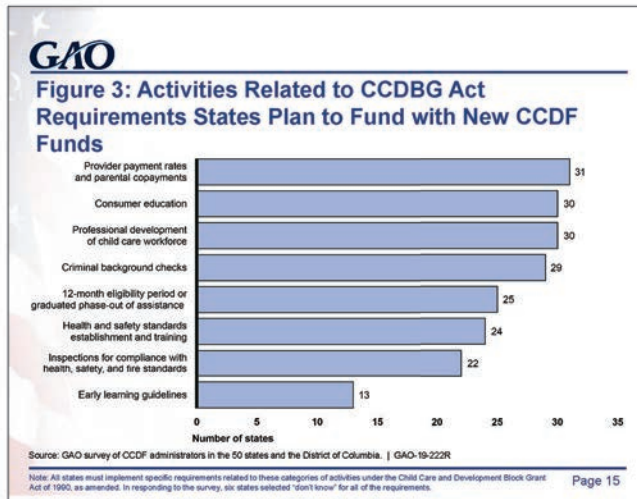


Objective 2: States' Plans for New CCDF Funding

- Results from our survey of CCDF administrators in the 50 states and D.C. show that almost all states (44) plan to spend the new CCDF funding from the Consolidated Appropriations Act, 2018 on at least one activity related to a requirement for all states under the CCDBG Act of 1990, as amended.²
- Our results indicate that the most frequently reported activities related to a CCDBG Act requirement for which states plan to spend the new discretionary funds are (1) provider payment rates and parental copayments, (2) professional development, and (3) consumer education.

²Responses from remaining states: 6 states answered "don't know" for all spending categories, 1 state answered "no" for 4 categories and "don't know" for 4 categories.

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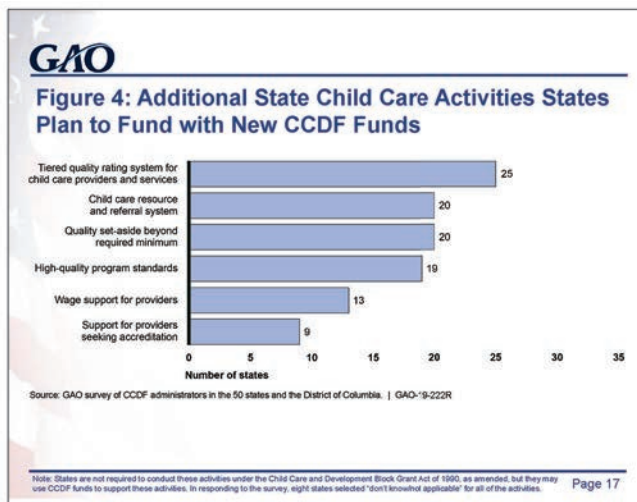




Objective 2: States' Plans for New CCDF Funding

- Results from our survey show that three quarters of states (38) also plan to spend the new CCDF funds on at least one of the following additional state child care activities that are not explicitly required under the CCDBG Act of 1990, as amended. Because these activities are optional, these spending categories may not apply or be relevant to all states.
- Our results indicate that the most frequently reported additional activities for which states plan to spend the new discretionary funds are (1) tiered quality rating system, (2) child care resource and referral system, and (3) quality set-aside beyond the required minimum.

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Objective 2: States Plan to Allocate New CCDF Funds to Subsidies or to Address Wait Lists

- Our results indicate that states plan to spend new funds on subsidies in various ways:
 - subsidies for children on wait lists,
 - provider payment rates and parental co-payments,
 - tiered quality rating system, and
 - 12-month eligibility period and graduated phase-out of assistance.

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Objective 2: Spending Decisions in Some States in Flux

- Our results also suggest that:
 - more than a third of the 15 states we interviewed were still in the process of making decisions about how to spend new funds; and
 - the majority of the 15 states we interviewed face challenges making spending decisions because they do not know if new funding will continue in the future.

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Enclosure II: State Child Care Activities, Including Those Related to Requirements Under the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended, and Relevant Federal Regulations

Shaded activities are those with related requirements from the CCDBG Act of 1990, as amended, and relevant federal regulations.		
Category	Activity	Description
<i>Protect the Health and Safety of Children in Child Care</i>	Licensing	States must certify that they have licensing requirements for child care providers, although they may exempt certain types of providers. 42 U.S.C. § 9858(c)(2)(F), (K).
	Monitoring/inspections for compliance with health, safety, and fire standards	States must certify that they have policies to annually conduct unannounced inspections of all licensed Child Care and Development Fund (CCDF) providers for compliance with all child care licensing standards, including health, safety, and fire standards, including at least one preclosure inspection. State licensing inspectors must be trained in the state's health and safety standards and licensing rules and the ratio of licensing inspectors to child care providers must be sufficient to ensure that inspections occur in a timely manner. 42 U.S.C. § 9858(c)(2)(K)(i).
	Criminal background checks	States must have policies in effect and must conduct comprehensive criminal background checks every 5 years for child care staff of providers that are licensed, regulated, or registered by the state, or that serve children receiving CCDF subsidies. Child care providers receiving CCDF funds are prohibited from employing child care staff who refuse to consent to the check. Providers are also prohibited from employing child care staff who meet one of the disqualifying criteria mentioned in the law, including convictions for specified felonies, or violent misdemeanors committed as an adult against a child. 42 U.S.C. § 9858f.
	Health and safety standards	States must certify that they have health and safety standards that are applicable to CCDF providers, and procedures to ensure that CCDF providers comply with them. States are required to develop health and safety requirements in specific topic areas, such as the use of safe sleeping practices and pediatric first-aid. States must also certify that all CCDF providers will receive minimum health and safety training in these areas, to be completed pre-service or during an orientation period, in addition to ongoing training. 42 U.S.C. § 9858(c)(2)(H)(i)(I).
<i>Help Parents Make Informed Consumer Choices and Access Information to Support Child Development</i>	Consumer education	States must certify that they will collect and disseminate information to parents of CCDF-eligible children, the public, and child care providers about the availability of the full diversity of child care services that will promote informed child care choices. States must make public electronically the results of monitoring and inspection reports, as well as information on deaths, serious injuries, and substantiated child abuse for child care providers in the state. 42 U.S.C. § 9858(c)(2)(E). HHS regulations also specify that states must have a website describing licensing, monitoring, and background check processes, as well as a searchable list of licensed child care providers, along with information about the provider's quality rating, if available. 45 C.F.R. § 98.33.
	Child care resource and referral system ^a	States may develop a child care resource and referral system to support state quality improvement efforts, for example, through local or regional agencies that provide training and professional development, coaching, and technical assistance to child care providers and consumer education to parents. See, 42 U.S.C. § 9858e(b)(5).
<i>Support Equal Access to Stable, High-Quality Child Care for Low-Income Children</i>	12-month eligibility period	States must ensure that children who receive CCDF assistance will continue to do so for at least 12 months before their eligibility redetermination, regardless of temporary changes in parents' work or activities and changes in family income, as long as income does not exceed 85 percent of state median income (SMI). 42 U.S.C. § 9858(c)(2)(N)(i).

Shaded activities are those with related requirements from the CCDBG Act of 1990, as amended, and relevant federal regulations.

Category	Activity	Description
Enhance the Quality of Child Care and the Early Childhood Workforce	Graduated phase-out of assistance	States must certify they have policies and procedures to allow for a graduated phase-out of assistance for children whose family income at redetermination exceeds the initial eligibility limit but is below 85 percent of SMI. 42 U.S.C. § 9858c(c)(2)(N)(iv).
	Child care provider payment rates	States must demonstrate that payment (reimbursement) rates for CCDF providers are based on the results of a statistically valid and reliable market rate survey, or alternative methodology, and take into account costs associated with higher-quality care when setting payment rates. States may differentiate provider payment rates according to geographic area, age or needs of the child, and nontraditional care hours, for example, and they are required to reevaluate payment rates at least every 3 years. 42 U.S.C. § 9858c(c)(4)(B).
	Parental copayments	States must provide that they will establish and periodically revise, by rule, a sliding fee scale that provides for cost sharing by families that receive CCDF services. 42 U.S.C. § 9858c(c)(5). Families must contribute to the cost of care based on family size and income. States may exempt families with income at or below the poverty level from copayments, among other categories (families caring for children in protective services or families that meet other conditions established by the state). 45 C.F.R. § 98.45(k).
	Professional development of the child care workforce	States must describe the training and professional development requirements designed to enable providers to promote the social, emotional, physical, and cognitive development of children, including providing an assurance that these requirements will be conducted on an ongoing basis and provide for a progression of professional development. 42 U.S.C. § 9858c(c)(2)(G).
	Early learning and developmental guidelines	States must provide an assurance that they will develop, maintain, or implement early learning and developmental guidelines for statewide use by child care providers for children from birth to kindergarten entry that cover the essential domains of early childhood development (i.e., cognition, and social, emotional, and physical development). 42 U.S.C. § 9858c(c)(2)(T).
	Quality set-aside	In fiscal year 2019, states must use at least 8 percent of their CCDF funds on at least one of ten specified activities designed to improve the quality of child care services, such as the training and professional development of the child care workforce and evaluating the quality and effectiveness of child care programs. States may elect to spend more than the required minimum on quality activities. The minimum percentage states must spend on quality expenditures has increased in recent years, to a maximum of 9 percent of CCDF funding for fiscal year 2020 and beyond. In addition, beginning in fiscal year 2017, states have been required to spend at least an additional 3 percent on quality expenditures for infants and toddlers. 42 U.S.C. § 9858e(a)(2)(A)(ii), (b).
	High-quality program standards	States may support the development or adoption of high-quality program standards relating to health, mental health, nutrition, physical activity, and physical development. 42 U.S.C. § 9858e(b)(9). Standards create a common definition of quality for child care providers and can be used to help inform parents.
	Tiered quality rating systems	States may develop a tiered quality rating system for child care providers and services. 42 U.S.C. § 9858e(b)(3). These systems consist of a systematic approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. Such systems award quality ratings to programs that meet a set of defined program standards, encouraging a path of continuous quality improvement.
	Accreditation of child	States may support child care providers in the voluntary pursuit of

Shaded activities are those with related requirements from the CCDBG Act of 1990, as amended, and relevant federal regulations.

Category	Activity	Description
	care providers	accreditation by a national accrediting body with demonstrated, valid, and reliable program standards of high quality. 42 U.S.C. § 9858e(b)(8). States may incorporate national accreditation systems into their quality rating systems to generally signify achieving higher levels of quality.
	Wage supports for providers	States may provide wage supports and educational scholarships to child care providers. 45 C.F.R. § 98.53(a)(1)(vii).

Source: Child Care and Development Block Grant Act of 1990, as amended; Department of Health and Human Services (HHS) regulations; HHS CCDF Fundamentals Resource Guide; and HHS Form ACF-696. | GAO-19-222R.

Note: The state child care activities included in the table are not comprehensive.

^aA child care resource and referral system could also be grouped with the activities that enhance the quality of child care and the early childhood workforce.

Enclosure III: List of States Interviewed

Alaska: Child Care Program Office, Division of Public Assistance, Department of Health and Social Services

Colorado: Office of Early Childhood, Department of Human Services

District of Columbia: Division of Early Learning, Office of the State Superintendent of Education

Florida: Office of Early Learning, Department of Education

Illinois: Division of Family & Community Services, Department of Human Services

Indiana: Office of Early Childhood and Out-of-School Learning, Family and Social Services Administration

Michigan: Office of Great Start, Department of Education

Montana: Early Childhood Services Bureau, Department of Public Health and Human Services

New Mexico: Child Care Services Bureau, Children, Youth and Families Department

North Carolina: Division of Child Development and Early Education, Department of Health and Human Services

Oklahoma: Child Care Services, Department of Human Services

Rhode Island: Department of Human Services

South Carolina: Division of Early Care and Education, Department of Social Services

South Dakota: Division of Child Care Services, Department of Social Services

Utah: Office of Child Care, Department of Workforce Services

Enclosure IV: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the contact named above, Janet Mascia (Assistant Director), Avani Locke (Analyst-in-Charge), and Elizabeth Hartjes made key contributions to this report. Also contributing to the report were Seto Bagdoyan, James Bennett, Thomas James, Kirsten Lauber, Sheila R. McCoy, Jonathon Oldmixon, Jessica Orr, Jason Palmer, Brenda Rabinowitz, James Rebbe, Jessica Rider, Michelle Sager, and Almeta Spencer.

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Congressional Relations	Orice Williams Brown, Managing Director, WilliamsO@gao.gov , (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548
Public Affairs	Chuck Young, Managing Director, youngc1@gao.gov , (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548
Strategic Planning and External Liaison	James-Christian Blockwood, Managing Director, spel@gao.gov , (202) 512-4707 U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548



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REPORT



**Want to Grow the Economy?
Fix the Child Care Crisis**

Workers and employers feel pain in pocketbooks and productivity

StrongNation.org/ReadyNation  Ready_Nation  ReadyNation

Acknowledgements

Council for a Strong America is a national, bipartisan nonprofit that unites five organizations comprised of law enforcement leaders, retired admirals and generals, business executives, pastors, and prominent coaches and athletes who promote solutions that ensure our next generation of Americans will be citizen-ready.

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This report builds on *Losing Ground: How Child Care Impacts Louisiana's Workforce Productivity and the State Economy*, by the Louisiana Policy Institute for Children (2017). We appreciate the collaboration with Melanie Bronfin, Executive Director.

January 2019

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Talk to most working parents of an infant or toddler, and you're likely to hear how difficult it is to find child care that's accessible, affordable, and truly beneficial to their child's development during one of the most crucial periods of life.

Talk to their bosses, and you're likely to hear about an economic impact that will only worsen as the nation's child care crisis continues.

The top-line findings of a new study examining the economic impacts of the nation's child care crisis on working parents, employers, and taxpayers describe the consequences. The verdict: an annual economic cost of \$57 billion in lost earnings, productivity, and revenue.

Productivity challenges affect both employer and employee. Almost two-thirds of parents facing child care struggles report leaving work early, and more than half report being distracted at or missing full

days of work. An overwhelming 86 percent of primary caregivers said problems with child care hurt their efforts or time commitment at work. The predictable impact: one-in-five say they've been reprimanded, eight percent have been fired, and just over one-in-ten have been demoted, transferred or fired. Meanwhile, productivity problems cause employers to lose \$12.7 billion annually due to child care challenges faced by their workforce.

Representing more than 2,000 of the nation's top business leaders, ReadyNation is calling on lawmakers to protect and expand programs that enhance the affordability and availability of quality child care—and to foster continuing innovations at the federal, state, and local level that address this problem for parents and employers.

The stakes are enormously high for the vast majority of families, who depend on parents' employment, as well as for children, who

depend on nurturing, stimulating environments for healthy brain development during the first three years of life. Action and innovation now will improve life outcomes for millions of children today and strengthen the workforce and economy both now and in the years to come.

Most parents of infants and toddlers are in the workforce and need child care

The majority of American parents with very young children are now in the workforce; this is true of both single and married parents. Of the 14 million parents with children under the age of three, 11 million—78 percent—are working.¹

As a result of the dramatic increase in maternal employment over the past several decades, many children are in child care.² Parents need child care so they can go to work, be productive, and build successful careers.

The current child care system does not meet the needs of families or employers

Several interrelated challenges render the child care system less than optimal for children, families, and businesses:

1. **Access:** Nearly one-third of parents (32 percent) report having difficulty finding child care.³ Availability is especially limited for families who have infants and toddlers, work evening and night shifts, or live in rural areas.⁴
2. **Affordability:** The average annual cost of center-based child care for infants is more than the average cost of public college tuition and fees in 28 states.⁵ This high cost makes child care unaffordable for many families, particularly those with low incomes.

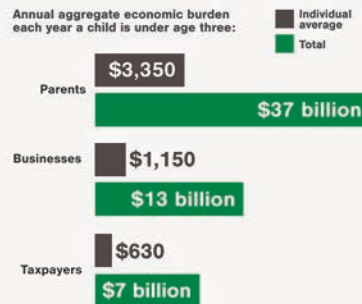
3. **Quality:** Only 11 percent of child care nationwide is accredited.⁶ Among the shortcomings in quality are high rates of provider turnover, resulting in a lack of stable, consistent caregiving for young children.

Insufficient child care negatively impacts parents, employers, and taxpayers

When families do not have the child care they need, parents' work productivity falls, resulting in costs to parents, their employers, and, ultimately, taxpayers. ReadyNation commissioned a national survey of working parents of children under age three. This survey is one of very few national surveys

The economic impacts of insufficient child care on parents, employers, and taxpayers

Insufficient care for children under the age of three costs individuals, businesses, and the country billions of dollars each year.



“ 30 percent of respondents reported challenges in finding care that was affordable, high quality, convenient, had open slots, available on an emergency/sick child basis, or available outside Monday-Friday.”

covering this group. The survey yielded a nationally representative sample of 812 parents—both mothers and fathers—of children under age three. It provided evidence of the various ways in which parents’ work commitments, performance, and opportunities are diminished by problems with child care. Merging the survey evidence with labor market data, we modelled how the economy is affected by child care problems.⁷

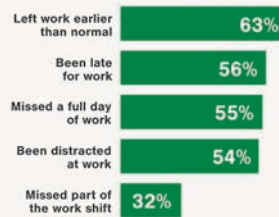
The impact of insufficient child care on parents

The survey results provide a window on how the above economic impacts occur. At least 30 percent of respondents reported challenges in finding care that was affordable, high quality, convenient, had open slots, available on an emergency/sick child basis, or available outside Monday-Friday daytime hours. Parents were asked how child care problems affected their work. They reported that these problems affected their time at work and their work productivity, as well as diminishing their career opportunities.

- **Less time at work and being distracted:** Problems with child care significantly reduce how much time parents can spend at work. Parents lose an average

Time and effort at work

As a result of child care problems have you ever:



Productivity and performance at work

As a result of child care problems have you ever:



of two hours per week of work time, with almost two-thirds of parents reporting leaving work early, and half reporting being late for work, missing days of work, or being distracted at work.

- Losing out on training and getting in trouble, even fired:** Child care problems decreased parents' productivity at work, undermining their job stability. One quarter of the parents reported problems participating in education and training that would improve their productivity. Twenty percent reported being reprimanded by their supervisor, and 13 percent had their pay or hours reduced. Most seriously, eight percent of parents reported being fired, and just over one-in-ten parents reported being demoted, transferred, or fired due to child care problems.
- Diminished career opportunities:** Problems with child care impacted parents' long-term career prospects. One quarter reported having to reduce their work hours, or turn down job offers

or further education and training. Sixteen percent reported rejecting a promotion, while 15 percent went from full-time to part-time work. An additional 13 percent had quit a job due to insufficient child care.

In sum, for parents, the primary short-term result of insufficient child care is reduced income, due to less time at work. Workers with young children also have to look harder and more frequently for new job opportunities. These issues add up over time: with less training and less experience, these parents face narrower career prospects, reducing their future earning potential. And less parent income, along with parental stress, can have harmful short- and long-term impacts on children.

The impact of insufficient child care on employers

For employers, insufficient child care results in reductions in revenue and increased hiring costs. A workforce with lower productivity and shorter tenure has major

Career pathways

As a result of child care problems have you ever:



economic consequences. If an employer's workforce keeps changing, worker morale may fall, product quality may diminish, and clients may be lost. Also, there are immediate direct costs associated with recruitment, hiring, and training as the workforce turns over. There are also future losses and costs when workers are not well-trained and have too little experience.

The impact of insufficient child care on taxpayers

The economic impact of child care problems on parents and employers subsequently causes lower tax revenues. The main impact is on federal income tax revenues, although state income tax and sales tax revenues can also be affected. These effects are also long-term, due to parents' decreased earning potential.

Policymakers should promote access to affordable, high-quality infant and toddler care

Parents, particularly those with infants and toddlers, often have difficulty finding affordable, high-quality child care so they can build successful careers. The practical and economic consequences of insufficient child care are enormous, impacting parents, employers, and taxpayers. The business leaders of ReadyNation call on federal, state, and local policymakers to support families' access to affordable, high-quality

How child care problems adversely affect the economy

Individual Parents	Businesses	Taxpayers
Lost earnings now from lower productivity and less work experience	Lost revenues now from lower output	Lost tax revenue now from lower GDP
Extra costs of job search for alternative work and child care arrangements	Extra costs to rehire quits and cover absenteeism	Lost sales and consumption tax revenue
Lost earnings in the future from lower productivity, less work experience, and lower skills upgrading	Extra costs to manage disrupted workers	Lost tax revenue in the future
	Lost revenues in the future from lower output	

child care. The federal government supports families' need for child care through direct funding (i.e. the Child Care and Development Block Grant), as well as through the tax code. State and local governments support child care quality through efforts such as quality rating systems. Businesses play a role as well, through on-site child care, funding for employees or to child care providers, and advocating for sound child care policies. Effective, well-funded policy initiatives, as well as continuing innovations at the federal, state, and local levels will yield a child care system that will support a more productive workforce and economy, both now and in the future.

Endnotes

- 1 U. S. Census Bureau (2018). Annual Social and Economic Supplement (ASEC) of the Current Population Survey.
- 2 Child Trends (2016, May). DataBank: Child care. http://www.childtrends.org/wp-content/uploads/2016/05/21_Child_Care.pdf
- 3 Child care and health in America (2016, October). NPR, Robert Wood Johnson Foundation and Harvard T.H. Chan School of Public Health. http://www.rwjf.org/content/dam/farm/reports/surveys_and_polls/2016/rwjf432066
- 4 Howe, S. & Oncken, L. (n.d.) The third pillar of care: Availability. New America. <https://www.newamerica.org/in-depth/care-report/third-pillar-care-availability/>
- 5 Child Care Aware (2018). The US and the high cost of child care. <http://usa.childcareaware.org/wp-content/uploads/2018/01/Infographic-2018CostofCare.pdf>
- 6 Schulte, B., & Durana, A. (n.d.) The care report: Overview. <https://www.newamerica.org/in-depth/care-report/introduction/>
- 7 For details on the survey and economic analyses, see the accompanying technical report at: <https://strongnation.s3.amazonaws.com/documents/522/3c5c0b46-eda2-4723-9e8e-f2051fcc9f0f.pdf?1542205790>

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BIPARTISAN POLICY CENTER

Is America Under-Investing in its Young Children?



December 2017

In the ongoing debate over how to best allocate scarce federal resources, it is important to assess the state of public investment in young children and to ask whether current investments reflect the critical importance of the early childhood years.

Young children are simultaneously America's most *valuable* and most *vulnerable* asset. Most valuable because our nation's long-term success and prosperity depends on today's young children growing up to be responsible, productive, healthy adults. Most vulnerable because today, millions of young children in the United States are growing up in environments and under circumstances that not only prevent them from realizing their full potential, but put their cognitive, social, and emotional well-being at risk.

To inform the current policy debate about how government can more effectively support young children and their families, the Bipartisan Policy Center commissioned the Urban Institute to undertake an in-depth analysis of federal and state spending on American children ages 0-8. The detailed results of that analysis are described in a separate report titled *Spending on Children Ages 8 and Younger*.¹ This issue brief highlights several main findings from the analysis and discusses their relevance for policymakers interested in ensuring that current and future patterns of

¹ Heather Hahn, Cary Lou, Julia Isaacs, and Jocelyn Ovalle. 2017. *Spending on Children Ages 8 and Younger*. Washington, D.C.: Urban Institute. Available at: <https://www.urban.org/research/publication/america-under-investing-in-young-children>.

public investment reflect the high stakes for our country's future in promoting young children's healthy early development. One important finding is that federal investment in young children is small as a share of overall federal spending. A second key finding is that federal spending on the 0-8 age group is dominated by health and tax-related expenditures, with much less support directed to child care and early learning. At the state and local level, meanwhile, the bulk of public investment is focused on educating school-aged children.

Together, these results point to a gap in public investment during the earliest years to ensure that all children are developmentally prepared when they enter school and on a path to succeed in school by the time they reach third grade.

Scope of the Analysis

A variety of previous analyses have examined public spending on children in narrower age ranges, such as ages 0-2, 3-5, or 6-11. BPC was interested in looking at the broader period from birth to age 8 because it captures the very early years of childhood that are not only most important to brain development, but also most financially challenging for low- and middle-income families and most critical in terms of positioning children to succeed in school. Abundant research shows that relationships, experiences, and learning in the early years are foundational and have a profound influence on outcomes later in life. These are also the years when young children and their families are most likely to struggle with the consequences of major economic and social shifts that have resulted in more households where all resident parents are working, and where many parents are working longer and more nontraditional hours. And in single-parent households or in families that face the additional challenges of poverty, food or housing insecurity, poor health, or exposure to substance abuse or violence, the youngest family members are also those most likely to be harmed.

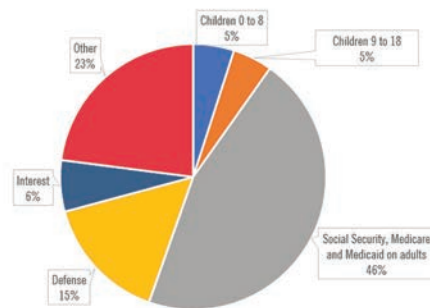
Because the early years are so important for healthy development and later outcomes, investment during this period also produces the greatest returns in terms of improved outcomes in adulthood and lasting benefits to society and the economy overall. For example, studies of school performance show that reading level at grade 3—or approximately age 8—is a strong predictor of later academic success. Students who have fallen behind by that point are not only likely to stay behind, the achievement gap between them and their more successful peers tends to widen in subsequent years.

To assess public investment, the analysis looked specifically at federal and state expenditures on children 0-8 years old, where “expenditures” includes both direct outlays for a variety of government programs that target children—including programs that provide health benefits, nutrition assistance, child care subsidies, and other social services—as well as tax reductions, in the form of credits or deductions (such as the child tax credit and the child and dependent care tax credit). At the federal level, data were available for 2016. The most recent data available for state-level expenditures are from 2006.

Key Findings

Federal expenditures on children ages 8 and younger totaled \$247 billion in fiscal year 2016; of this total, 78 percent (\$192 billion) consisted of direct outlays and 22 percent consisted of tax reductions (\$55 billion). To help put these numbers in perspective, direct outlays for children ages 0-8 accounted for just 5 percent of total federal outlays in 2016—less than the United States spends to pay interest on the federal debt and just a fraction of federal expenditures on the defense.² In terms of direct outlays, health and nutrition programs account for the two largest categories of federal spending on young children: In 2016, federal Medicaid expenditures on children ages 8 and younger totaled \$48 billion, while spending on Supplemental Nutrition Assistance Program (SNAP) benefits for this age group totaled \$19 billion.

Figure 1. Federal Outlays on Social Security, Medicare, and Medicaid for Adults Are Nearly 10 Times Larger than Total Outlays on Children Ages 8 and Younger



Source: Heather Hahn, Cary Lou, Julia Isaacs, and Jocelyn Ovalle. 2017. *Spending on Children Ages 8 and Younger*. Washington, D.C.: Urban Institute. Available at: <https://www.urban.org/research/publication/america-under-investing-its-young-children>.

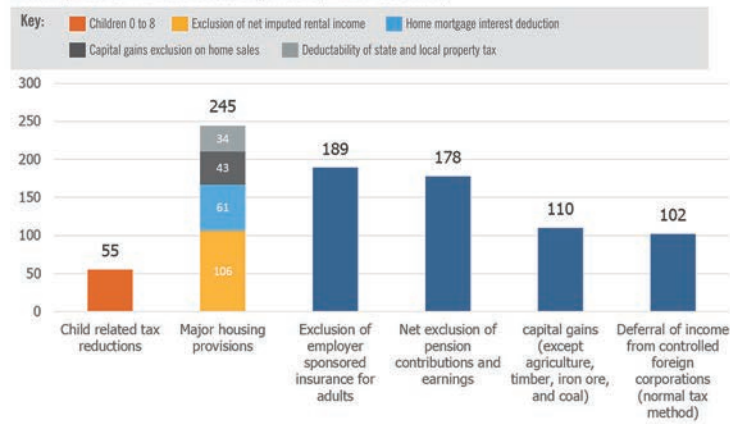
Note: Percentages may not sum to 100 because of rounding.

Expenditures via the tax code (in the form of tax credits and deductions) are another important category of federal spending on young children. Such expenditures totaled approximately \$55 billion in 2016. However, tax-related expenditures for young children are even smaller, in budget terms, as a proportion of all federal tax expenditures. Specifically, tax reductions for children ages 8 and younger accounted for less than 4 percent of the estimated \$1.47 trillion in total federal tax reductions in 2016. Tax reductions for young children were also much smaller than tax expenditures for other purposes, such as the mortgage interest deduction or the exclusion of employer-sponsored health insurance for adults.

² Relative to \$192 in direct outlays for children ages 0-8 in FY2016, the U.S. spent roughly 10 times as much on Social Security, Medicare, and Medicaid for adults and three times as much on defense programs.

Figure 2. Child-Related Tax Reductions Are Dwarfed by Other Specific Tax Expenditures

Federal expenditures in 2016 on selected tax provisions (billions of 2016 dollars)



Source: Heather Hahn, Cary Lou, Julia Isaacs, and Jocelyn Ovalle. 2017. *Spending on Children Ages 8 and Younger*. Washington, D.C.: Urban Institute.

Available at: <https://www.urban.org/research/publication/america-under-investing-its-young-children>.

Notes: Numbers may not sum to totals because of rounding. Capital gains tax estimate excludes agriculture, timber, iron ore, and coal. Deferral of income from controlled foreign corporations refers to the normal tax method.

Because states and localities provide most of the funding for public schools, state and local spending accounts for a larger share of direct public outlays³ for children of all ages (0-18) than federal spending. In total, state and local sources provided 59 percent of public spending on children ages 8 and younger in 2006, compared with 73 percent of total public spending on children ages 9 to 18. As already noted, the latest available data on state and local spending are from 2006, so a comparison to federal spending in 2016 is not possible.

Not surprisingly, given the state and local role in public education, a large share of state and local spending goes to older children, more of whom are in school. For the same reason, federal expenditures are more targeted to low-income children than state and local expenditures. In 2016, two-thirds of federal expenditures, including tax expenditures, on children ages 8 and younger were means tested.

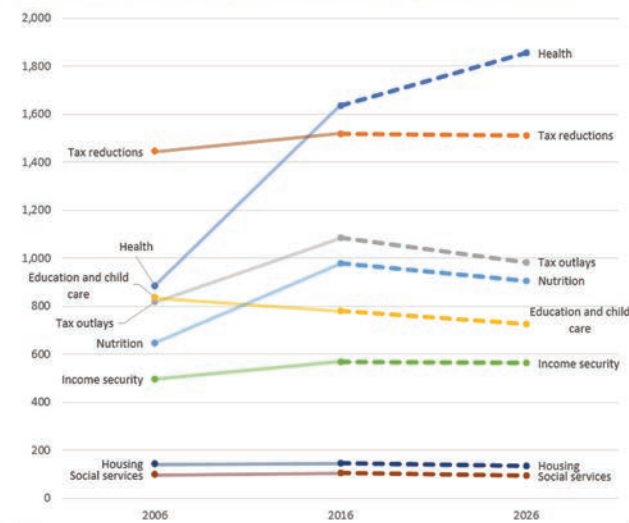
Although total federal expenditures for children ages 8 and younger increased between 2006 and 2016 in real terms (see Figure 3), much of this increase was a result of larger federal outlays between 2006 and 2010, in response to the recession,

³ The term "outlays" refers to direct spending on programs, as well as the portion of tax credits paid out to families as a tax refund—it does not include reductions in tax liability.

and expanded health coverage for low-income children (through Medicaid and CHIP). Over the next decade, however, overall federal expenditures for young children are projected to decline slightly. After nearly doubling between 2006 and 2016, health spending is the only area projected to see continued growth (albeit at a slower rate). In all other areas, spending is projected to decline—indeed, per-child federal spending for housing, social services, and education and child care programs is projected to be lower, in real terms, in 2026 compared to 2006. These projections assume a continuation of current policies and do not reflect any proposals for spending cuts (such as those proposed in the administration's budget).

Figure 3. Nearly All Categories of Federal Expenditures on Children Ages 8 and Younger Grew in the Past Decade but Are Projected to Decline in the Future

Federal expenditures, per child, on young children in 2006, 2016, and projected for 2026 (2016 dollars)



Source: Heather Hahn, Cary Lou, Julia Isaacs, and Jocelyn Ovalle. 2017. *Spending on Children Ages 8 and Younger*. Washington, D.C.: Urban Institute. Available at: <https://www.urban.org/research/publication/america-under-investing-its-young-children>.

Conclusion

A growing recognition of the challenges facing families and young children in America today, together with an increased awareness of the critical importance of early childhood development, prompts the question: Are we, as a nation, under-investing in young children? A closer look at patterns of state and federal expenditures for young children suggests the answer is **yes**. While states and localities are directing substantial resources to education, and while the federal government makes important contributions to health care and nutrition assistance for low-income families, a large resource gap remains—particularly with respect to child care and early learning for young children.

This gap is concerning given the high cost of child care for preschool-age children, the lifelong impacts of a lack of access to high-quality care and learning environments at an early age, and the large number of children growing up in families that are struggling to make ends meet. All of these issues are discussed at greater length in BPC's recent report *A Bipartisan Case for Early Childhood Development*,⁴ which also provides a set of targeted recommendations for addressing the needs of young children.

Findings from this analysis have important implications for the current policy debate around support for young children and their families. The most prominent take away is that combined local, state, and federal spending on child care and education is lowest during the years before children enter school—precisely when child care costs for working parents are highest. The problem of finding affordable, quality child care is especially acute for low-wage workers, whose child care costs can exceed 40 or even 50 percent of household income, but it affects millions of middle-income families as well. In fact, studies find that child care costs for two preschool-aged children exceed 30 percent of household income even for two-parent households earning a median income in many areas of the country.

Given the evidence that increased support for families coupled with well-designed, affordable early childhood programs can significantly improve outcomes for children, in the near term and over the course of their entire lives, a re-assessment of current public investments and budget priorities is warranted. Debates about the appropriate role of government in supporting young children and their families must be informed by a better understanding, not only of the scale of the investment needed to ensure that all young children have an opportunity to develop their full potential, but of the long-term costs to the nation if that opportunity is lost.

⁴ The Bipartisan Policy Center report is available at: bipartisanpolicy.org/library/bipartisan-case-for-early-childhood-development.

AUTHOR**Linda Smith**

Director of Early Childhood Policy

**BPC'S EARLY
CHILDHOOD INITIATIVE**

The Bipartisan Policy Center established the Early Childhood Initiative with former Representative George Miller and former Senator Rick Santorum to draw public attention to the very serious issues and challenges surrounding early childhood development in the United States and to offer some bipartisan solutions.

Supporting early childhood development is an issue that can and should unite both political parties. Building on insights and perspectives from experts and stakeholders in this area, the initiative focused on five distinct but essential aspects of the early childhood development challenge: Providing support for parents who are their children's first and most important teachers; addressing the affordability of child care; improving the overall quality of care for young children regardless of where that care takes place; addressing the impact of the opioid crisis on children and their families; and ensuring that public investments are improving programs for young children and achieving better early childhood outcomes.

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Why Child Care Is So Expensive - The Atlantic

IDEAS

Why Child Care Is So Ridiculously Expensive

Three broad reasons obtaining care for kids now costs as much as buying a brand new Hyundai Elantra each year

NOVEMBER 26, 2019



Derek Thompson
Staff writer at *The Atlantic*



PAUL SPELLA / THE ATLANTIC

One side effect of “the end of babies”—or, less dramatically, the steady decline in fertility rates around the world—is that today’s parents spend more time and money on the few kids they do have.

In the United States, per-child spending doubled from the 1970s to the 2000s, according to a 2013 paper by Sabino Kornich of the University of Sydney and Frank Furstenberg of the University of Pennsylvania. Parents spent more on education, toys, and games. But nothing grew faster than per-child spending on child care, which increased by a factor of 21—or approximately 2,000 percent—in those 40 years.

<https://www.theatlantic.com/ideas/archive/2019/11/why-child-care-so-expensive/602599/>

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Although wrapping your head around *2,000 percent growth* might be difficult, the underlying cause isn't so mysterious. As more women entered the labor force in the late 20th century, the work of caring for infants moved from the unpaid world of stay-at-home parents to the world of salaried labor. The 1970s and '80s—the two decades when the female labor participation rate grew the fastest—also saw the greatest acceleration in child-care spending, according to Kornich and Furstenberg. Raising young children is work—and it always has been work—but the rise of dual-earner households has forced more families to recognize this work with their wallets.

But child-care spending is unlike other spending. By some measures, it's getting more expensive faster than almost every other consumer good or service that the government tracks. The Census Bureau has found that child-care expenditures rose more than 40 percent from 1990 to 2011, during a period when middle-class wages stagnated. Since the 1990s, child-care costs have grown twice as fast as overall inflation. In California, the cost of a typical day-care center is now equal to almost half of the median income of a single mother.

Pick whatever source and statistic you like, because they all point to the same conclusion: Child care in America has become ludicrously expensive. The average cost of a full-time child-care program in the U.S. is now \$16,000 a year—and more, in some states, than tuition at a flagship university.

What the hell is going on? And what should we do about it?

[*Derek Thompson: The future of the city is childless*]

There are three broad reasons American child care now costs the same as buying a brand new Hyundai Elantra every year.

First, although child-care workers aren't expensive on an hourly basis—their median hourly wage is less than that of non-farm-animal caretakers and janitors—labor is the biggest line item for child-care facilities. Unlike, say, car companies, they can't cut spending by moving labor to poorer countries or by replacing human workers with machines. Like health care and education, child care requires lots of domestic salaries, which means that its costs will continuously rise faster than overall inflation.

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The industry is highly regulated, perhaps reasonably so, given the vulnerability of the clientele—which is the second key driver of child-care costs. As Jordan Weissmann has reported in *The Atlantic*, states with strict labor laws tend to have the most expensive facilities. In Massachusetts, which requires one caregiver for every three infants, the average annual cost is more than \$16,000. In Mississippi, which allows a one-to-five ratio, the cost is less than \$5,000. Thanks to high turnover rates—a result of those low wages—companies have to constantly train new workers to meet regulatory standards. Other costs include insurance to cover damage to the property and worker injuries, as well as legal fees to deal with inevitable parent lawsuits.

Finally, there's the real estate. The most expensive child-care facilities tend to be situated near high-income neighborhoods or in commercial districts, where the rents are high. And they can't downsize in a pinch, because most states require them to have ample square footage for each kid.

The state of American child care might be defensible if it were expensive and high-quality—or if it were crummy but cheap.

Instead, the U.S. has the worst of both worlds: Cadillac prices for an Edsel product. The typical family paying for any child care spends about 10 percent of their income on it, far more than in most similarly rich countries. But American day care is a shambles. “The overall quality is wildly uneven and barely monitored, and at the lower end, it’s Dickensian,” the health-care writer Jonathan Cohn wrote in 2013. A 2007 review by the National Institute of Child Health and Human Development found that only one in 10 facilities offered “high-quality” care.

As the need for day-care options becomes more severe, some private employers, such as Patagonia, Apple, and Google, are stepping in to offer day-care centers for employees or to pay for “backup child care” if an employee’s first option falls through. New early-childhood startups such as Vivvi offer employer-sponsored child care. And Wonderschool, an “Airbnb for daycare,” helps neighborhoods launch child-care centers in peoples’ homes.

While it’s admirable for companies to fill the day-care vacuum, the absence of a national solution is an indictment of American policy. Neuroscientists and psychologists have established that the first five years of a child’s life are crucial for the development of logic and language skills. Early education has profound effects

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on both these cognitive skills and “noncognitive” skills, such as grit, teamwork, and emotional health. But these academic findings haven’t translated to policy, at least not in the U.S. Several European nations, such as France and Denmark, spend three to five times more than America on their young children’s care and education.

[Read: [Why daycare workers are so poor, even though daycare costs so much](#)]

There is a deep disconnect in the way the U.S. conceives of its obligation to children. Most Americans accept—even demand—the public subsidy of education from the moment kids turn 5 and enter kindergarten to the day they graduate from a state university or community college. But from birth to the fifth birthday, children are on their own—or, more precisely, their parents are. This arrangement is plainly weird: Parents must bear the highest burdens of child-rearing when they are younger, typically poorer, and less established in their career.

In the politics-and-policy world, some are starting to argue that the U.S. desperately needs a comprehensive, research-based approach to caring for young Americans before they turn 5—a First Five Years policy. For example, the People’s Policy Project, a left-wing think tank, has proposed a bundle of early-childhood policies that includes free health care, a child allowance of \$300 a month, and a free spot in a public child-care center. (Parents could also receive a direct home-child-care benefit, if they preferred.) Several Democratic presidential candidates have also embraced elements of a First Five Years policy. Elizabeth Warren, for instance, has proposed to spend nearly \$2 trillion on a national child-care system.

One simple reason Washington should play a bigger role in child care is that the benefits of early-childhood care and education are so large—and accrue over such a long period of time—that the only institution big enough to capture the upside is the federal government. In 2015, the Council of Economic Advisers wrote that every \$1 spent on early-childhood education results in roughly \$8.60 of societal benefits, “about half of which comes from increased earnings for children when they grow up.” Similarly, a 2019 Harvard study of dozens of U.S. policies concluded that “direct investments in low-income children’s health and education” have historically had the biggest bang per buck.

There are two broad criticisms of federally sponsored child care. The cultural critique is that by stepping in to play the role of mom and dad, the state would weaken bonds between parents and their children. The rejoinder here is easy:

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America's infants are already suffering the effects of insufficient care. Most of the achievement gap between black and white American students is in place by kindergarten. Meanwhile, dozens of studies of preschool programs since the 1960s have shown that early-childhood education can slash the black-white kindergarten achievement gap in half.

The more policy-focused critique is that establishing a national system to carefully watch nearly 10 million tots under the age of 5 would be a logistical hellscape. How would federal, state, and local governments hire millions of caretakers in an economy with 3.5 percent unemployment? Where would they live? "Increased immigration," you might answer, "and in new affordable housing." But building a high-quality national caretaking workforce will take years, and shoddy national day care might be worse than the alternative.

An analysis of Quebec's effort to expand access to cheap child care, for example, found mixed results. Its programs succeeded in raising the labor-force participation rate of mothers without breaking the bank for taxpayers. But young Canadians who were eligible for the program experienced, as teenagers, "a significant worsening in self-reported health and in life satisfaction" relative to Canadians from other provinces. So, did the Quebec child-care experiment "work"? Yes, for parents and public financing. Perhaps not for the kids.

Despite these challenges, the case for an expanded role in federal child care is strong. Spending on young children is more like infrastructure than Social Security. It's not just a check or a transfer motivated by mere decency, but rather a savvy investment that returns its cost in the form of taxes and social benefits. The deep irony of the high cost of U.S. child care is that the very thing that is bankrupting parents today should represent, to the federal government, a grand-slam investment in the country's future. *Can U.S. families afford to adequately care for their own children?* is a great question. But there's an even better one: *Can the U.S. afford not to?*

We want to hear what you think about this article. [Submit a letter](#) to the editor or write to letters@theatlantic.com.



Testimony of Lynette M. Fraga, Ph.D.
Executive Director
Child Care Aware® of America
February 4, 2020

Dear Chairman Sablan, Ranking Member Allen, and members of the Early Childhood, Elementary and Secondary Education Subcommittee of the House Committee on Education and Labor:

Child Care Aware® of America appreciates the opportunity to submit testimony for the Subcommittee's hearing on, "Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy." Child care is crucial to the growth, development and educational advancement of all children, and creates a positive economic impact for families and communities. For these reasons, it is our vision that every family in the United States has access to a high-quality, affordable child care system.¹

Our nation is in a child care crisis that hurts children, families, businesses, and communities. In 40 states and the District of Columbia, the annual price of child care for two children exceeds annual mortgage payments for homeowners, forcing families to make difficult decisions in order to raise their children.² This not only takes a toll on families but on our economy as well. New research estimates an annual economic cost of \$57 billion in lost earnings, productivity and revenue due to the nation's child care crisis.³ U.S. businesses alone shoulder an economic loss of \$12.7 billion each year due to child care breakdowns, and the combined effect of a broken child care system and a lack of paid family leave hurts working families to the tune of \$36.9 billion each year.⁴

Child Care Aware® of America is a national, membership-based nonprofit organization working to advance the affordability, accessibility, and quality of child care environments and to support the positive development and learning of all children in child care. Founded in 1987, we advocate for child care policies that improve the lives of children and families, lead research that advances the child care and early learning field, leverage technology to help families make informed decisions about child care and provide professional development for providers.

¹ Child Care Aware® of America's 2020 – 2022 Policy Agenda. <https://info.childcareaware.org/2020-2022-public-policy-agenda>

² The US and the High Price of Child Care, Child Care Aware® of America, 2019.

³ <https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>

⁴ Belfield, C.R. (2018). The economic impacts of insufficient child care on working families. ReadyNation.

⁵ Belfield, C.R. (2018). The economic impacts of insufficient child care on working families. ReadyNation.

To advance our mission, we rely on our relationships with Child Care Resource & Referral (CCR&R) agencies. CCR&Rs are part of a nationwide system with touchpoints at the local, state, and national levels. These agencies support families in their communities by helping them navigate complicated child care systems and by leading initiatives that increase the quality, affordability, and accessibility of child care. With over 400 community-based agencies serving over 860,000 families a year, the CCR&R network is the most trusted place to find child care.

Because CCR&Rs connect families to child care providers, they are able to understand and relay parent experiences and perspectives, which are crucial to addressing our nation's child care crisis. They also track and monitor trends, including changes in price, quality, and the supply of care available in states and local communities. As a result, these invaluable stories and data form the foundation of Child Care Aware® of America's research, such as our 2019 report, *The US and the High Price of Child Care*. The message from all stakeholders – parents, providers, employers and policymakers alike – is clear; without access to high-quality, affordable child care, the opportunity for economic stability for families, and the opportunity for economic growth for communities, will remain out of reach.

Currently, millions of working families are unable to access high-quality, affordable child care. One reason is the decrease in the number of child care programs across the country. From 2017 to 2018 alone, 48 percent of states reported a decrease in child care centers, while 83 percent of states reported a decrease in family child care.⁵ Care during nonstandard working hours is particularly difficult to find; only 8 percent of center-based providers, and 34 percent of listed, paid family child care providers, offer any sort of nonstandard hours care.⁶ This creates an even larger barrier for the roughly 31 million children with at least one parent working nonstandard or unpredictable schedules.

In addition, in every state, child care remains unaffordable and out-of-reach for many American families. Last October, our *Price of Care* report revealed that our nation's child care crisis continues to get worse, with the average price of infant care in the U.S. ranging from \$11,400 to \$11,900 per year in 2018.⁷ For the average single parent, that is 36 percent of her or his income. And in 30 states and the District of Columbia, the

⁵ Checking in on the Child Care Landscape: 2019 State Fact Sheets, Child Care Aware® of America, 2019.

<https://www.childcareaware.org/our-issues/research/statefactsheets/>

⁶ It's About Time: Parents Who Work Nonstandard Hours Face Child Care Challenges, Child Care Aware® of America, 2019.

<https://info.childcareaware.org/download-nonstandard-hours-report>

⁷ The US and the High Price of Child Care, Child Care Aware® of America, 2019.

<https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>

average annual price for infant care is higher than in-state tuition at a public four-year college.⁸ This is unsustainable for most families, and forces many parents and guardians, primarily women, to choose between their job, their economic security, and their newborn child. No parent, no matter their job or income, should be forced to make that choice.

We also know that for the best outcomes for children, quality matters. Science tells us that birth to age 5 are the most crucial years of a child's development, and for this reason children who participate in high-quality child care programs experience positive lasting effects on IQ scores, boosted academic and economic achievement and lower incidences of childhood obesity and chronic illness.⁹ This is because early childhood education nurtures the whole child, including their social, emotional, physical and cognitive development. However, across the country access to high-quality programs remains limited. Just 48 percent of center-based programs, and 32 percent of family child care providers, participate in state Quality Rating and Improvement Systems.¹⁰ Child Care Aware® of America's *Mapping the Gap* initiatives shows that, in some areas of the country, as few as 7 percent of infants and toddlers have access to licensed child care.¹¹ This lack of access forces many families, particularly those of color or low-income, into unlicensed, unregistered care as they struggle to find other options.¹² For these reasons, access to high-quality child care should be viewed as more than just an economic issue. At its core, it is an equity issue as well.

All of the issues addressed in this testimony -- access, affordability, and quality -- cannot be discussed in silos. Rather, these issues are interconnected, highlighting the complexity of the child care ecosystem. Solely addressing access will not necessarily improve affordability or quality for families. Instead, solutions should be comprehensive, and involve adequate investments, to truly improve the child care system. To meet these needs, we recommend strong investments in crucial federal programs such as the Child Care and Development Block Grant (CCDBG), an essential funding source for states for providing financial assistance for working families and needed support for child care providers. However, even with FY2018's historic funding increase, CCDBG

⁸ *The US and the High Price of Child Care*, Child Care Aware® of America, 2019.

<https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>

⁹ Heckman, J. (2015). Quality early childhood education: Enduring benefits. Retrieved from <https://heckmanequation.org/resource/quality-early-childhood-education-enduring-benefits/>

¹⁰ *Checking In on the Child Care Landscape: 2019 State Fact Sheets*. Child Care Aware® of America, 2019.

<https://www.childcareaware.org/our-issues/research/statefactsheets/>

¹¹ *Mapping the Gap*, Child Care Aware® of America, 2017 – 2019.

<https://www.childcareaware.org/our-issues/research/mappingthegap/>

¹² *It's About Time: Parents Who Work Nonstandard Hours Face Child Care Challenges*. Child Care Aware® of America, 2019.

<https://info.childcareaware.org/download-nonstandard-hours-report>

remains severely underfunded.¹³ Therefore, we recommend increasing funding for this program by \$5 billion to better meet the needs of children and families.

We also support the Child Care for Working Families Act (H.R.1364), which builds upon the existing child care system to improve access, affordability, and the quality of child care for all working families. This bill improves access by creating universal preschool programs for 3 and 4-year-olds and providing higher matching rates for infants and toddlers. It provides support to the workforce by establishing provider payment levels that reflect higher wages and investing in professional development opportunities. It works to improve quality for care of all types, including the availability and quality of care during nonstandard working hours. And it ensures that no family, no matter their salary, pays more than 7 percent of income on high-quality child care.

We also recommend investing in CCR&R agencies, which play a vital role in recruiting and retaining child care providers, working with providers to improve safety and quality, enhancing parent and provider awareness of financial supports, and collecting various data points on the child care landscape. For most states, CCR&Rs are an existing but under-resourced infrastructure support that, due to their role in the system, are vital to ensuring the needs of both families and providers are met. CCR&Rs are truly the eyes and ears of the child care landscape, which is why legislation such as the Child Care for Working Families Act (H.R. 1364) encourages states to invest in them.

Once again, Child Care Aware® of America appreciates the opportunity to submit testimony. Children do better when they are able to enroll in safe, high-quality child care environments, and parents do better when they know that their child is in good hands. The economy also benefits when families have access to child care, with returns on investing in high-quality programs equal to between \$4 and \$16 for every dollar spent.¹⁴ For these reasons, we encourage you to take bold action on child care, including supporting and passing the Child Care for Working Families Act (H.R. 1364). All families deserve access to safe, high-quality child care, and a large public investment is necessary to make it a reality.

Sincerely,



Lynette M. Fraga, Ph.D.
Executive Director

¹³ CCDBG: 2019 State Snapshots. Child Care Aware® of America, 2019. <https://info.childcareaware.org/ccdbg-2019-state-snapshots>

¹⁴ R. Grunewald, "Investments in young children yield high public returns," Federal Reserve Bank of Philadelphia. (2016). Retrieved from https://www.philadelphiafed.org/community-development/publications/cascade/93/04_investments-in-young-children

Early Childhood Workforce Index 2018: <https://www.govinfo.gov/app/details/CPRT-116HPRT43752/CPRT-116HPRT43752>

[Additional submission by Ms. Schrier follows:]



United States Government Accountability Office

Testimony

Before the Subcommittee on Early
Childhood, Elementary, and Secondary
Education, Committee on Education and the
Workforce, House of Representatives

For Release on Delivery
Expected at 10 a.m. ET
Thursday, July 13, 2017

EARLY LEARNING AND CHILD CARE

Overview of Federal Investment and Agency Coordination

Statement of Cindy Brown Barnes, Director, Education,
Workforce, and Income Security

[Accessible Version](#)

Letter

Chairman Rokita, Ranking Member Polis, and Members of the Subcommittee:

I am pleased to be here to discuss the report we are issuing today on federally funded early learning and child care programs.¹ Millions of children age 5 and under participate each year in federally funded preschool and other early learning programs or receive federally supported child care. While parents are primarily responsible for the education and care of children who are younger than school age, a variety of factors have led to an increased demand for early learning and child care programs. For example, workforce participation among mothers with children age 5 and under has generally increased since the 1970s. In addition, initiatives to expand access to preschool have developed at the local, state, and federal level. Federal support for early learning and child care has developed gradually in response to emerging needs. Historically, early learning and child care programs existed separately with separate goals: Early learning programs focused on preparing young children for school; child care programs subsidized the cost of child care for low-income parents who worked or engaged in work-related activities. Over time, the distinction between these two types of programs has blurred somewhat as policymakers seek to make educationally enriching care available to more young children. In addition to costs paid by parents, multiple levels of government contribute funding to support early learning and child care through a loosely connected system of private and public programs.

My statement summarizes the findings from the report we issued today, which examines (1) the programs that comprise the federal investment in early learning and child care; (2) the extent to which these programs are fragmented, overlap, or are duplicative, and the efforts agencies have made to address these conditions; and (3) what is known about these programs' performance.

For our report, we used three criteria to identify relevant programs. The programs (1) funded or supported early learning or child care services, (2) were provided to children age 5 and under, and (3) delivered services in an educational or child care setting. We limited our review to programs for which federal funds were obligated in fiscal year 2015, the most recent

¹GAO, *Early Learning and Child Care: Agencies Have Helped Address Fragmentation and Overlap through Improved Coordination*, GAO-17-463 (Washington, D.C.: July 13, 2017).

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available obligations data at the time we conducted our work. Using the 45 programs and 5 tax expenditures in our 2012 review on this topic as a starting point, we sent questionnaires to nine agencies and one regional commission and received responses from them all. We interviewed agency officials and reviewed supplementary information to confirm that these programs and tax expenditures continued to meet all three of our criteria in fiscal year 2015, and to identify any new programs. As in our 2012 review on this topic, we considered a program to have an explicit early learning or child care purpose if, according to our analysis, early learning or child care is specifically described as a program purpose in the Catalog of Federal Domestic Assistance (CFDA) or in agency documents.² We categorized all other programs included in this review as not having an explicit early learning or child care purpose. We also included tax expenditures that could be used to subsidize families or employers for early learning or child care related expenses.³ We obtained information about fiscal year 2015 program obligations from the President's budget for fiscal year 2017. We used the Department of the Treasury's (Treasury) Tax Expenditure Estimates for fiscal year 2017 to obtain information on estimated losses in revenue in fiscal year 2015 for tax expenditures.

We interviewed officials from the Departments of Education (Education) and Health and Human Services (HHS) regarding their efforts to coordinate with other agencies that administer early learning or child care programs, and examined supporting agency documentation. We compared these efforts against leading practices for agency

²For a more detailed description of the methodology for our 2012 review, see p. 201, "How GAO Conducted Its Work," GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012).

³Tax expenditures are reductions in a taxpayer's tax liability that are the result of special exemptions and exclusions from taxation which include deductions, credits, deferrals of tax liability, or preferential tax rates. Tax expenditures included in this review include those that (1) fund or support early learning or child care services, (2) are obtained on behalf of children under age 5, and (3) forgo taxes so those funds can be used to purchase child care services occurring in an educational or child care setting. To identify relevant tax expenditures, we: 1) started with the list of tax expenditures in our 2012 review; 2) reviewed descriptions in the Congressional Research Service's *2014 Tax Compendium* to identify any new tax expenditures that can be used for early learning or child care; and 3) confirmed with officials from the Department of the Treasury that the tax expenditures we identified met our criteria.

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collaboration.⁴ In addition, we reviewed agency performance reports, congressional budget justifications, program studies, and other documentation. We did not conduct a separate legal review to identify and analyze relevant programs or verify the accuracy of the information agencies provided to us. A more detailed explanation of our methodology is available in our July 2017 report. The work upon which this statement is based was conducted in accordance with generally accepted government auditing standards.

Federal Investment in Early Learning and Child Care Includes Multiple Programs that Either Require or Permit Use of Funds for Such Services

Multiple federal programs may provide or support early learning or child care for children age 5 and under. The federal investment in early learning and child care includes three broad categories of programs:

1. *Programs with an explicit early learning or child care purpose:* For these programs, early learning or child care is specifically described as a program purpose, according to our analysis of the CFDA and agency documents.
2. *Programs without an explicit early learning or child care purpose:* These programs may provide or support early learning or child care; however, early learning or child care is not specifically described as a program purpose in the CFDA or agency documents. According to agency officials, these programs permit, but do not require, using funds for these services.
3. *Tax expenditures that subsidize child care through the tax code:* These include tax credits and exclusions that subsidize the private purchase of child care. Tax credits allow eligible individuals or employers to reduce their tax liability dollar for dollar. The credits included in this review are nonrefundable and do not offer benefits to

⁴Key features of leading practices for agency collaboration fall into the following categories: outcomes and accountability; bridging organizational cultures; leadership; clarity of roles and responsibilities; participants; resources; and written guidance and agreements. See GAO, *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012).

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individuals or businesses with no tax liability.⁵ Exclusions allow individuals to exclude certain compensation from their taxable income and generally provide larger tax savings to those taxed at higher rates. The revenue that the government forgoes through tax expenditures can be viewed as spending channeled through the tax system, which contributes to the overall federal investment.⁶

Within this framework, we identified 9 programs that have an explicit early learning or child care purpose and another 35 programs that do not have an explicit early learning or child care purpose. In addition to these federally funded programs, we identified three federal tax expenditures that forgo tax revenue to subsidize the private purchase of child care and adult dependent care services.⁷ While the overall number of programs in fiscal year 2015 is similar to our 2012 review, there are several differences between the programs we included in each of the two reviews, due to such factors as programs ending or beginning in the intervening time period. (For a complete list of programs we identified that may provide or support early learning or child care and changes since our 2012 review, see figures 1 through 10 in appendix I.)

Agencies obligated approximately \$15 billion in fiscal year 2015, the most recent obligations data available at the time we conducted our review, across the nine programs with an explicit early learning or child care purpose. The vast majority of this funding is concentrated in two programs administered by HHS: Head Start and the Child Care and

⁵A nonrefundable tax credit can be used to reduce current-year tax liability to zero, and a refundable credit in excess of tax liability results in a cash refund.

⁶GAO, *Tax Expenditures: Opportunities Exist to Use Budgeting and Agency Performance Processes to Increase Oversight*, GAO-16-622 (Washington, D.C.: July 7, 2016).

⁷Using a similar methodology in 2012, we reported that the federal investment in early learning and child care was administered through 12 programs with an explicit early learning or child care purpose, 33 programs without such a purpose, and 5 tax expenditures. For this review, we removed 6 programs and 2 tax expenditures because they were no longer funded or we determined that they do not meet our criteria. We added 8 programs that were not part of our 2012 review for various reasons, including that some were new since 2012, or were identified by agency officials and we determined that they met our criteria. Additionally, in our 2012 report we listed each component of the Child Care and Development Fund and Community Development Block Grant separately because they were listed individually in the CFDA. However, for our 2017 review, we used the Office of Management and Budget's guidance for identifying programs and considered key benefits and services as the framework to guide our identification of programs, regardless of how the components are listed in the CFDA. Therefore, we consider the Child Care and Development Fund to be one program, rather than two. Similarly, we consider the Community Development Block Grant to be one program, rather than three.

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Development Fund (CCDF). Together, these two programs comprised over 90 percent of total obligations for programs with an explicit early learning or child care purpose in fiscal year 2015. All other programs with an explicit early learning or child care purpose each obligated less than \$500 million in fiscal year 2015. Among programs without an explicit early learning or child care purpose, none require spending on early learning or child care, according to agency officials. Further, agency officials told us that they do not track the amount of funds used for early learning or child care for most of these programs, and are not required to do so.

Treasury does not estimate the amount of forgone revenue resulting specifically from tax credits or exclusions that support the care of children age 5 and under, according to agency officials. All of the tax expenditures we identified are available for the care of dependent children. The credit for child and dependent care expenses also subsidizes dependent care of individuals who are physically or mentally incapable of self-care, including adults with disabilities or who are elderly. Combined, these tax expenditures accounted for approximately \$5.4 billion of forgone federal income tax revenue in fiscal year 2015⁸. This amount, however, includes forgone revenue for care of children older than age 5 and dependent adults, since the available data do not distinguish children and other dependents by age.

Improved Agency Coordination has Helped Address Fragmentation, Overlap, and Potential Duplication

As we found in 2012, our current review identified some fragmentation, overlap, and potential duplication among early learning and child care programs.

Fragmentation: The federal investment in early learning and child care is fragmented in that it is administered through multiple agencies.

⁸Summing tax expenditure estimates provides a sense of size but does not take into account possible interactions among individual tax expenditures and within the tax code. Total change in tax revenues from repealing all tax expenditures could differ from the sum of the estimates.

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- HHS, Education, and the Department of the Interior administer programs with an explicit early learning or child care purpose.
- Five additional agencies—the Departments of Agriculture, Housing and Urban Development, Justice, Labor, and the General Services Administration—and one regional commission, the Appalachian Regional Commission, administer programs without an explicit early learning or child care purpose.
- The Internal Revenue Service at Treasury is responsible for administering federal tax expenditures.

Overlap: We found some overlap between early learning and child care programs, as some programs target similar beneficiaries or engage in similar activities. For example:

- Five of the nine programs with an explicit early learning or child care purpose primarily target children age 5 and under, and four programs target low-income children. Despite these general similarities, however, some of these programs target very specific populations that in some cases have limited overlap or no overlap. For example, Preschool Development Grants specifically target 4-year-olds while the Early Intervention Program for Infants and Toddlers with Disabilities targets children with disabilities from birth through age 2.
- Grantees of Head Start, Preschool Development Grants, and the Family and Child Education (FACE) program use funds for enrollment slots (spots for individual children to participate in programs on an ongoing basis), health care, and social services or transportation, according to agency officials. However, other programs with an explicit early learning or child care purpose do not fund enrollment. Instead, some programs fund additional services to aid early learning, such as special education services or evaluations.

Despite some similarities in target populations and activities, programs with an explicit early learning or child care purpose often have different goals and administrative structures. For example, the two largest programs—Head Start and CCDF—differ significantly from each other both in their goals and in how they are administered. Head Start was created in part to support children's early development by offering comprehensive, community-based services to meet children's multiple needs and, as such, provides federal grants directly to community-based public and private service providers. In contrast, CCDF was created to help states reduce dependence on public assistance. It provides grants to states to subsidize child care to support parents' involvement in the

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workforce. States, in turn, generally provide subgrants to counties or other local entities for distribution to parents.

HHS and Education have acknowledged some overlap among early learning and child care programs. In a November 2016 joint report to Congress, HHS and Education stated that overlap among early learning and child care programs is purposeful and necessary to meet the needs of children and parents. For instance, families can combine Head Start and CCDF, which allows families to meet children's learning needs and parents' child care needs, according to HHS officials.

Despite this overlap, there may be service gaps because these programs are not entitlements, and therefore do not serve all eligible children. For example, we reported in 2016 that an estimated 1.5 million children received CCDF subsidies, out of an estimated 8.6 million children who were eligible in their state in an average month in 2011 and 2012.⁹

Duplication: There may be potential for duplication among early learning and child care programs insofar as some programs may fund similar types of services for similar populations.

However, as we noted in our 2012 review, the extent to which actual duplication exists is difficult to assess at the federal level due to differing program eligibility requirements and data limitations.¹⁰

While the extent of potential duplication may be difficult to fully assess, some early learning and child care programs include some safeguards against duplication.

- Some programs can use funds to expand access to other programs, thus limiting the likelihood that the same beneficiaries receive the same services from more than one program. For example, Preschool

⁹In the same report, we also found that it is difficult to accurately predict the extent to which families with eligible children are likely to apply for and receive subsidies. This is in part because several factors influence families' child care decisions that can make it difficult or unappealing to pursue subsidies. See GAO, *Child Care: Access to Subsidies and Strategies to Manage Demand Vary Across States*, GAO-17-60 (Washington D.C.: Dec. 15, 2016).

¹⁰A portion of federal support for child care is provided through funding to states, which in turn provide subsidies to low-income families. For example, federal funding for CCDF is distributed to states, not families.

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GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact me at (202) 512-7215 or brownbarnes@ga.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony include Rebecca Woiwode and Hedieh Fusfield. Additional assistance was provided by Kirsten Lauber, Benjamin T. Licht, Mimi Nguyen, Jessica Orr, James Rebbe, and Sarah Veale.

Appendix I: Update of Programs and Tax
Expenditures that May Provide or Support
Early Learning or Child Care

Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care

Agencies that Administer Programs With and Without an Explicit
Early Learning or Child Care Purpose

Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care

Figure 1: Department of Education Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015). Using Programs GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Explicit early learning or child care purpose?	Rationale for adding or removing program
Department of Education			
Alaska Native Educational Programs	✓	☐	—
Child Care Access Means Parents in School	✓	■	—
Early Intervention Program for Infants and Toddlers with Disabilities ^a	✓	■	—
Education for Homeless Children and Youth	✓	☐	—
English Language Acquisition Grants	✓	☐	—
Full-Service Community Schools	✓	☐	—
Indian Education-Grants to Local Educational Agencies ^b	✓	☐	—
Indian Education-Special Programs for Indian Children	✓	☐	—
Migrant Education-State Grant Program	✓	☐	—
Native Hawaiian Education	✓	☐	—
Preschool Development Grants ^c	+	■	New program as of fiscal year 2014
Preschool Grants for Children with Disabilities ^d	✓	■	—
Promise Neighborhoods ^e	✓	■	—
Race to the Top-Early Learning Challenge	—	■	Not funded in fiscal year 2015
School Improvement Grants ^f	+	☐	Program added early learning focus as of fiscal year 2015
Special Education-Grants to States	✓	☐	—
Special Education-State Personnel Development	✓	☐	—
Special Education-Technology and Media Services for Individuals with Disabilities	—	☐	Program does not currently fund or support early learning or child care
State Fiscal Stabilization Fund-Education State Grants, Recovery Act	—	■	Not funded in fiscal year 2015
Striving Readers Comprehensive Literacy	✓	■	—
Title I Grants to Local Educational Agencies	✓	☐	—

Legend: ✓ = Remained on list + = Added to list — = Removed from list ■ = Yes ☐ = No — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue, GAO-12-342BP (Washington, D.C. Feb. 28, 2012). | GAO-17-671T

^aIn our 2012 review, we listed this program as Special Education-Grants for Infants and Families.

^bIn our 2012 review, we identified the Indian Education-Grants to Local Educational Agencies as having an explicit early learning or child care purpose. According to officials from the Department of

Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care

Education (Education), this program permits funds to be used for early learning or child care, but this is not a required component of the program. According to our analysis of the Catalog of Federal Domestic Assistance (CFDA) and agency documents, services provided through this program are not targeted to children age 5 and under, insofar as they include activities such as after-school programs, tutoring, and drop-out prevention. We therefore identified the program as not having an explicit early learning or child care purpose in this review.

⁶The Every Student Succeeds Act, which was signed into law in December 2015, authorized a Preschool Development Grants program to be administered by HHS, jointly with Education. Pub. L. No. 114-95, § 9212, 129 Stat. 1692, 2152 (2015). Previously, the program had been authorized through appropriations language and was funded through Education, and was jointly administered by HHS and Education.

⁷In our 2012 review, we listed this program as Special Education-Preschool Grants.

⁸In 2012, we did not classify Promise Neighborhoods as a program with an explicit early learning or child care purpose because early learning or child care was not listed as a specific purpose in the program materials we reviewed. We changed the classification of this program to one that has an explicit early learning or child care purpose because "building a complete continuum of cradle-through-college-to-career solutions" is described as one of the purposes of the program in the Federal Register.

⁹The Every Student Succeeds Act eliminated the School Improvement Grants program. However, according to Education, consistent with the transition provisions of this Act and the Department of Education Appropriations Act, 2016, Education made a final round of School Improvement Grant awards for fiscal year 2016.

Figure 2: Department of Health and Human Services Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Explicit early learning or child care purpose?	Rationale for adding or removing program
Department of Health and Human Services			
Child Care and Development Fund ^a	✓	■	—
Community Services Block Grant	✓	□	—
Head Start	✓	■	—
Social Services Block Grant	✓	□	—
Temporary Assistance for Needy Families	✓	□	—

Legend:

✓ = Remained on list ■ = Yes □ = No — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaires and agency documents and GAO, 2012 *Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*. GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

^aThe Child Care and Development Fund (CCDF) consists of two funding sources: mandatory and matching funding authorized under section 418 of the Social Security Act, and discretionary funding authorized under the Child Care and Development Block Grant Act of 1990, as amended. In addition, states may transfer up to 30 percent of their allotment under Temporary Assistance for Needy Families (TANF) to CCDF. States operate subsidy programs using these two funding sources as one program, according to HHS officials. In our 2012 report, we listed each of these components separately because they are listed individually in the Catalog of Federal Domestic Assistance (CFDA). However, for our current review, we considered key benefits and services as the framework to guide our identification of programs, regardless of how the components are listed in the CFDA.

Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care

Figure 3: Department of the Interior Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Explicit early learning or child care purpose?	Rationale for adding or removing program
Department of the Interior			
Family and Child Education (FACE)	✓	■	—
Indian Child Welfare Act Title II Grants	✓	□	—
Indian Education Assistance to Schools ^a	✓	□	—

✓ = Remained on list ■ = Yes □ = No — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue. GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

^aThis program is also known as Johnson-O'Malley Assistance Grants.

Agencies that Administer Programs Without an Explicit Early Learning or Child Care Purpose

Figure 4: Appalachian Regional Commission Program that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Rationale for adding or removing program
Appalachian Regional Commission		
Appalachian Area Development	✓	—

Legend:

✓ = Remained on list — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue. GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care

Figure 5: Department of Agriculture Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Rationale for adding or removing program
Department of Agriculture		
Child and Adult Care Food Program	✓	—
Fresh Fruit and Vegetables Program	+	Program identified by agency officials
National School Lunch Program	✓	—
School Breakfast Program	✓	—
Special Milk Program for Children	✓	—

Legend:

✓ = Remained on list + = Added to list — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue. GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

Figure 6: General Services Administration Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Rationale for adding or removing program
General Services Administration		
Donation of Federal Surplus Personal Property	✓	—
The General Services Administration's Child Care Program ^a	—	Benefit for limited number of federal employees; not in the Catalog of Federal Domestic Assistance

Legend:

✓ = Remained on list — = Removed from list — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue. GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

in 2012, we noted that the General Services Administration's Child Care Program had an explicit early learning or child care purpose. We determined that this program is out of the scope of our current review because it is a benefit for a limited number of federal employees and not listed in the CFDA.

Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care

Figure 7: Department of Housing and Urban Development Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Rationale for adding or removing program
Department of Housing and Urban Development		
Choice Neighborhoods	+	Program identified by agency officials
Community Development Block Grant ^a	✓	—
Jobs-Plus Pilot Initiative	+	Program identified by agency officials

Legend:

✓ = Remained on list + = Added to list — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue. GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-471T

^aThe Community Development Block Grant comprises Entitlement Grants, Special Purpose Grants/Insular Areas, and State Program and Non-Entitlement Grants in Hawaii. In our 2012 report, we listed each of these components separately because they are listed individually in the CFDA. However, for our current review, we considered key benefits and services as the framework to guide our identification of programs, regardless of how the components are listed in the CFDA.

Figure 8: Department of Justice Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Rationale for adding or removing program
Department of Justice		
Children and Youth Exposed to Violence	—	Program does not currently fund or support early learning or child care
Defending Childhood/Children's Exposure to Violence ^a	+	Program replaced the Reduction and Prevention of Children's Exposure to Violence (Safe Start) program
Reduction and Prevention of Children's Exposure to Violence (Safe Start) ^a	—	Program was replaced by the Defending Childhood/Children's Exposure to Violence program
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	✓	—

Legend:

— = Removed from list + = Added to list ✓ = Remained on list — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue. GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-471T

^aIn our 2012 report, we listed this program as the Reduction and Prevention of Children's Exposure to Violence (Safe Start) program. The Department of Justice has since replaced the Reduction and Prevention of Children's Exposure to Violence (Safe Start) program with the Defending Childhood/Children's Exposure to Violence program.

Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care

Tax Expenditures

Figure 10: Department of the Treasury Child Care-Related Tax Expenditures (as of Fiscal Year 2015), Using Tax Expenditures GAO Identified in 2012 Report as a Baseline

Program Title	Changes from 2012 list of early learning and child care programs	Rationale for adding or removing program
Department of Treasury - Tax Expenditures		
Credit for child and dependent care expenses	✓	—
Employer-provided child care credit ^a	✓	—
Employer-provided child care exclusion ^b	✓	—
Exclusion of benefits provided under cafeteria plans ^c	—	According to Treasury officials, revenue loss associated with child care through cafeteria plans is the employer-provided child care exclusion
Exclusion of income earned by voluntary employees' beneficiary associations	—	Does not reimburse families or employers for expenses they incur to purchase early learning or child care services

Legend:

✓ = Remained on list ✗ = Removed from list — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

Note: The tax provisions listed in this figure are not exclusively available for the care of children age 5 and under. The credit for child and dependent care expenses may also cover the dependent care for individuals who are physically or mentally incapable of self-care, including adults with disabilities or who are elderly. In our 2012 report on this topic, we listed the names of tax expenditures as they appeared in the Congressional Research Service's 2010 Tax Compendium. For our current review, we list the names of these tax provisions as they appear in the Department of the Treasury's (Treasury) Tax Expenditure Estimates for fiscal year 2017.

^aIn our 2012 report, we listed this tax expenditure as the credit for employer-provided child care.

^bThis tax expenditure is also known as the dependent care assistance program exclusion. In our 2012 report, we listed this tax expenditure as the exclusion of employer-provided child and dependent care. For the purposes of this report we will refer to this tax expenditure as the employer-provided child care exclusion, which is how it is referred to in Treasury's Tax Expenditure Estimates.

^cThe exclusion of benefits provided under cafeteria plans includes revenue used for health insurance and other benefits, in addition to dependent care. According to Treasury officials, estimates for various benefits under cafeteria plans are reported separately by budget function (e.g., healthcare). Revenue loss associated with child care through cafeteria plans is the employer-provided child care exclusion.

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[Additional submissions by Ms. Shalala follow:]

EXECUTIVE SUMMARY

The Grand Plan: Hear From Grandparents Who Provide Child Care



ZERO TO THREE
Early connections last a lifetime


Grandparents fill a major gap in child care in this country, care that is otherwise unavailable or unaffordable to many. Grandparents in the U.S. care for 1 out of 4 children under the age of five. As such, they are a major influence on young lives, tied with formal child care in the number of children served.

In the spring of 2018, ZERO TO THREE and its partners at the Bezos Family Foundation and the David and Lucile Packard Foundation **commissioned a national survey of grandparents who care for grandchildren aged five and under.** We believe this survey to be the first of its kind to capture the needs and experiences of grandparent caregivers.

Study Design

The Grand Plan survey included 1000 grandparents who provide regular child care for grandchildren aged five and under from across the United States, with oversampling of Hispanic and African American grandparents. We asked them about the joys, challenges, and needs of grandparents who share the care.

Grandparents participating in our online survey cared for a grandchild at least 15 hours a week. Approximately one-third (29%) shared a household among three generations. (Families in which the parent was not present were excluded from the survey.)



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The Powerful Pull of Love and Duty

Grandparent respondents almost universally agreed it is the pull of both love for their adult child and grandchild and a sense of duty that are the key drivers of their decision to provide care for grandchildren. 98% of respondents say they love being a grandparent, 94% say they love caring for their grandchildren, and 89% say they're satisfied with the current caregiving arrangement.

For most families (8 of 10), the caregiving arrangement is not financial. Grandparents feel rewarded by intangibles like spending time with grandchildren on a regular basis (89%), getting to influence and shape their early experiences (76%), and ensuring that their grandchild gets the best care (74%).

Yet Challenges Exist

But not all is rosy, all the time. Almost half (48%) of the grandparents surveyed feel some level of disagreement/tension between generations concerning child care issues like handling tantrums (31%), navigating mealtime (27%), and managing screen time (27%).

For 8 of 10 families, the caregiving arrangement is not financial.

Caring for a young child—even one you love deeply—can be exhausting. 2 of 5 grandparents say the job of caregiving is tiring. 1 in 5 say it's stressful.

Even so, most grandparents have faith in their ability to do the job right. 81% say they are happy with the quality of care they provide. Grandparents say they have more patience (70%) and a clearer sense of what's important (67%) than they did when raising their own children. But many (74%) agree it's scarier raising kids today because there's more danger and violence in the world.



Unlocking Points of Difference

While we found nearly universal appreciation of the experience of grandparent caregiving, differences emerged when we examined the data by subgroup, particularly in the areas of perceived stress and resolution of child-rearing disagreements.

- **Multi-generational households.** In multi-generational households (in which grandparents, parents, and grandchildren live together), grandparents reported experiencing more stress (26% vs. 19%) and a more complicated relationship with their grandchild's parents (57% vs. 45% report tension/disagreements).

According to a new Pew Research Center analysis of U.S. Census data, one in five Americans lived in multi-generational family households in 2016, the highest percentage since 1950. (Note multi-generational households as defined in this analysis included two or more adult generations, or grandparents and grandchildren younger than 25.) Asian American families were most likely (33%) to live in multi-generational households, followed by Hispanic families (27%) and African American families (26%).



- **Hispanic households.** Hispanic grandparents (60%) reported more tension between generations than did grandparents in the survey as a whole (48%). This finding invites further research to explore the stressors associated with living in multi-generational households and the challenges of assimilation.

Hispanic grandparents reported more interest in caregiving information and were more likely to search for information on the Internet. This finding echoes that of our 2018 [Millennial Connections](#) survey, in which Hispanic parents were also more likely to seek information online than were parents in other groups.

- **African American households.** African American grandparents are more likely to report their caregiving involvement is driven by their perceived role within the family as well as a sense of duty than are grandparents in the total population. For example, 59% of African American grandparents agreed with the statement that, "It's my job to help my family if they need it," as compared with 54% of

all participants. 37% of African American respondents also agreed with the statement, "My grandchild's parents work non-traditional hours," as a reason for helping out as compared with 29% of all participants.

In African American families, 70% of grandparents agree that it's "my house, my rules" when it comes to caregiving for young children, compared with 56% of the total population. 65% of respondents shared that they do what they think is right with their grandchild even if they think their grandchild's parents will disagree, compared with 56% of the total population.

Yet, African American grandparents did not report higher levels of tension or disagreements with their grandchild's parents than other groups, and 75% say their grandchild's parents look to them for child-rearing advice.

African American grandparents reported more challenges with practical matters like coming up with activities to enjoy together (27% as compared with 21% of the overall sample) or caring for a sick grandchild (26% as compared with 20% of the overall sample).

- **College-educated grandparents.**

Grandparents with a college education¹ are more likely to disagree with their grandchild's parents on child-rearing strategies (58%) compared to grandparents with a high school diploma (44%). That said, they are also more likely to leave the final decision to the grandchild's parents (74% vs. 64%) and to follow parents' rules when caring for a grandchild (64% vs. 50%).

Grandparents with higher education levels also seek help and information at higher rates than their peers with lower education levels. 37% of college-educated grandparents (vs. 30% with a high school diploma or less) turn to the Internet when they have a child care question, and 35% (vs. 16%) agree that science-based websites can be a good source of information. This finding mirrors the differences in the information-seeking of parents found in ZERO TO THREE's [Millennial Connections national parent survey](#).



¹Education data includes all survey participants and includes African American and Hispanic families referenced above.

Note that income level was not predictive of grandparents' satisfaction with caregiving arrangements. Income is highly variable at this life stage; about one-quarter of survey participants were employed full time and one-quarter were retired. (Others were disabled, employed part-time, unemployed, or looking for work.)

Outreach to Grandparents

Most grandparents (7 in 10) feel confident in caring for grandchildren since they raised their own children. But 4 in 10 agree that new research about child development can help them do a better job, and 3 in 10 wish they knew more about the brain development in young children.

Our survey suggests that grandparents trust those closest to them for child-rearing information and advice: relying on their own experiences (54%) in shaping their child-rearing approach, followed by guidance from their grandchild's parents (37%) and medical professionals (32%). The chart below shows the top sources that grandparents see as "credible" when it comes to child development and child-rearing information.

TRUSTED CARE RING

Most credible information and advice sources comprise a tight circle of trust



Tiers of Trusted Information Sources

Experiences raising my own kids	54%
My grandchild's parents	37%
Medical professionals/the pediatrician	32%
My spouse/partner	28%
Other family members/friends	26%
Other grandparents/peers	22%
My faith, religious leaders or religious group	19%
Teachers, other child care professionals	18%
Google searches	18%
My other children	16%

It's worth noting that when grandparents are asked **where they learn about child care resources**, the answer changes, with 65% getting suggestions from family and friends, 30% obtaining information from websites, and 27% consulting social media.

Given these considerations, and the fact that grandparent-caregivers provide care outside of early education systems, reaching grandparents can be challenging. Our research suggests that designing programs that include the elements below are likely to be most successful:

- Celebrate grandparents' contributions, both to their families and the larger community. They are the glue that holds a fragile child care system together, and many characterize caring for grandchildren as a role that gives their life new meaning.
- Use a light touch when offering child-rearing advice, honoring the lived experience of participants who've already raised children. (See our [Grandparent Guide resource series](#) for ideas.)
- Connect grandparents to each other and provide meaningful opportunities for grandparents to share experiences and advice.
- Encourage dialogue between generations about the joys and challenges of sharing the care. See our [Planning Tips for Sharing Child Care](#) resource to get the conversation started. These conversations can reduce conflict and strengthen inter-generational relationships.
- Finally, ensure program offerings address the areas grandparents are most interested in, such as the following:

Topics of Interest	
Educational activities	35%
Local activities/outings places to go	30%
How to reduce challenging behavior	30%
Foster self-control & social skills	28%
Effective discipline methods	26%
Help toddler be ready for school	25%

Grandparents have the love.

98% of our survey respondents told us they loved being a grandparent.

We've got the resources.

[ZERO TO THREE](#) has been supporting the healthy development of babies and toddlers for more than 40 years.

For more ways to engage grandparents, please visit zerotothree.org/grandparents.



IT'S ABOUT TIME!

Parents Who Work Nonstandard Hours Face Child Care Challenges

by Dionne Dobbins, Ph.D., Karen Lange, Catherine Gardey,
Jen Bump, MA and Jacob Stewart

Many companies expect workers — especially workers earning low-income— to be available on demand. That means parents need more than “day” care for their children. Parents need child care that aligns with the realities they face, including child care that is available when they have to work long hours or irregular schedules.

Working families face a huge challenge: finding quality, affordable child care for their children. That struggle is not new, but we're seeing a societal shift that's adding to the challenge. Fewer Americans are working standard schedules, the traditional Monday through Friday, 8-hour workday. More people are working nonstandard hours (NSH) —nights, weekends, and irregular hours— and the current child care system fails to accommodate them.¹

Occupations requiring NSH are increasing in today's economy—the so-called 24/7 economy. Many retailers are open 24 hours a day and 7 days a week. News organizations operate around the clock and technology allows people to work outside of normal office hours. The availability of child care during NSH must be addressed or the economy will feel the effects. If parents cannot find child care during these hours, they may leave or decide not to join the workforce and employers may be left short-staffed. The lack of quality child care during NSH threatens to affect our [future workforce](#).

This paper spotlights the need for child care during NSH. It begins with an overview and definition of NSH child care. We explain the supply and demand problem with NSH child care: There simply isn't enough of it to meet worker needs. We highlight the populations most affected by the problem and share solutions, including how states can leverage Child Care Resource and Referral (CCR&R) agencies to address this issue. Finally, we outline our policy recommendations to support families in need of NSH child care.

Nonstandard Hours: A Working Definition

Nonstandard hours (NSH) refers to hours worked outside the traditional Monday through Friday workweek, including schedules that vary from week to week. Working parents face limited options for center-based child care open during NSH, and often cobble together multiple child care options, including center-based child care; home-based child care, also known as family child care (FCC); and child care provided by family, friends, and neighbors (FFN). This approach strains both parents and children who lack a consistent caregiver.

In 2014, the federal government reauthorized the Child Care Development Block Grant (CCDBG), the federal program that funds child care subsidies and quality initiatives at the state level. The law highlights the importance of addressing the employment circumstances of families who receive child care assistance. CCDBG stresses that the standards for child care apply, no matter when it occurs. According to the [CCDBG Plain Language Summary of Statutory Changes](#), some key points in the law are related to work schedules and aimed at increasing the quality and continuity of children's care arrangements include the establishment of family-friendly eligibility policies like:

- Ensuring 12-month eligibility redetermination period for CCDF families, regardless of changes in income or temporary changes in participation in work, training, or education activities.
- Allowing the option to terminate assistance prior to redetermination if a parent loses employment. However, assistance must be continued for at least 3 months to allow for job searching.
- Developing eligibility redetermination procedures that does not require parents to unduly disrupt their employment.
- Providing for a graduated phase-out of assistance for families whose income has increased at the time of redetermination, but remains below the federal threshold.

A Note on Terminology

There is a variety of terms used in literature and the early childhood education field to refer to nonstandard hours schedules. For example, nontraditional hours also refers to hours worked outside the traditional workweek. The terms are used interchangeably. They include irregular schedules, or schedules that change from day to day or week to week. Child care during NSH may be called "weekend child care," "overnight child care," "extended hours child care," "drop-in child care", or "emergency child care."



Did you know?

CCR&RS in 28 states reported around 65,000 requests from families in need of NSH child care.

Data from 2017 State Fact Sheets, Child Care Aware® of America

The Supply of NSH Child Care is Inadequate

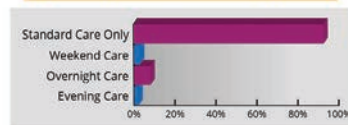
The [National Survey of Early Care and Education](#) interviewed several types of child care providers on a variety of topics, including whether they offered child care outside of standard hours.

Below are some of the findings from the survey related to NSH.

Center-Based Child Care During NSH

Only 8 percent of the center-based providers surveyed reported that they offer child care during NSH. As seen in **Figure 1**, only 2 percent of center-based providers offered child care during evening hours, 6 percent offered overnight care and 3 percent offered weekend care.¹ Parents looking for center-based child care during NSH find their options are either extremely limited or simply nonexistent.

Figure 1. Types of Child Care Offered by Centers



U.S. Department of Health and Human Services, 2015

Why aren't there more licensed child care centers that operate during NSH? Most centers find the cost of providing such care to be higher than care during standard hours. There are several reasons:

- It can be difficult to hire and keep staff to work off hours. Many child care providers are parents themselves and would need child care for their families during this time.
- Maintenance also becomes an issue; when facilities are constantly in use, regular maintenance and upkeep may be put off, leading to increased wear and tear on supplies, furniture and equipment.
- Some insurance companies consider evening and weekend child care to be higher risk; facilities insurance may be harder to obtain and costs more.

- For financial reasons, providers want to maximize the number of children in their child care program each day. The best way to accomplish that is for each child to have a set schedule (e.g., Mondays and Wednesdays between 8 a.m. and 4 p.m.). When parent schedules fluctuate, enrollment is inconsistent and so is the provider's income.

For these reasons and others, many child care centers cannot stay in operation providing care during NSH unless they have financial support outside of parent payments.²

Family Child Care During NSH

In addition to center-based providers, The [National Survey of Early Care and Education](#) reported three types of FCC providers:

- Listed, paid providers who appear on official state and national records of early childhood education (ECE) services and receive payment for their services. A licensed family child care provider is an example of a listed, paid provider. License-exempt and/or registered providers who accept CCDF subsidies are also considered listed, paid providers.
- Unlisted, paid providers who do not appear on official lists but receive payment for their child care services. An unlicensed family child care provider or nanny are examples of unlisted, paid providers.
- Unlisted, unpaid providers who do not appear on official lists and do not receive payment for their services. A grandmother or neighbor who provides child care free of charge are examples of unlisted, unpaid providers.

The survey found that FCC providers deliver the bulk of NSH child care, but not equally across the three types. While 82 percent of unpaid, unlisted providers offered NSH, only 34 percent of listed, paid providers offered NSH child care. Unpaid providers offer much-needed help to parents who work NSH; however, in most states they are not required to follow the same health and safety standards that licensed providers do. Increasing the supply of licensed family child care providers who offer care during NSH would give parents more choices in their search for high-quality child care.

Family Access to Paths to QUALITY™ Providers in Indiana

Indiana administers a voluntary child care Quality Rating and Improvement System (QRIS), Paths to QUALITY™ to help families identify high-quality programs. Licensed child care centers, licensed family child care homes, and voluntarily certified registered ministries are eligible to participate. Recent reporting from Early Learning Indiana, Indiana's State CCR&R Network, found that only 22 percent of the licensed child care programs participating in Paths to QUALITY™ offer child care during nonstandard hours. Even more striking is that of those programs participating—86 percent are family child care programs.

years, states have noticed an alarming trend—a significant decline in the number of child care providers, particularly family child care providers. Here are a few examples:

- In Minnesota, the number of family child care providers dropped by 25 percent between 2006 and 2015.⁴⁰
- Researchers at the Federal Reserve Bank of Minneapolis estimate that in the last five years, total child care capacity—that is, the number of child care slots—for all licensed child care providers in Minnesota and Wisconsin declined by 5 percent.⁴¹
- Between 2014 and 2017, the number of FCC slots in California declined by 9 percent.⁴²
- CCAoA's recent Mapping the Gap™ project in the state of Arizona found an overall decline in child care providers who accept Child Care and Development Fund (CCDF) vouchers (one type of federal child care subsidy).

Given these trends, more research is needed to understand the reasons why the loss of child care providers is occurring. With a greater understanding of this trend, states and communities can tailor policy changes and investments in the early childhood education workforce to ensure all families have access to quality, affordable NSH child care.

Family Child Care Providers are Closing at an Alarming Rate

Unfortunately, burnout is a major consequence for FCC providers who offer NSH care. Parents' work schedules may create a challenge for the provider in balancing work and family.⁴³

In many communities, though, simply maintaining the current supply of providers is a challenge. Over the past few

The Need for NSH Child Care Is High

Just how many children need this kind of child care? Data from the 2014 Survey of Income and Program Participation reveals that **43 percent of all children under 18 in the United States have at least one parent who works NSH.**⁴⁴ *This translates into roughly 31 million children who may need child care during NSH.*

Profile of Nonstandard Hours Workers

- 60 percent earn less than median wage
- More likely to be people of color
- Have lower levels of education
- More likely to work between 3 p.m. and 7 p.m.
- Receive no employment benefits or paid time off
- Are given little notice of work hours on a daily or weekly basis

(Enchautegui, 2013; Presser, 2005)

Currently, there are no estimates on the number of children under age six with a parent who works NSH. One study of young workers with NSH schedules reported that 34 percent had a child under the age of six in the household.⁴⁴ More research is needed on the need for NSH child care in this age group.

Who Needs NSH Child Care?

Workers requiring NSH schedules may be in retail, janitorial, health and food service sectors where compensation is/ wages are low. An Urban Institute [paper](#) highlighting NSH workers found that 40 percent earn less than 75 percent of all workers in the United States; they also are less likely to receive benefits or paid time off compared to people who work standard schedules.

The lack of NSH child care affects certain populations more than others. Below, we highlight three populations (not mutually exclusive) that are most impacted.

Workers Earning Low Incomes. Families with low incomes are disproportionately affected by NSH schedules. While 20 percent of Americans work NSH, almost 30 percent of families who earn low incomes do. Researchers have studied the demographic makeup of those working low-wage jobs and have identified several factors that can complicate parents' efforts to find child care during NSH.

- **Poverty.** Researchers estimate that a full-time worker must earn around \$12 an hour in order to keep a family of four out of poverty. Approximately one-third of all workers who earn less than that are parents. Parents earning low wages could not afford the high cost of licensed child care in their communities, even if there were more options for NSH child care.

- **Lack of paid leave.** Just over 80 percent of workers earning low wages do not have access to paid sick leave, making it difficult for parents to take time off if someone in the family becomes ill or child care arrangements fall apart.⁴⁵

- **Irregular work schedules.** Research shows that those who earn the least are more likely to work irregular schedules that often change with little advance notice.⁴⁶ For instance, in a sample of early-career workers ages 26 to 32, 69 percent of mothers and 79 percent of fathers reported weekly fluctuations in their work schedule – the days or hours worked— over the past month.⁴⁷

Spotlight: Restaurant Industry and the NSH Workforce

The restaurant industry has grown every year for the past eight years and is the fifth largest employer in the United States (Bureau of Labor Statistics NAICS 722). Nationally, there are nearly 3.5 million parents working in this industry, with over a million of these workers being single mothers. Parents who are tipped workers (waiters/waitresses) can earn a base salary as low as \$2.13 per hour. Many opt to work nights, when diners tend to spend more and tips are higher. Unfortunately, few licensed providers offer evening or overnight child care, leading many tipped workers to rely on informal or unlicensed child care. A report by the National Women's Law Center and Restaurant Opportunities Centers United found that nearly half of mothers working in the restaurant industry were reprimanded at work due to difficulties arranging child care.



Spotlight: NSH Schedules Negatively Impact Family Life

NSH schedules often create “unsociable time,” or time that the parent is working when the children are home; this means less time spent with the family. Decreased family time is linked to poorer outcomes. For example, teens who have fewer than three family dinners per week are almost 4 times more likely to have used tobacco, twice as likely to have used alcohol, and 2.5 times more likely to have used marijuana.^{xx}

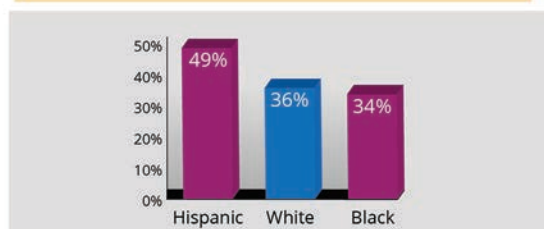
Several studies link poor developmental outcomes for children with parents who work NSH. A 2015 study revealed that children who were cared for in NSH child care showed a decrease in behavioral and emotional well-being. Children under 5 are less likely to receive frequent cognitive stimulations at home than their peers. Children between the ages of 6 and 11 showed poorer behavioral-emotional competency, were less engaged in school, experienced poorer health conditions, and were more likely to receive special education services compared to children of mothers who work standard hours.

Other studies showed similar negative correlations between mothers who work NSH schedules and later developmental outcomes for their children. Using data from the National Institute of Child Health and Human Development, researchers examined children’s cognitive outcomes in relationship to a mother’s NSH work schedule. The data determined there were negative effects on the child’s cognitive development during the first 3 years of life due to the mother’s NSH work schedule. The cognitive effect is worse if the mother starts working a NSH schedule during the first year of the infant’s life.^{xxi}

Another study found that one in two children from low-income, single parent Hispanic families has a parent with short advance notice of their work hours.^{xxii}

(See **Figure 2**). If parents do not know their schedule in advance, or if it changes on a weekly basis, they can have an especially difficult time arranging child care.

Figure 2. Percentage of Children in a Low-Income, Single-Parent Household whose Parent has Little Advance Notice of their Work Hours by Race/Ethnicity



Crosby and Mendez, 2017

Single Parents. Single-parent households face more challenges when seeking child care during NSH. While nearly 5 percent of married-couple families live in poverty, 26 percent of families headed by a single parent do.²⁰⁸ The [U.S. Census Bureau 2014 Survey of Income and Program Participation \(SIPP\)](#) estimates that there are 6.7 million children who live with an employed single parent who works NSH (5.5 million living with single mothers and 1.2 million living with single fathers).²⁰⁹ In dual-parent households, parents may coordinate their schedules to allow for one parent to be home with the child; however, in single-parent households, finding child care during an NSH work schedule is even more challenging. In addition, single-parent households, on average, have lower incomes than two-parent households.

Minority Families. Overall, minorities are overrepresented in the population of American workers who are employed during NSH. African-American parents are more likely than their white and Asian peers to work NSH. For instance, at age 29, African-American mothers are 60 percent more likely to work outside of daytime hours than white or Asian mothers.²¹⁰ More than 75 percent of Hispanic children with a working parent(s) have at least one parent who works during NSH.²¹¹

Student Parents. Approximately 25 percent of post-secondary students are also parents.²¹² And one in four of these parents lives below the federal poverty line. As they struggle to balance work, school and family in the pursuit of a degree and higher income in the future, they face extremely limited child care options. On average, child care centers on university campuses have wait lists that are nearly double their total capacity.²¹³ Often the only jobs that these student-parents can find have NSH hours. The Child Care Access Means Parents in School (CCAMPIS) program was created to provide funding that subsidizes child care for low-income, student-parents. While this program has demonstrated success at student retention, funding was cut by \$10 million from 2004 to 2014.²¹⁴ This has resulted in decreased availability and a shortfall of over 1 million child care slots on college campuses.²¹⁵



Concerns with Current Supply of NSH Child Care

Quality, affordable child care is linked to many benefits, including a stronger economy, support for parents and developmental advantages for children. Unfortunately, the inadequate supply of NSH child care is problematic and raises concerns about access to safe, affordable, quality child care for many families in our country.

It Can Be Unaffordable

Families who work NSH struggle with not only the uncertain quality of available child care, but also with the cost of child care. Child care is already unaffordable. In many states, the average annual cost of licensed child care for one child is as much as a year's tuition and fees at a four-year public college.^{xxviii} According to the Department of Health and Human Services (HHS), the cost of *unlisted* child care is similar to, and sometimes higher than, the cost of listed child care.^{xxix} However, the lack of regulated child care available during NSH leaves many parents with no choice but to leave their children in unlicensed child care – despite the sometimes higher cost of unlisted child care.

An increasing number of child care providers are extending their hours and creating flexible options for parents. Federal and state-based child care subsidies are based on a child's daily attendance; consequently providers who offering flexible scheduling can lose revenue when children do not attend the program regularly. Parents earning low incomes face a similar dilemma: to be eligible for a subsidy, they may be required to place their child in child care for a minimum and consistent number of hours per week. Because parents who work irregular schedules may be unable to do that, they may not even apply for a child care subsidy.^{xxx}

It is Often Unregulated

States have varying standards specific to the delivery of quality child care services outside of standard hours. Yet, quality child care for children during the very early years is critical to all aspects of a child's development. Child care during NSH is extremely limited, and oftentimes it is not a matter of parents being unable to afford licensed child care; rather, no licensed child care exists during NSH. If they opt for unlicensed care, parents cannot be sure the care their child is receiving meets the bare minimum safety requirements, let alone other rigorous markers of quality.



Solutions to Overcome Challenges of Nonstandard Hours Child Care

While the challenges to NSH child care are large, states and communities have designed solutions to overcome these difficulties. These steps translate into big gains for children.

Encourage Secure and Predictable Scheduling

Several states and communities have passed laws to promote predictable schedules for employees.

Employers are encouraged to give workers advance notice of schedule changes, allow employees to give input on their schedules and provide additional compensation when schedules are unpredictable.

Spotlight: Policy Changes to Mandate “Secure Scheduling” for Employees

Many NSH workers receive little notice of their upcoming shifts, making it very difficult to find child care, particularly during nights and weekends. However, Oregon and several large cities have implemented policy changes that are helping families with irregular work schedules.

Oregon. This 2017 law states when hiring, employers must give employees:

- An estimate of work schedule and median number of hours to be worked in a month,
- Seven days’ notice of their work schedule,
- Some input into their schedule, and
- Compensation for schedule changes.

Seattle, Washington. In 2016, the city of Seattle passed laws regulating scheduling practices for large retailers and both quick-serve food establishments and full-service restaurants with 500 or more workers. Employers are now required to:

- Give good-faith estimates of hours an employee can expect to work upon hiring,
- Post work schedules two weeks in advance,
- Provide at least 10 hours of rest between opening and closing shifts,
- Give available hours to existing part-time employees before hiring new workers, and
- Pay additional “predictability pay” when changes are made to the posted schedule.

New York City, New York. New York City’s Fair Work Week law requires employers to provide employees their work schedules at least 14 days in advance. If changes are made to those schedules inside of that two-week window, employers will pay employees between \$10 and \$75 per change.

Philadelphia, Pennsylvania. In December 2018, the Philadelphia City Council passed the “Fair Workweek” bill, designed to give the city’s 130,000 service industry workers regular and consistent hours. Beginning January 2020, employers will be required to:

- Set schedules at least two weeks in advance,
- Offer hours to existing employees rather than hiring new employees at lower rates,
- Pay employees when shifts are canceled, and
- Guarantee employees at least 11 hours of rest between shifts.

Employers may be reluctant to change their scheduling processes for fear of losing profits. However, research suggests that this may not be the case. An [experiment in Gap stores in Chicago and San Francisco](#) showed that when workers had predictable schedules, Gap's financial performance improved. And when compared to similar stores in the area, predictable scheduling increased median sales by 7 percent and labor productivity by 5 percent. This experiment highlights the fact that increased schedule stability is beneficial for parents who need child care and can have positive effects on retail sales and worker productivity.

Coordinate Programs

Parents who work NSH often must patch together multiple child care situations and transport their child to and from various child care settings. Community Connections Program, run by the [Illinois Action for Children](#), a CCR&R in the Chicago-area, had a program that combined subsidized FCC with center-based public preschool. On Fridays, teachers from the preschools visited the FCC providers to support them and to create a connection between the

programs. The FCC providers also received funds during the time the children were in the preschool programs.

Coordinating these programs showed positive outcomes for children. According to the report, [Additional Evidence to Help Inform Illinois's Child Care System](#), children had higher math and reading scores when they attended a combination of center-based child care and FCC compared to just FCC. Programs modeled after this one could help to alleviate problems with finding child care that meets parent needs.

Engage Businesses

Some businesses fill the supply gap for NSH child care as a way of meeting the needs of employees with young children by making high quality child care available at the workplace. Toyota partners with [Bright Horizons](#) to provide on-site child care at manufacturing facilities in the Midwest and some locations around the world.

The benefits of providing child care at the workplace are, in fact, not a new revelation for Toyota whose Kentucky Child Development Center opened in 1993 and remains open today. For the past 25 years, employees benefit from access to high-quality child care 24-hours a day to accommodate multiple work shifts and unpredictable overtime schedules.

Toyota's child care programs may even be more innovative than practical. Since the early 90s, they have recognized that employees who work overnight shifts also need to sleep during the day. For this reason, they developed what is sometimes called "night care." While parents are working their overnight shifts, children are also awake and engaged in the same types of activities children would experience if attending during the day. This approach is designed to help parents and children maintain similar daytime and nighttime routines, matching sleeping time and awake time as much as possible. Toyota's Kentucky Child Care Development Center Director Angie Looney, an employee of the center for more than 20 years, says the longevity of the night care approach is an indicator of the popularity and success of the program.

The Minneapolis Air Route Traffic Control Center is another example of a business partnership. The center partnered with [Small World Day Care Learning Center](#) to offer child care in a facility adjacent to the air traffic control center. The learning center is open seven days a week from 5:30 a.m. to 11:30 p.m. and serves children ages 6 weeks to 5 years. The extended hours makes it possible for parents working early morning or night shifts to find child care.

Spotlight: Business-Community Partnership to Support Child Care Access for Employees

Employees of Casella Waste Management, located in Rutland County, VT, were struggling to find quality child care during their work hours. Data from a report by Let's Grow Kids [Stalled at the Start](#), validated these struggles. Most of the child care programs in Rutland County open at 7 a.m. and close at 6 p.m. Casella realized they couldn't afford to have employees missing work because the child care options were not open when employees were working. Casella, in partnership with the early childhood community, is piloting a child care scholarship program and the surrounding community is receiving funding to increase the amount of quality child care. For more information on these initiatives, see their spotlight in CCAoA's 2018 report, [The U.S. and the High Cost of Child Care](#).

Support Military Families

National Guard members and reservists train on weekends, when child care may not be available in their communities. Because the guard responds to disasters and emergencies, which strike without warning, members/reservists need a safe place to leave their children when they're called to duty.

Guard and Reserve families live across the United States, and they generally do not live on military installations. Many families have irregular schedules: They may work early mornings, late evenings or overnight, and they need to attend weekend drills and annual trainings. Access to quality child care during hours outside of regular child care hours is both necessary and challenging.

The Air Force Home Community Care Program (AF HCC), administered by CCAoA, provides child care for U.S. Air Force Guard and Reserve families during drill weekends. Care is provided in quality family child care homes throughout the United States to assist Air Force families in meeting their child care needs beyond their normal work schedule. CCAoA implements additional recruitment and screening procedures due to the unique requirements of this program. Eligible child care providers must have liability insurance, a state license or registration, current infant/child CPR and First Aid certifications, a high school diploma, favorable federal background checks and child abuse and neglect checks, and an annual child care licensing inspection free of disqualifying incidents. Based on current screening procedures, guidelines, and recruitment requests, it takes an average of 33 days to recruit an AF HCC provider. There are currently 186 approved HCC providers and we are recruiting in 102 locations.

Since 2014, *Little Heroes Drill Weekend Child Care*, housed at Tender Loving Kare Child Care and Learning Center in Newark, Delaware, provides community-based child care at a reduced cost to military families in the state. A public-private partnership committee oversees the project. The Delaware Department of Education provides public funding (DE legislative statute, HB 225). The United Way is the designated fiscal agent and receives private donations to support the program. It is projected the Little Heroes Drill Weekend Child Care Project will expand to Kent County in 2019.

Another program, *Tiny Boots Child Care Program*, reflects a partnership between the YWCA and the Illinois Department of Veterans Affairs (IDVA) to support Illinois veterans in need of child care during scheduled medical or counseling appointments and job interviews. Launched in 2017, the program is free for veterans and receives funding through a grant from the IDVA Vet Cash Grant Program, which receives money from the proceeds of the Illinois Lottery. This program is

a triple win; it helps veterans find quality affordable child care, helps child care providers fill empty slots and supports the work of the YWCA Metropolitan Chicago. Currently there are 77 providers approved to provide child care and the program has covered 87 appointment dates for veterans.

Improve Data Collection

Many state agencies attempt to collect data on NSH child care; however, they are unlikely to have complete information on unregulated or unlisted FCC programs. The research suggests that unregulated care comprises the majority of child care during NSH, so it is difficult to determine the true need for NSH child care. States and localities need more accurate data on the number of unlisted FCC providers who offer child care and how many families seek out this child care, especially through informal processes.

During the summer of 2012, Illinois Action for Children conducted phone interviews with [50 Chicago mothers](#) who worked NSH schedules. All of the mothers had children under the age of six and most were the sole adult in the household. The study found that even mothers who expressed satisfaction with their child care arrangement encountered difficulties. Many used FFN care. As a result of this study, the agency recommitted itself to training and mentoring, with the hope of supporting many of the providers who care for children during NSH. This study demonstrated the importance of both gathering accurate data and using data to solve problems.

Increase Quality

Michigan's state government and partners created a [pilot program](#) to increase the quality of subsidized, unlicensed child care programs. Programs like this one have the potential to improve child care during NSH, especially given that many of the providers in the pilot offered child care during NSH. There were nine cohorts made up of 20 providers. Eligible providers were unlicensed and had to meet other qualifications, such as having completed the state's Child Development and Care child care subsidy eligibility determination process. Consultants met with each recruited provider to determine their needs and to help identify training topics.

Providers took 10 hours of approved training, were able to move from a Level 1 to a Level 2 on the Quality and Development Continuum and became eligible to receive tiered reimbursement from the state's Child Development and Care Program. While the pilot did not push providers towards licensure, that was one of the outcomes. So far, 20 child care providers across the state sought licensure.

Map the Supply Gap

The demand for child care during NSH can be especially great in areas with high concentrations of workers in particular industries. For example, a given community might have a large military installation or a casino, both of which may be open 24 hours a day and require staff to work during all hours of the day.

Mapping the supply of child care for NSH can be a good starting point for conversations about the need for care and possible solutions.

In our recent [Mapping the Gap™](#) efforts with the [Massachusetts Child Care Resource and Referral Network](#), we focused on NSH — specifically, the current supply

of child care providers around the sites of two proposed casinos and one existing casino.

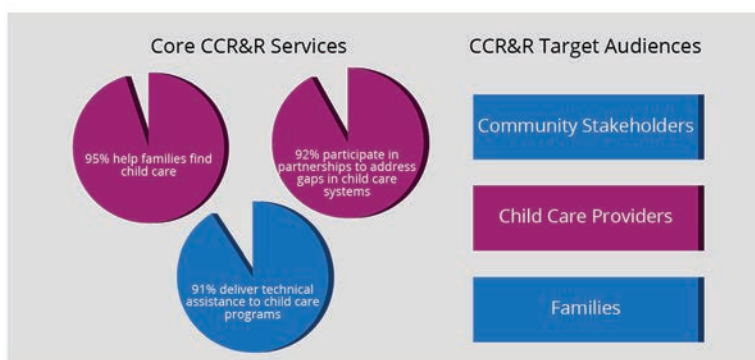
Casinos tend to operate 24 hours a day, so the likelihood that employees will need child care during NSH is high. Around one of the proposed casino sites, child care providers who operate on weekends had capacity for just 54 children, while those who were open after 8:00 p.m. had a combined capacity of 64 children. Yet the proposed casino plans to hire 3,000 employees. The current child care providers in this community could not accommodate even a fraction of the casino workers who likely would require child care during NSH.



Capitalize on the Nationwide System of Child Care Resource and Referral Agencies (CCR&Rs)

CCR&Rs are in a unique position to advance policies and practices to increase families' access to high-quality child care during nonstandard and/or irregular work hours. Located in 47 states with touch points at the local, state and national levels, CCR&Rs are a vital resource for families, child care professionals, businesses and community stakeholders. They help families find child care that meets their needs; work with child care providers to build the supply and increase the quality of available child care; and lead initiatives to inform, engage, and support businesses

and community stakeholders regarding the importance of accessible, quality child care in their communities. Unlike other state and local service providers, the extensive CCR&R system offers policymakers and administrators a national network of state and local CCR&Rs strengthened by the support of its national organization, (CCAoA). As a whole, the CCR&R infrastructure offers nearly every state in the country the necessary data, experience, and services to improve access to quality, affordable child care for all families.



To fully leverage the CCR&R infrastructure, CCAoA recommends:

Funding CCR&Rs for data collection activities. CCR&Rs are the primary source of data about child care supply, demand, cost and quality. They are at the forefront of data visualization projects, like Mapping the Gap™, that increase states' ability to understand and address child care needs within their communities. They must receive adequate funding to continue current data collection, analysis and reporting efforts as well as to expand their capacity to conduct child care needs assessment studies.

Including CCR&Rs in state and federal policy development and planning. CCR&Rs offer a unique vantage point on all aspects of child care supply and demand because of their extensive data collection and their daily interactions with parents, child care providers, employers and community stakeholders. Currently, 91 percent of CCR&Rs are involved in local partnerships to identify and address gaps in child care systems and services. Ensuring CCR&Rs are engaged in state and federal level policy making and planning will position policy makers and government administrators to better understand the potential impact of policy decisions on local communities and avoid unintended consequences.

Using CCR&Rs as a catalyst and facilitator of new public/private partnerships. Three out of every four CCR&Rs engage in outreach efforts with employers and six out of ten are active participants in child care economic impact studies. CCR&Rs are uniquely positioned to support businesses and government by identifying areas of mutual interest and opportunities for blending and braiding of resources.

Funding CCR&Rs to do real-time child care referrals by phone and in person. The advancement of technology has made accessing information online simpler and faster in many ways, however, online search tools fall short when families have irregular work schedules because they often lack search options for emergency child care or details about providers who offer flexible schedules. When families are in crisis, CCR&Rs are there to help. In fact, a recent survey of local CCR&Rs found that 34 percent of CCR&Rs offer referrals and vacancy checks for families who need child care during emergency closures, including but not limited to during disasters.

Using CCR&Rs to increase awareness of child care regulations associated with overnight child care.

Regulations on the provision of overnight child care and safe sleeping arrangements vary from state to state. CCR&Rs can help ensure families know what to look for to ensure they are placing their child in regulated and safe care.

Leveraging CCR&Rs to improve the quality of child care offered during NSH. Data suggests licensed child care is limited during NSH, and quality care, including programs participating in voluntary QRIS's, is even more limited. Some states currently use CCR&Rs to recruit and enroll programs in their state's QRIS, while 72 percent offer coaching or mentoring the help programs improve and increase their quality rating. Targeted initiatives that leverage CCR&Rs can ensure families who work NSH have access to comparable quality as families who work traditional workweeks.

Partnering with CCR&Rs to address the needs of the child care workforce. Nearly nine out of 10 CCR&Rs deliver technical assistance to child care programs. This reach to the child care workforce is unlike that of any other nationwide system. CCR&Rs are poised to expand access to professional development opportunities, scholarships and grants to cover continuing education. They can identify the most innovative and effective models to reduce the high cost burden to providers. Further, CCR&Rs can offer shared service infrastructure and services, child care business forums and awards or grants for industry innovation.

Partnering with CCR&Rs to deliver targeted support to both FFN caregivers and licensed FCC programs. CCR&Rs throughout the nation already deliver basic health and safety training to help child care programs meet state regulations; however, CCR&Rs can do more. CCR&Rs are able to help FCC programs establish operating schedules that align with the needs of families in their communities. They also can help new FCC businesses understand their costs and set rates that will allow them to establish a sustainable business model. States who invest in CCR&Rs may be more likely to see FCC programs stay in business, allowing families to remain productive members of the workforce.

Policy Recommendations

Policy change is necessary in order to address gaps in NSH child care. Since children from families with low income are disproportionately affected, and decades of research has shown the benefits of high-quality care for children from these same families, it stands to reason that the benefits from high-quality child care during NSH would have a large return on investment. Congress has started to take notice of NSH child care, first with the reauthorization of CCDBG in 2014 that specifically mentioned building increased capacity for NSH child care. In the FY 2018 appropriations bill that funds CCDBG, Congress justified the more than \$2.3 billion increase, saying, "...the Department should work with States to ensure they are meeting the needs of families with non-traditional work hours." There are two bills that directly ask for grants for NSH and unconventional child care hours: [The Children First Act of 2017](#) and [The Child Care for Working Families Act of 2017](#). These bills require Congressional support. Educating state and federal legislators on NSH child care is an important first step.

In order to increase the availability of and access to safe, quality NSH care, CCAoA recommends the following:

Federal Policy

Incentivize NSH child care. Because of the overall high demand for child care, child care providers often lack an incentive to spend the resources to adapt to an NSH schedule because they can fill their slots regardless. Offering subsidy bonuses for NSH child care, as the [Child Care for Working Families Act of 2017](#) does, incentivizes providers to meet NSH child care needs, and grow the supply of NSH child care.

Provide technical support for NSH child care providers. In addition to funding, [The Children First Act of 2017](#) requests not just funding for NSH child care, but specifically sets aside funds for technical assistance and other vital supports for NSH child care providers as well. This assistance is helpful not only in operating an NSH child care business, but in helping providers meet important health, safety and licensing standards as well.

Make federal safety and quality standards for NSH child care more adaptable, as an alternative to deregulation. Standards are important for improving the overall supply of high-quality child care; however, standards that are too rigid may lead nonstandard forms of child care, such as

NSH child care, to go underground and be unregulated. Instead of lowering the standards for nonstandard settings, it is preferable to make existing standards adaptable to the unique settings of NSH child care.

Require more from states on NSH child care. While CCDBG [requires](#) each state to explain its plan to address NSH child care, it remains vague as to what plans need to look like. Require states to do more to improve NSH child care in order to receive federal funding.

State & Local Policy

Connect parent needs and provider capacity. Child care businesses need to know that there is a market for NSH child care before changing their practices. Knowing what the demand is within an area is crucial to determining the needed child care supply. Supporting parents who need NSH child is a vital first step in adjusting the market for NSH child care.

Incorporate NSH child care into a tiered reimbursement system. The market will not shift in favor of NSH child care unless providers see an incentive to adapt. The demand for child care is currently so high that most providers do not need to adapt to a NSH schedule (and in some cases, providers do not even need to accept subsidies at all). Increasing reimbursement rates may incentivize providers to accept child care subsidies, and offering a tiered reimbursement system where NSH child care providers receive a higher reimbursement may be an even greater incentive for providers to expand their hours.



Invest in CCR&Rs. All CCR&Rs receive a portion of their funding from CCDBG. However, many lack sufficient public funding to address all of the communities where there is a need for subsidies. CCR&Rs are uniquely positioned to collect and disburse vital information on NSH child care, offer technical assistance and support to child care providers, and connect parents with child care providers in the area. Understanding the market for NSH child care requires a coordinative body, which, in many ways CCR&Rs already are.

Encourage businesses to support parents who need NSH child care. The unusual work hours required by a variety of businesses necessitates NSH child care. These businesses will benefit from an improved NSH child care system. Given that, we should expect more from them to make NSH child care available for their employees. That might mean requiring businesses to be more transparent with their schedules, encouraging businesses to provide a list of NSH child care providers in the area, or any number of other things. Developing a partnership between these businesses and NSH child care providers could help in coordinating the demand and supply of NSH child care. This might begin with something as simple as a forum.

Conclusion

Workers with NSH schedules keep our businesses running. They provide the services that fuel our 24/7 economy. They keep us safe and care for us overnight, on the weekends, and when disaster strikes. Some are student-parents and many are just trying to pay the bills to care for their family and maintain their household. Although we advocate for all families to have access to quality, affordable child care, we know that this is an especially tall order for families working a NSH schedule. Regulated child care during NSH and irregular schedules is nearly nonexistent and, when it is available, can be less affordable than child care during the standard schedule. NSH families frequently must cobble together patchwork child care coverage, relying on a network of child care providers, friends and family to “make it work.” Likewise, child care providers who offer child care during NSH may face burnout, a lack of regulatory guidance, and higher facility insurance and maintenance costs, all of which make it difficult to provide ongoing NSH services.

Innovative solutions to this problem are occurring throughout the country, some of which were highlighted in this report. CCR&Rs at the state and local levels can be an integral and knowledgeable key stakeholder to

data collection and interpretation, building the supply of quality child care and retaining qualified child care providers. CCR&Rs often engage area business leaders to share information and better understand current and upcoming staffing needs for the community—CCR&Rs truly understand the pulse of their communities. All families, particularly families working NSH schedules, need to know that their children are safe and engaged in quality, learning activities. We urge policymakers and business leaders to engage experts at CCR&Rs, and to consider the needs of NSH families when implementing policies and regulations that have a tremendous impact on our nation's families.

Glossary

Child Care Center: An early care and education facility that is licensed or license-exempt by the state and operates under a proprietary or not-for-profit status, independently, as part of a large chain of facilities, or a faith-based organization.

Child Care Resource & Referral (CCR&R): An organization that delivers services to families, child care providers, employers, and community stakeholders based on the unique needs of its community. CCR&Rs help families find child care, build the supply and quality of care, and facilitate planning and policy-making in the public and private sectors.

Family Child Care (FCC) Homes: Child care offered in a caregiver's own home and, depending on the state's licensing regulations, may be licensed or exempt from licensing. FCC providers may be: listed, paid provider (e.g. a licensed family child care provider); unlisted, paid provider (e.g. an unlicensed family child care provider, a nanny); or unlisted, unpaid provider (e.g. a grandmother or neighbor who provides child care free of charge, also sometimes referred to as **Family, Friend and Neighbor Child Care or FFN**).

Licensed Child Care: Family child care homes and child care centers that are legally required to comply with state standards and to be inspected. Legislation by individual states defines which programs are required to be licensed.

License-exempt Child Care: Child care that can operate legally without a license. License-exempt child care programs are not required to comply with all state standards, and they have few or no inspections. Legislation by individual states defines which programs are exempt from licensure. Examples of providers that some states choose to exempt from licensure include providers caring

only for their relatives; family child care providers caring for fewer children than the number required for state licensing; centers operated by religious or faith-based organizations; state agencies, local governments, or military facilities; programs that operate less than four hours a day; and nannies that care for children in the children's own home.

Nonstandard hours (NSH) schedule: A work schedule outside the "traditional" Monday through Friday eight-hour workday, including schedules that are irregular, or have limited stability. May also be referred to as "nontraditional hours schedule." May include weekend child care, overnight child care, extended hours child care, and drop-in or emergency child care.

Quality Rating and Improvement System (QRIS): A system some states have in place to set and assess program quality standards. For example, one of the QRISs we highlighted was Kentucky's voluntary QRIS, STARS for KIDS NOW.

We wish to thank our colleagues for their thoughtful review of this report: we are thankful for your time, your insights and your commitment to the advancement of policy and practice.

Editing & Content Review: Laurie Rackas, Adina Young, Jessica Tercha, Kristina Haynie, Jillian Ritter and Maggie Norton

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We also wish to extend a special thank you to the people who shared their stories about the solutions they are championing in their communities to support child care providers and the families for whom they care. We are grateful for the context you have provided on this important issue, as well as the important work you do each day!

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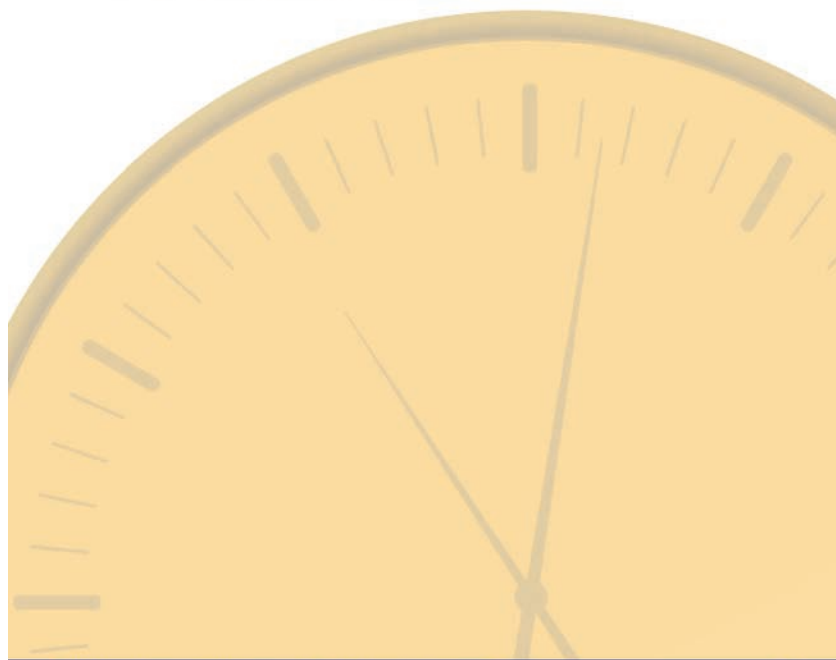
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[Questions submitted for the record and their responses follow:]

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Ms. Nancy Harvey
Child Care Provider
Lil Nancy's Primary Schoolhouse
1419 Magnolia Street
Oakland, CA 94607

Dear Ms. Harvey:

I would like to thank you for testifying at the February 6th Early Childhood, Elementary and Secondary Education Subcommittee hearing entitled "*Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy.*"

Please find enclosed additional questions submitted by Committee members following the hearing. Please provide a written response no later than Tuesday, March 10, 2020 for inclusion in the official hearing record. Your responses should be sent to Paula Daneri of the Committee staff. She can be contacted at 202-225-3725 should you have any questions.

I appreciate your time and continued contribution to the work of the Committee.

Sincerely,

ROBERT C. "BOBBY" SCOTT
Chairman

Enclosure

Subcommittee on Early Childhood, Elementary and Secondary Education
"Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy"
 Thursday, February 6, 2020 10:15 a.m.

Chairman Robert C. "Bobby" Scott (D-VA)

- In your testimony you described entering the child care workforce after working as a kindergarten teacher. From what you wrote, it seems that you were compelled to work with young children because of what you saw in elementary school classrooms.
 - Can you tell us more about your experience and what exactly you saw as a kindergarten teacher that made you so passionate about working with young children?
 - Do you think that your work is making the difference you hoped to see in young children? How could Congress better support you to make that happen?

Representative Joseph Morelle (D-NY)

- During the last reauthorization of the Child Care Development Block Grant Act, Congress added several provisions to ensure children are safe and healthy in their care settings. These provisions are key to promoting high-quality care that supports children's positive development.
 - Do you find that regulations help children stay safe and promote a quality environment?
 - Can you recall any examples of regulations that positively support children's safe and healthy development?
 - Do you find that the benefits of regulation outweigh the costs?

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 JEFFERSON VAN DREW, NEW JERSEY

Ms. Taryn Morrissey, Ph.D.
 Dean's Scholar Associate Professor
 School of Public Affairs, American University
 4400 Massachusetts Avenue, NW
 Washington, D.C. 20016

Dear Dr. Morrissey:

I would like to thank you for testifying at the February 6th Early Childhood, Elementary and Secondary Education Subcommittee hearing entitled *"Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy."*

Please find enclosed additional questions submitted by Committee members following the hearing. Please provide a written response no later than Tuesday, March 10, 2020 for inclusion in the official hearing record. Your responses should be sent to Paula Daneri of the Committee staff. She can be contacted at 202-225-3725 should you have any questions.

I appreciate your time and continued contribution to the work of the Committee.

Sincerely,

ROBERT C. "BOBBY" SCOTT
 Chairman

Enclosure

Subcommittee on Early Childhood, Elementary and Secondary Education
"Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy"
 Thursday, February 6, 2020 10:15 a.m.

Chairman Robert C. "Bobby" Scott (D-VA)

- When I meet with my constituents they tell me that the lack of affordable, reliable child care can hold back parents, particularly moms, from accepting well-paying jobs and becoming financially independent.
 - What does research say about the link between child care accessibility and maternal work participation?
 - It seems to me that the availability of affordable child care plays an important role in ensuring that women have the same employment opportunities as men. What can we, as members of Congress, do to promote maternal employment through child care?

Representative Joseph Morelle (D-NY)

- Psychologists and neuroscientists have found that the first five years of life represent a unique time when the brain is developing faster than any other time in our lives.
 - What implications does this fact have for the way in which we arrange and support child care?
 - How can we best ensure that each child's potential is fulfilled during their youngest years?

Representative Kim Schrier (D-WA)

- What are countries with a similar federal structure to America's, like Germany, doing to address child care needs?
 - Do they have a similar early learning and care structure?
 - How much greater is their investment in early learning and care than America's?
 - Are there aspects of their systems that are worth trying to replicate in America?

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Ms. Linda Smith
 Director, Early Childhood Initiative
 Bipartisan Policy Center
 1225 Eye Street, NW, Suite 1000
 Washington, D.C. 20005

Dear Ms. Smith:

I would like to thank you for testifying at the February 6th Early Childhood, Elementary and Secondary Education Subcommittee hearing entitled "*Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy.*"

Please find enclosed additional questions submitted by Committee members following the hearing. Please provide a written response no later than Tuesday, March 10, 2020 for inclusion in the official hearing record. Your responses should be sent to Paula Daneri of the Committee staff. She can be contacted at 202-225-3725 should you have any questions.

I appreciate your time and continued contribution to the work of the Committee.

Sincerely,

ROBERT C. "BOBBY" SCOTT
 Chairman

Enclosure

Subcommittee on Early Childhood, Elementary and Secondary Education
“Solving America’s Child Care Crisis: Supporting Parents, Children, and the Economy”
Thursday, February 6, 2020 10:15 a.m.

Representative Kim Schrier (D-WA)

- What are countries with a similar federal structure to America’s, like Germany, doing to address child care needs?
 - Do they have a similar early learning and care structure?
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[Ms. Harvey response to questions submitted for the record follows:]

Subcommittee on Early Childhood, Elementary and Secondary Education
 “Solving America’s Child Care Crisis: Supporting Parents, Children, and the Economy”
 Thursday, February 6, 2020 10:15 a.m.

Chairman Robert C. “Bobby” Scott (D-VA)

In your testimony you described entering the child care workforce after working as a kindergarten teacher. From what you wrote, it seems that you were compelled to work with young children because of what you saw in elementary school classrooms.

- **Can you tell us more about your experience and what exactly you saw as a kindergarten teacher that made you so passionate about working with young children?**

I worked as a teacher in various private schools in the Oakland area where children seeking entry must go through an admissions process. In this setting, it became clear to me that too many black and brown children were not gaining admittance to our kindergarten program because they had not been exposed to an early childhood education curriculum.

I was shocked at how many children of color at age 5 didn’t know their numbers or letters. Many could not even recognize their own name. By the time children finish Kindergarten, our education system expects them to be able to read. This is tough to achieve for children who begin kindergarten not knowing their ABCs. These children are already struggling to keep up in school on day one. They are getting left behind before they even start their educational career and the worst part is that their parents often have no idea this is happening. Seeing these inequalities in early education fueled my desire to open my in-home child care program, Li’l Nancy’s Primary Schoolhouse.

- **Do you think that your work is making the difference you hoped to see in young children?**

Absolutely. My mission is to make sure children are prepared for their next step when they leave my program. In addition to teaching children early language, arts, math, science and social skills, my staff and I take them on educational field trips to give them real world experience with the concepts they learn in my program. I regularly get wonderful feedback from parents that when their child moves on from my program he or she is prepared for school. Recently, the parents of one of my former students, Alonzo invited me to his kindergarten graduation.

Alonzo’s parents made sure to let me know that when Alonzo started kindergarten he had been praised by his teacher for starting the year knowing his numbers and alphabet and for his ability to interact with his peers age appropriately. They were so thankful that I had prepared their little boy for kindergarten, and I was in turn so excited that Alonzo’s family wanted me to be with them on Graduation Day. I was honored that I had the opportunity to see him succeed that day.

- **How could Congress better support you to make that happen?**

For young children every experience is a learning experience. Well-qualified teachers have the tools and knowledge to unpack those experiences so that the young children in our care are always learning. That's why I ensure that my program has a low staff-to-child ratio and that my staff is qualified and receiving pay on time. My program, which serves a racially and socioeconomically diverse group of families, also makes sure that every child has the same resources whether their parents can afford them or not. Providing this level of care often leaves me and other providers in a financial pickle. Congress can help support young children in high-quality programs like mine by making sure the payment rates cover the true cost of delivering quality-care including meeting health and safety standards and covering the costs of training, educational tools, living wages, health care insurance, paid sick days and other benefits. Child care providers like me also need our workplace laws updated so that we have a voice in the system to advocate for the best quality for the children in our care. **By joining together in a union, child care providers will gain a voice to shape the system to serve families better and provide a path to secure, fulfilling work. We do some of the most important work - nurturing and educating the next generation of Americans so that their parents can go to work. We are educators and experts in how children develop, and we should have a seat at the table when it's time to make decisions about safety standards, training and funding.**

Representative Joseph Morelle (D-NY)

During the last reauthorization of the Child Care Development Block Grant Act, Congress added several provisions to ensure children are safe and healthy in their care settings. These provisions are key to promoting high-quality care that supports children's positive development.

- **Do you find that regulations help children stay safe and promote a quality environment?**

Yes, our first and foremost duty is to provide a safe environment for our children and staff. These health and safety regulations help us do that. The problem is that implementing measures on top of paying for other business-related expenses breeds an environment of 'robbing Peter to pay Paul' for our industry. We need more funding and better communication ahead of time about new regulations. Too often providers first learn about new rules when they are found to be out of compliance.

- **Can you recall any examples of regulations that positively support children's safe and healthy development?**

There are so many examples. The federal regulations require emergency preparedness and response planning. In California, that means required fire and earthquake drills. The regulations on the prevention and control of infectious disease are also particularly salient right now with the current COVID-19 outbreak, and I especially appreciate California's new mandated reporter training which lays out specifics on the process for reporting.

- **Do you find that the benefits of regulation outweigh the costs?**

These health and safety regulations are important and necessary. I would not support rolling back any of these regulations. However, paying for the equipment, training and certification fees related to compliance is a huge challenge for family child care providers like me who are struggling to stay afloat. We don't receive funding to attend the trainings required under the regulations so I have to pay out of pocket for these classes for myself and my assistants. On top of the classes, I pay for costly certifications like First-Aid & CPR, annual licensing fees and for mandated safety equipment like pull down fire alarms and safety gates. Right now, with the COVID-19 outbreak things are especially tough. Stores are running out of supplies, I need to comply with health and safety regulations and help safeguard against COVID-19. For example, if I run out of gloves we can't change diapers so I've had to stock up on latex gloves, antibacterial soap and other supplies -- this was a financially unexpected burden that has put me in a precarious position.

We need Congress to help us with these costs! The federal government should invest in promoting health and safety in child care settings by covering expenses relating to compliance and training. My union paid for the mandated reporter training required under California law. Certified trainers came to our program and trained me and my assistants. We need public investments to expand these types of opportunities.

We also need Congress to act to make child care more affordable for all families and to make working and staying in this industry more sustainable for child care providers. It's critical that we improve retention and make these jobs more attractive -- that means strong unions, higher pay, sick leave, and retirement benefits. I've been doing this job for 17 years. I've always cared for subsidized children and tried to keep my rates low. That's meant that just about all my pay has gone to maintaining my mortgage and paying my employees. I have worked hard for my entire life, but I still don't have any retirement savings--that's just my reality. Like everyone else who works hard for a living, I would like to be able to retire with dignity when I'm physically unable to do this job. The thought of either working until I die or retiring in poverty is heartbreaking, especially after I've helped so many families over the years, access opportunities they need to get ahead in life.

Congress should view child care like many view the tech industry - child care jobs are the jobs of the future; they will not be outsourced or automated, and they are critical for our country's economy and prosperity. To build a better future for our children and communities, we need Congress to invest in a stronger child care system that works for child care providers and the children and families who count on us.

[Ms. Morrissey response to questions submitted for the record follows:]

1

Written Responses to Questions for the Record from Taryn Morrissey

Associate Professor, School of Public Affairs, American University

March 9, 2020

Subcommittee on Early Childhood, Elementary, and Secondary Education Hearing:

"Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy"

Hearing February 6, 2020

Chairman Robert C. “Bobby” Scott (D-VA)

• **When I meet with my constituents they tell me that the lack of affordable, reliable child care can hold back parents, particularly moms, from accepting well-paying jobs and becoming financially independent.**

◦ **What does research say about the link between child care accessibility and maternal work participation?**

Yes, the research indicates that the lack of affordable, reliable, high-quality child care suppresses parental labor force participation and disrupts, or interrupts, parents’ careers.¹⁻³ During each year from 2016 to 2018, an estimated two million American parents with children aged 5 and younger – 9% – reported career disruptions due to problems with child care, meaning they quit their jobs, turned down a job, or greatly changed their job due to child care.⁴ Turning down job opportunities and time out of the workforce is costly in terms of lost wages, retirement savings, and other benefits,⁵ and those re-entering the labor force face barriers and wage penalties for taking the time with their children.^{6,7} The United States loses an estimated \$57 billion each year in lost earnings, productivity, and revenue from the lack of affordable, reliable, high-quality child care.⁸

The negative economic effects of the lack of affordable, reliable child care disproportionately accrue to women. Despite fathers increasing their time spent in caregiving over the past few decades, mothers maintain the primary child caregiving role in most American households.⁹⁻¹² In turn, mothers are disproportionately more likely to report adjusting their careers for family life¹³ and show lower employment rates compared to fathers.¹⁴ Much of the gender wage gap has been attributed to a “motherhood” penalty (e.g., lost job experience, lower productivity resulting from child caregiving responsibilities),¹⁵⁻¹⁸ but family-friendly policies can help mitigate the negative effects of child caregiving on mothers’ wages and economic outcomes.^{15,19}

◦ **It seems to me that the availability of affordable child care plays an important role in ensuring that women have the same employment opportunities as men. What can we, as members of Congress, do to promote maternal employment through child care?**

A wealth of research demonstrates that public programs like child care subsidies, preschool, and even full-day kindergarten – each of which reduces families’ out-of-pocket early care and education costs – increase parental labor force participation, particularly among mothers and in low-income and single-mother households.²⁰⁻²³ A 10% reduction in child care costs is estimated to lead to a 0.25% to 11% increase in maternal employment.¹ However, recent research finds that from 1990 to 2010, the hourly cost of child care in the United States increased by 32% (during a time of general wage stagnation); these rising child care expenditures by families are estimated to have resulted in a 5% decline in total employment of women and a 13% decline in the employment of working mothers with children under the age of five.^{24,25}

Despite the positive employment effects of child care subsidies and public early care and education programs, only fractions of those eligible for these programs are enrolled. In 2015, only about 1 in 6 children eligible for child care subsidies (using federal rules) received them.²⁶ Due to inflation and flat funding prior to 2018, the subsidy program steadily served fewer children, enrolling an all-time low number of children in 2017 (an average of 1.3 million per month).²⁷ In 2016-2017, 44% of four-year-olds and 16% of three-year-olds were enrolled in Head Start or public preschool programs^{28,1}, and only about 10% of infants and toddlers in poverty attended Early Head Start.²⁹ Further, moderate-income families, whose incomes typically fall above the eligibility thresholds for public programs, also struggle to pay for high child care costs. Middle- and high-income households spend between 8% and 18% of their incomes on child care, averaging \$167 per week, or nearly \$9,000 a year (in 2019 dollars).³⁰ These high child care costs come at a time when parents are at the lowest earning years of their careers.³¹

Expansions in child care subsidies that allow for the enrollment of more children – both those currently eligible as well as those from moderate-income working families also struggling with child care expenses – and that increase reimbursement rates for early care and education workers to ensure wages are commensurate with educational qualifications and experience, would likely increase parental, particularly maternal, labor force participation. For example, an analysis of the *Child Care for Working Families Act* estimated that its implementation would create 2.3 million new jobs, both among parents entering the workforce (1.6 million) and for the new early care and education workers (700,000).³² Given the high costs and low supply of infant and toddler child care^{33–36} and the lower labor force participation rate for mothers with young children¹⁴, increasing access to affordable, high-quality child care for children under age 3 would likely increase maternal labor force participation even more so than programs for older children.

Representative Joseph Morelle (D-NY)

- **Psychologists and neuroscientists have found that the first five years of life represent a unique time when the brain is developing faster than any other time in our lives.**
- o **What implications does this fact have for the way in which we arrange and support child care?**

Yes, the early childhood period, particularly the first three years of life, is a period of rapid brain development and skill formation.^{37,38} During the first few months and years of a baby's life, 1 million neural connections are formed in the brain every second.³⁹ Early experiences affect the quality of a child's brain architecture by establishing the foundation for all of the learning, health, and behavior that follow. The early flexibility or plasticity means it is easier and more effective at this point to influence the developing brain's architecture. The brain's capacity for change decreases with age, when the brain's activity becomes more specialized to assume more complex functions, and it is less capable of reorganizing and adapting to new or unexpected challenges. For example, the peak development of neural pathways related to the development of the human senses and language (ability to differentiate sounds from different voices, languages) occurs in infancy. Although the "windows" for language

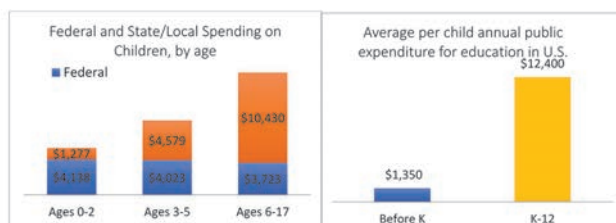
learning and other skills remain open, these brain circuits become increasingly difficult to alter over time.^{37,40,41}

The science of early childhood development has implications for early care and education. High-quality early care and education settings provide language-rich, warm, responsive interactions with caregivers, including the “serve and return” adult-child interactions⁴², in safe environments with developmentally appropriate activities, objects, and stimulation to support children’s health and development.⁴³ A wide body of research demonstrates that high-quality early childhood programs support children’s health and development.^{44–49} Conversely, the experience of stress, violence, a lack of nurturing, nutrition, or health care all have profound, negative impacts on brain development.⁵⁰ Further, stress, depression, and adversity among the adults who care for children can interrupt the formation of caregiver-child bonds and of these social processes. An estimated 16% to 24% of child care providers show depressive symptoms, and between 25% and 61% report general stress and work-related stress, and this stress can negatively affect caregivers’ responsiveness, warm, and overall program quality.⁵¹ However, research finds that child care provider compensation predicts classroom emotional support and toddlers’ positive emotional expressions and behaviors,⁵² and that early childhood teachers with workplace and personal supports show less stress and use more effective classroom management strategies, engage in more supportive emotional exchanges, and offer better instructional quality.⁵³ Ensuring that early care and education programs have an adequately trained, supported, and compensated workforce is key to promoting quality in early childhood programs.

o How can we best ensure that each child’s potential is fulfilled during their youngest years?

Expanding access to high-quality, affordable early care and education programs can promote children’s potential during the early years. Unfortunately, due to the high costs and lack of high-quality settings, too many children today spend their time in low- or mediocre-quality child care settings,^{54,55} representing a lost opportunity for supporting their development^{56–58} and their families’ economic outcomes.^{20,59} Ensuring that families across the income spectrum have access to the early childhood settings they prefer, and that these settings be safe, developmentally appropriate, and employ an early care and education workforce that is adequately trained and compensated are key to supporting early childhood development. Other early investments such as public nutrition and health care and insurance are also important in supporting children’s development and health.^{60–67} Despite the developmental and neuroscience research demonstrating the importance of the early childhood period, the United States spends much less in public funds on young children compared to older children (see Figure 1).⁶⁸

Figure 1. Federal and State Expenditures on Children by Age (2012).



Source: Isaacs et al. (2013).

Representative Kim Schrier (D-WA)

- What are countries with a similar federal structure to America's, like Germany, doing to address child care needs?

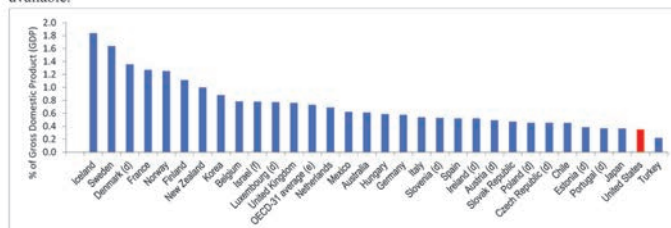
- o Do they have a similar early learning and care structure?

Different countries have a range of early childhood care and education systems, although in general, the United States' peer nations spend more in public funds during the early childhood years (see Figure 2) and many offer universal programs beginning at age 3 or younger. Germany has a public, state-subsidized child care system with decentralized administration, operated regionally. Every child over the age of one year is legally entitled to a space at a public child care facility.⁶⁹ (The age of one year follows the period of parental leave as provided in the country.) Families pay fees dependent on family income and size, and their contributions are set regionally.⁷⁰ Program quality monitoring also occurs at the local level. Early childhood program staff are required to have training and a bachelor's degree. In 2015, relatively few children under age two in Germany attended formal settings (less than one-third, below the OECD average), but participation among three to five year olds was high (84%-97%, above the OECD average).⁶⁹

- o How much greater is their investment in early learning and care than America's?

The United States is an outlier in that it lags behind other developed nations in its level of investments in young children, despite being near the top in spending for elementary, secondary, and higher education. The U.S. ranks 30th of 31 countries tracked by OECD, spending 0.4% of GDP in public funds on early childhood care and education (see Figure 2).

Figure 2. Public spending on early childhood care and education as a % of GDP, 2013 and latest available.



Source: OECD Social Expenditures Database. Total expenditures include child care and pre-primary education expenditures.

Other countries' more family-friendly public and employment policies, such as paid family leave and subsidized or universal early childhood care and education, may underlie their higher rates of female labor force participation.⁷¹ Whereas in the 1980s and 1990s, the employment rate among prime-age females in the United States was higher than in peer nations, currently the U.S. rate is now close to the OECD mean; since 2000, many nations including the United Kingdom, France, and Canada showed increases while the U.S. rate was relatively stable.⁷² Whereas in 2000, Canada and the United States spent similar amounts on family benefits (which include child care assistance, paid family leave, and child allowances), in 2015 Canada spent twice that amount. The Center for Economic and Policy Research estimates that the United States would have to spend an additional \$225 billion to increase its family benefits spending to be on par with Canada's 2015 levels.⁷³

o Are there aspects of their systems that are worth trying to replicate in America?

The United States could adopt several evidence-based policies commonly used in peer nations. For example, other countries' higher public investments in the early years is consistent with the science of early childhood development. These higher investments increase access to high-quality early care and education programs to families across the income spectrum. Second, most other nations use these higher public investments to begin public education at ages 3 or 4, rather than age 5 as in the United States, and to offer voluntary early care and education options for employed parents with younger children. By age 3, most children are ready for a group learning experience and the majority of parents prefer high-quality, affordable center-based preschool. Research also indicates that children can benefit from quality preschool education starting at age 3.³³ Public opinion supports increased public investments in preschool; in 2013, a bipartisan opinion research team found that 86% of Americans (including parents and non-parents) wanted the federal government to help states and local communities build better

preschool services and improve access to preschool.⁷⁴ In turn, in recent years many states have expanded or created public preschool programs²⁸ and additional federal investment could help states expand further. Third, most peer nations provide early care and education benefits on a universal basis with no fees or fees based on a sliding income scale, like in Germany, such that children in families across the income spectrum are served.

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¹ In 2017, 1.6 million 3 and 4 year olds were enrolled in a state pre-K program and 706,000 3 and 4 year olds were enrolled in Head Start.

[Ms. Smith response to questions submitted for the record follows:]



Linda K. Smith
Response to Question for the Record
 Subcommittee on Early Childhood, Elementary and Secondary Education
 "Solving America's Child Care Crisis: Supporting Parents, Children, and the Economy"
 Thursday, February 6, 2020

Dear Rep. Schrier and Members of the Subcommittee,

Thank you for the opportunity to testify at your subcommittee hearing on the importance of child care in relation to the health and prosperity of our nation. I appreciate the chance to respond to the following questions submitted for the record.

1. What are countries with a similar federal structure to America's, like Germany, doing to address child care needs?
 - a. Do they have a similar early learning and care structure?
 - b. How much greater is their investment in early learning and care than America's?
 - c. Are there aspects of their systems that are worth trying to replicate in America?

Early Care and Education Structures

For more than 80 years, the federal government has invested in child care and early education programs which have varied in intent, scope, and design, and have evolved in response to changes such as the influx of women in the workforce, a greater understanding of childhood brain development, and developments in societal beliefs and values around the social safety net. Federal programs are often viewed as a patchwork of solutions which have emerged in reaction to these changes and are still evolving today.¹

The differing and ever-changing political, economic, and societal contexts that shape the early care and system in America also shape systems in other countries, leading to profound variances across countries (and even within them, during different time periods). Cultural contexts weigh heavily both on the commitment to ECE and the structure of a nation's system (or lack thereof). As the distinguished early childhood scholar Lynn Kagan notes, early care and education is "often the handmaiden to more transcendent social, cultural, political, and economic forces."²

It is also important to note that culture and parental attitudes can dictate the nature of a country's system, regardless of its structure or public commitment. For instance, in Germany, every child over the age of one has the legal right to a space in a public child care facility, but compared to families in other OECD countries, German parents tend not to put their young children in child care or enroll them in full-day schooling as often.³ It is therefore critical to realize the structure of a system is only as important as the attitudes, values, and behaviors of those benefiting from that system, in this case, the parents and family members involved in a child's upbringing.

Therefore, context within each country matters; when comparing policies, distinctive contexts can produce equally strong systems and supports for young children and their families. In other words, there is no single preferable context or structure to services across nations, even though historically social welfare countries have demonstrated strong social supports for their populations, including child care for the young. Evaluating the impact of contexts on an entire system of supports for a family should be attentive to the tax and education systems that also vary among countries.

Investments in Early Care and Education

Even in OECD countries, there is large variation in what each individual country spends on ECE as a percentage of GDP: France spends 1.0% of GDP, Germany spends about 0.6% of GDP, and less than 0.5% of GDP is spent on ECE in Ireland, Japan, Portugal, Turkey, and the United States.^{40,41} On a per-child basis, there is also considerable variance across countries. Several OECD nations (Denmark, Iceland, Luxembourg, Norway, and Sweden) spend more than \$9,000 USD per child aged 0-5, while some spend less than \$2,000 USD (Chile, Mexico, Turkey).

Such distinctions prevail in the United States as well, where states determine per-pupil expenditures of prekindergarten programs and subsidy payment rates for federally funded CCDBG recipients (and cost-sharing mechanisms for parents). The average spending across states, per child, during 2017-2018 was \$5,170 per child, but there is considerable difference among the states, even more so than across the OECD countries: the District of Columbia has the highest per child expenditures at \$17,545, while North Dakota spends the least at \$777 per child.⁴²

It is important to note limitations of this expenditure data. Comparisons of countries' spending on ECE are complicated, primarily due to differences in the structure of ECE and education systems, and in differences in school entry ages.^{43,44} Local governments may use different funding streams to finance child care services and therefore not all funds might be included in these reported numbers: in Canada, non-earmarked general block-grants are offered, and in Switzerland, information on spending by local governments on child care is not reported to national authorities, meaning comprehensive data is not presented by either country to OECD. In the United States, considerable funds are provided by state and local governments, particularly for pre-school programs, which are often not reflected in national expenditure reports. State spending on pre-kindergarten increased from \$2.4 billion in 2002 to \$8.15 billion in FY 2018, which served 1.3 million 4-year-olds and 227,000 3-year-olds, or approximately one-third of eligible children in 2018.⁴⁵

Aspects Worth Replicating in America

As described above, the context in which each country's different culture, economy, values, and ideologies shape their early care and education systems is critical to understanding what type of ECE program or system would work in that country. Therefore, the question is not which country has a system worth replicating, but what might work for America as a unique nation, in our current economy and society, and how to ensure this can work in the long-run.

In *The Early Advantage 2, Building Systems that Work for Young Children*, the most recent and comprehensive text on early childhood systems globally, the authors suggest what is known about the components necessary to create and implement effective early childhood systems. The authors, in studying a select set of countries, discovered a set of themes that would need to be present for a successful system. First, children's complex development necessarily leads to complex services and

systems. Second, context contours each country's unique array of services and structures. Third, and possibly most directly answering your question, there is no one best way to do it. As the study concluded, "there is no one service array, funding strategy, or governance structure that predicts systematic success."⁴

The authors identified three essential components of a strong early care and education system that, if implemented at the government level, help ensure long-term success:

1. Stable, supportive, and adaptive contexts. Together, ideological and fiscal supports are requisite protective factors that insulate systems from changes in government leadership or economic swings that, while inevitable, could create consequences for early care and education systems.
2. Transcendent policies that are consistently applied. High-performing systems exist in stable policy contexts, such as durable government structures, across executive, legislative, and judicial branches of government. Although different in design, these structures ensure a logical and ongoing process for the construction, review, and improvement of all policy – including early childhood policies.
3. Engaged stakeholders, constituents, and members of the public. Countries with high-performing systems are agile and responsive to contextual changes, constituent needs, and inevitable political and economic shifts. The ever-changing landscape of each country's system shapes, and reshapes, policy and service provision, so, the flexibility and resiliency to respond to contextual changes are critical.

Further, the authors hypothesize that strong ECE systems should include:

1. A range of comprehensive services, including early care and education, to meet the varying health, educational, and developmental needs and the needs of their families, from pre-natal through primary school;
2. Funding targeted to specific populations and for a baseline of services for those who want them; and
3. Coordination in the governance of their ECE system through alignment of structural entities, functional mechanisms, and strategies that balance and leverage the use of public and private sectors to achieve greater access, equity, and quality.

⁴ Linda Smith, "History of Federal Funding For Child Care and Early Learning" Bipartisan Policy Center, 2019. Available at: <https://bipartisanpolicy.org/explainer/history-of-federal-funding-for-child-care-and-early-learning/>

⁵ Lynn Kagan and Eva Landsberg. *The Early Advantage 2, Building Systems that Work for Young Children*. (Teachers College Press, 2019), 11.

⁶ Alexander Pearson, "Germany's social mobility among poorest worse than in the United States- OECD", July 2018. Available at: <https://www.dlr.com/en/germanys-social-mobility-among-poorest-worse-than-in-the-united-states-oecd/a-44745792>

⁷ OECD- Social Policy Division- Directorate of Employment, Labour and Social Affairs, PF3.1: Public spending on childcare and early education, Chart PF3.1.A., 2019. Available at https://www.oecd.org/els/soc/PF3_1_Public_spending_on_childcare_and_early_education.pdf

⁸ Note: In some countries, local governments play a key role in financing and providing childcare services. Such spending is comprehensively recorded in Nordic countries, but in some other (often federal) countries it may not be fully captured by the OECD social expenditure data.

⁹ The National Institute for Early Education Research, *The State of Preschool 2018: State Preschool Yearbook*. New Brunswick, NJ: National Institute for Early Education Research, 2019. Available at: http://nieer.org/wp-content/uploads/2019/08/Y82018_Full-ReportR3wAppendices.pdf

¹⁰ OECD- Social Policy Division- Directorate of Employment, Labour and Social Affairs, PF3.1: Public spending on childcare and early education, 2019. Available at https://www.oecd.org/els/soc/PF3_1_Public_spending_on_childcare_and_early_education.pdf

¹⁰⁰ For example, in some (Nordic) countries children enter primary school at age seven, while others begin public schooling as early as age four.

¹⁰¹ Bipartisan Policy Center, *Building Bipartisan Support For Child Care: A Toolkit*, Page 23, 2019. Available at: <https://bipartisanpolicy.org/wp-content/uploads/2019/10/Building-Bipartisan-Support-for-Child-Care-A-Toolkit.pdf>

¹⁰² Lynn Kagan and Eva Landsberg, *The Early Advantage 2, Building Systems that Work for Young Children*, (Teachers College Press, 2019), 51.

[Whereupon, at 12:04 p.m., the subcommittee was adjourned.]

