



Financial Resources

An overhaul of the early care and education system and vastly increased public investment in ECE are essential to ensure that the urgent needs of the early childhood workforce, children, and families are met during the crisis of the pandemic and beyond. Most ECE services are purchased in the marketplace by families. Publicly funded child care services are primarily designed for children in very low-income families and are under-resourced and oversubscribed. Before COVID-19, these conditions fueled a system that financially overburdened parents, yet still underfunded programs and, thus, kept the wages of teachers at poverty levels. Imagine if parents had to individually shoulder the cost of third grade for their child or if elementary school teachers' wages were determined by what parents could afford. During COVID-19, the lack of adequate financial resources — coupled with the policy failures that have pushed parents to work — have compelled programs in many states to stay open even when staff feel unsafe or lack the equipment and supplies they need to operate as safely as possible. Many of these programs are unlikely to maintain services due to reduced enrollments coupled with increased costs to meet public health standards.



WITHOUT ADEQUATE PUBLIC FUNDING, CHILD CARE INDUSTRY ON THE VERGE OF COLLAPSE

Throughout the pandemic, there has been a disturbing contrast in public discourse between the recognition of child care as “essential” for working families as well as the general economy¹⁵⁵ and the failure to allocate adequate funds to support this collapsing industry. Without proper funding, support, and guidance, many ECE programs may simply cease to exist.

In the early days of the pandemic, many child care programs were already facing potential closure due to plummeting enrollment and an absence of public funding to stabilize programs.¹⁵⁶ The situation did



not improve as states began to reopen sectors of the economy. Child care programs incurred increased costs to meet health and safety regulations but also continued to face lower enrollment and therefore less revenue to help cover those costs. Some child care programs remained open due to financial pressures despite concerns about health and safety risks to their staff and their families. In survey results published by CSCCE in July 2020, California child care providers reported that 80 percent of open child care providers remained in operation specifically due to an inability to afford a temporary closure.¹⁵⁷

Yet, without additional public funding and with increased costs, child care providers struggling to stay open often have no choice but to eventually close their doors. According to a national survey of child care programs released in July 2020 by NAEYC, 40 percent of child care programs reported that closure was certain without additional public investment.¹⁵⁸

The federal government has failed to provide adequate, timely relief. ECE programs, which are typically very small businesses, faced many challenges in accessing support through the Paycheck Protection Program.¹⁵⁹ The CARES Act passed in March 2020 contained only minimal increases in child care funding (\$3.5 billion), far short of the at least \$53 billion per year called for by the National Academies of Science, Engineering, and Medicine *even before the pandemic hit*.¹⁶⁰

Many states have initiated some form of temporary crisis relief for programs, such as increases to child care subsidy reimbursement rates or new grants available to licensed and/or subsidized programs. However, these grants have been extraordinarily low in amount (often less than \$10,000 or even less than \$5,000 per program)¹⁶¹ and/or are provided on a one-time basis, due to ongoing inadequate public funding for ECE. Most states did not begin to offer these types of additional funds to child care programs until after the federal CARES Act passed,¹⁶² and as those funds were spent throughout the summer, many states reduced their support for programs in the fall.¹⁶³ In some instances, states have looked to other sources of funding not specific to child care, such as the Coronavirus Relief Fund, to help fill the gaps,¹⁶⁴ yet overall, the levels of public investment from both the federal and state levels remains insufficient in any given state.

The expectation that an already overburdened child care system can meet the demands of an emergency situation without adequate support is impractical and irresponsible. The pandemic, while dire, nonetheless provides policymakers at federal and state levels with an opportunity to reimagine how ECE is funded, both in the short term and in the long term. Restoring the pre-pandemic system is not the answer to the decades-long child care crisis. A transformative vision and the financial resources to implement that vision are critical to building a system that delivers on the promise of early education for all children, their families, and the educators upon whom they rely. Small, ad hoc increases to public funding are not a solution to the chronic underfunding that characterizes the system as a whole.

The time is past due to overcome sticker shock about the costs of an appropriately funded early care and education system that is effective and equitable for children, their families, and early educators. Setting a price for comprehensive ECE systems across states must reflect the resources necessary to support educators to achieve higher levels of both entry and advanced qualifications, provide work environments that support effective teacher practice and protect their well-being, and ensure predictable and appropriate increases in compensation that are sufficient to attract and retain skilled educators. The failure to do so not only costs our economy billions of dollars every year in lost household income as parents are forced to leave the paid labor force or reduce their work hours, but also prevents the United States from realizing the immediate and long-term benefits of a transformed system.¹⁶⁵ Such benefits range from the monetary (increased tax revenue) to the moral (greater gender and racial equity in the workplace).

Key Issue

A VALUES-BASED BUDGET FOR EVERY STATE

It is imperative that states articulate how the long-term funding vision outlined in the National Academies' *Transforming the Financing of Early Care and Education*¹⁶⁶ can be applied in their state context to determine the level of national and state resources required to implement that vision. Getting these costs right is important, as these estimates are being used to inform policy and revenue solutions.

Prior to the pandemic, CSCCE developed estimated total costs of ECE for every state and the District of Columbia, in collaboration with the Economic Policy Institute (EPI).¹⁶⁷ These cost estimates, summarized for every state in [Table 3.13](#), are based on a set of core principles originally published in the EPI/CSCCE publication, [Financing Early Educator Quality: A Values-Based Budget for Every State](#). [↗](#)

Key Issue

- “Young children — regardless of age or setting — need well-prepared teachers.
- “To attract and retain highly skilled teachers, the ECE system must offer good wages, guaranteed benefits, and healthy working conditions.
- “To provide high-quality care and education, reasonable limits should be placed on the number of children per teacher, and sufficient staffing should be maintained to ensure adequate coverage at all times.
- “Teachers must be allotted adequate time during which they do not have responsibility for children, so that they can attend to other professional responsibilities (e.g., plan activities and communicate with co-teachers and parents) as well as obtain further professional development.
- “Program administrators and other key personnel must also have fair pay and healthy working conditions.
- “To meet the increased demand for services anticipated once a stronger system is in place, the pipeline of highly qualified and committed teachers must be increased.”¹⁶⁸

The cost estimates in [Table 3.13](#) illustrate the importance of significant new public investment in ECE across the country in order to ensure that parents are not burdened by high child care fees and educators are not subsidizing the system through poverty-level wages and lack of professional supports. The cost estimates take into account several important distinctions between early education and K-12 education, such as reduced group sizes and differences in the length of the work year. However, due to the increased costs of running an ECE program during the pandemic — such as further reductions in group sizes/increased staffing and new health and safety requirements — these costs are likely to be underestimates and should serve as a guide only. In addition, other cost estimates have focused more in-depth on certain aspects of reform to the ECE system, such as supporting new and existing members of the workforce to attain degrees,¹⁶⁹ which can serve as a complement to the overall estimates developed by CSCCE and EPI.

For more information on the assumptions that drive the values-based budget estimates presented in this report, see [Financing Early Educator Quality: A Values-Based Budget for Every State.](#) 

States must take on the charge of systems reform — in coordination with the federal government as appropriate. A crucial step is for states to engage in a cost-modeling exercise and develop a multi-year plan for implementation. For example, the District of Columbia conducted a cost estimation model in order to inform reimbursement rates for subsidized child care programs,¹⁷⁰ rather than rely on market rates, which is known to be a flawed method for understanding the true cost of high-quality early care and education.¹⁷¹ It is critical that such cost modeling exercises include assumptions that reflect appropriate conditions for the workforce, particularly in terms of qualifications, compensation, and adequate staffing levels and supports.¹⁷² The estimates developed by CSCCE and the Economic Policy Institute (EPI) are a good starting point to understand likely costs at the state level (see **Table 3.13**).

Ultimately, even though federal funding continues to be an important source of resources for early care and education, state policymakers have considerable leeway — and thus, responsibility — to prioritize ECE in their own state budgets.

Simultaneously, there are existing opportunities for states to devote additional funding to ECE as a down payment toward the level of funding that will ultimately be required. State-funded pre-K has been a primary means of dedicated state ECE spending over the past several decades,¹⁷³ but states can also contribute resources in other ways, such as additional spending on child care services. Ultimately, even though federal funding continues to be an important source of resources for early care and education, state policymakers have considerable leeway — and thus, responsibility — to prioritize ECE in their own state budgets. Future editions of the *Index* may include additional or new state efforts to move toward a publicly funded system of ECE for all children age 0-5, but in the interim, the 2020 *Index* continues to track whether states are, at a minimum, devoting additional state funding above and beyond what is required to receive federal funding for ECE.

“We deserve some support. Frog Hollow and other family child care centers have cared for our community for decades, but our community has not cared for us in our time of need.”

Family Child Care Owner and Director, California¹⁷⁴

Overview of State Progress on Financial Resources



Between 2018 and 2020, seven states improved their assessment by meeting one or both of the key financial resources indicators:

- Nebraska made the greatest shift by moving from **stalled** to **making headway** by meeting both indicators.
- Tennessee improved from **edging forward** to **making headway**, also meeting both indicators.
- California, the District of Columbia, Louisiana, Maryland, Michigan, and Montana advanced from **stalled** to **edging forward**.

However, seven other states moved down in their assessment by meeting one or none of the indicators:

- Alaska, Connecticut, Indiana, Maine, New Hampshire, and Wyoming moved from **edging forward** to **stalled**, no longer meeting either of the financial resources indicators.
- Washington shifted from **making headway** to **edging forward** for meeting only one of the indicators (the ratio of pre-K spending to K-12 spending decreased).

Overall, approximately one-half of states remain in the stalled category, meeting neither of the key indicators for state financial support of ECE, while only two are **making headway**.

TABLE 3.10

Key to State Progress on Financial Resources

Financial Resources	Values	Maximum Points per Indicator
State reports extra Child Care Development Fund (CCDF) spending?	Yes/No	6
Pre-K per-child spending as % of K-12: Greater than 50%?	Yes/No	6
Total		12

0-4 points per category	Stalled
5-8 points per category	Edging Forward
9-12 points per category	Making Headway

FIGURE 3.15

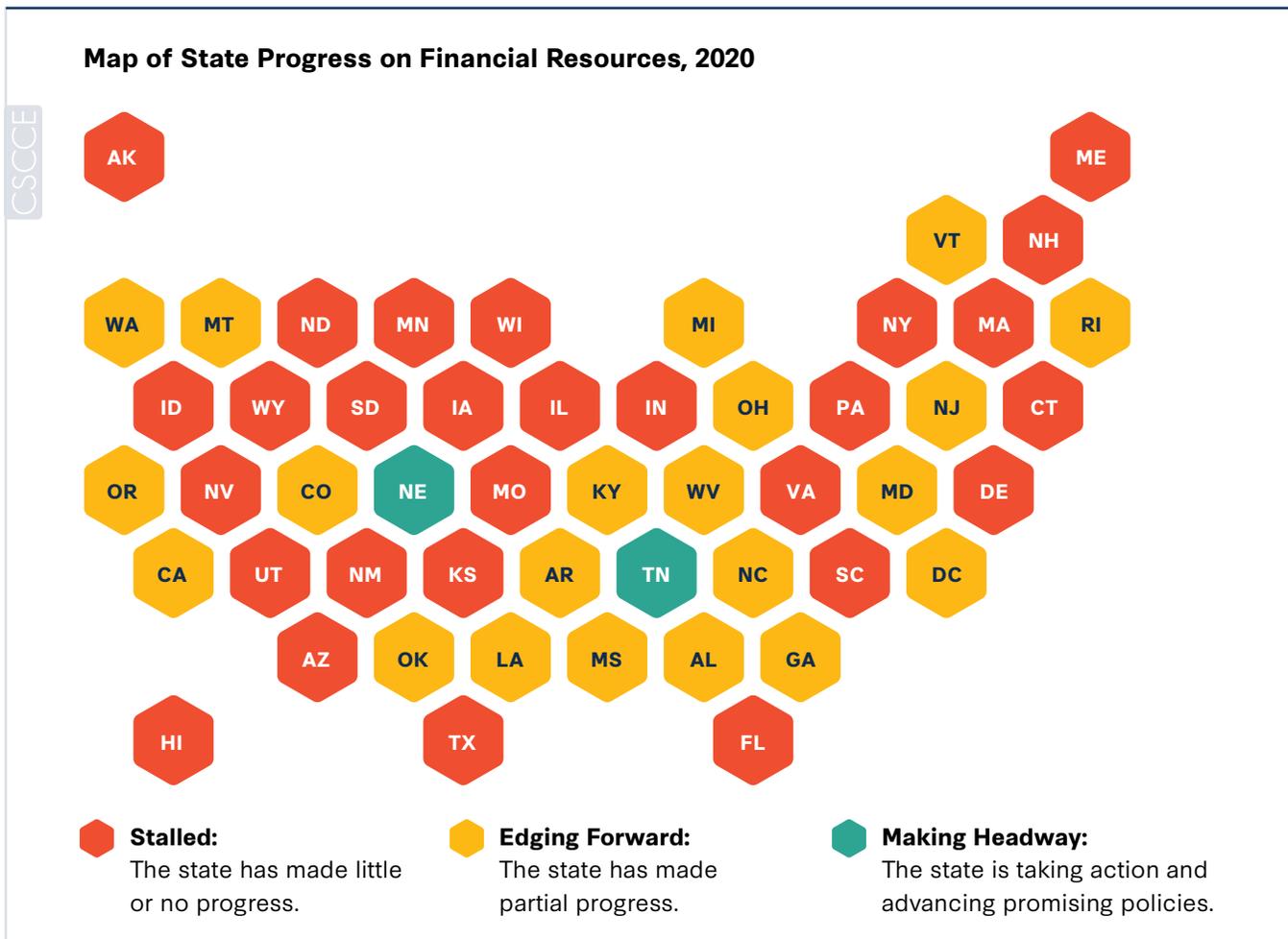


FIGURE 3.16

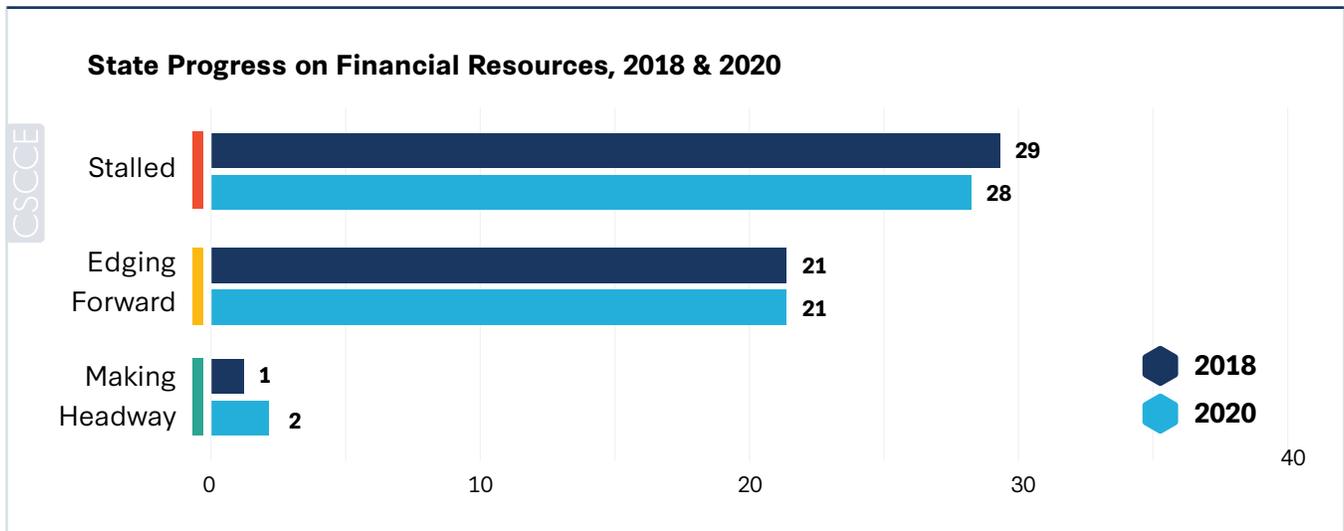
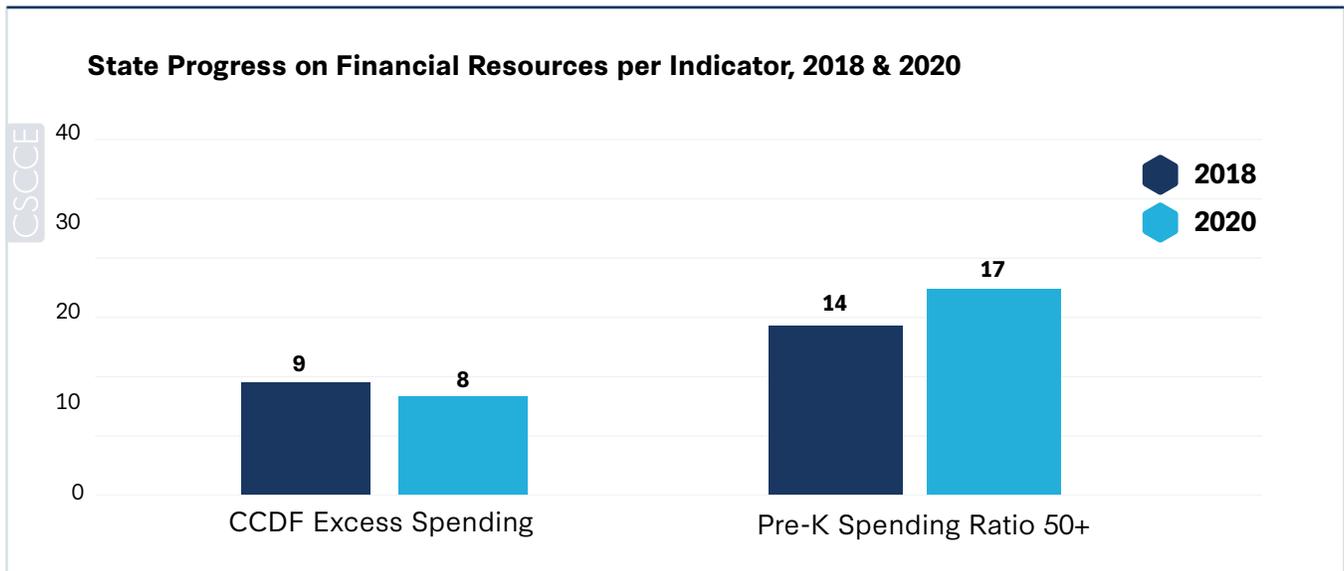


FIGURE 3.17



State Progress on Financial Resources: Indicators

Indicator 1: Did the state report extra Child Care Development Fund (CCDF) spending?

Rationale: The Child Care Development Fund (CCDF), authorized by the Child Care and Development Block Grant (CCDBG), is a core source of federal funding for early care and education services and for initiatives pertaining to the ECE workforce. Despite recent increases, CCDF funding remains far below what is needed to achieve high-quality ECE services.¹⁷⁵ In order to receive all federal CCDF funds, states must spend a set match amount and meet Maintenance of Effort (MOE) requirements. We focus on whether states spent over and above the minimum requirement for matching or MOE funds for at least one of the preceding three fiscal years for which

data are available (2016-2018), using CCDF expenditure data from the Center for Law and Social Policy (CLASP).¹⁷⁶ Because states are not required to report whether they spend above the minimum required, the totals given here may be an underestimate.

Current Status Across States: A total of eight states (Colorado, Georgia, Louisiana, Nebraska, Ohio, Tennessee, Vermont, Washington) reported extra CCDF spending for ECE beyond what is required to receive federal funds during at least one of the years in the period 2016-2018.

Change Over Time: The number of states that met this criteria decreased by one state since 2018. Specifically, Louisiana, Nebraska, and Tennessee reported additional CCDF spending and joined the states that met this criteria. Alaska, Connecticut, New Hampshire, and Wyoming no longer met the criteria because they did not report additional spending for any year during 2016-2018.

Indicator 2: Is pre-K per-child spending more than 50 percent of per-child K-12 spending?

Rationale: Of all the areas of ECE, publicly funded pre-K has come the closest to being accepted as education and a public good for all children. Nonetheless, funding per child on pre-K is still lower than funding for older children.

Current Status Across States: Seventeen states spend at least half as much per child on public pre-K compared to per-child spending on public K-12 education. However, in some cases this may be due to low spending on K-12 rather than high spending on pre-K: ten of these 17 states fall below the median per-child spending on K-12 across all states (\$13,730).

Change Over Time: Since 2018, there was a net increase in states devoting more than half of what they spend on K-12 to public pre-K.

- Eleven states maintained a ratio of at least 50-percent pre-K to K-12 spending and continued to meet this criteria for 2020.
- Five states (California, Maryland, Michigan, Montana, Nebraska) and the District of Columbia increased their ratio of pre-K funding and now meet the criteria for this indicator in 2020.
- On the other hand, three states (Indiana, Maine, and Washington) dipped below the threshold for this indicator.



POLICY RECOMMENDATIONS: FINANCIAL RESOURCES

Identify the public funding needed at the state level to ensure ECE access for all children and families, as well as good jobs for educators.

- Estimate the true cost of services that relieve the financial burden on families while also advancing preparation, workplace supports, and compensation of the workforce. The values-based budget estimates developed by CSCCE and EPI (see **Table 3.13**) are a good starting point to understand likely costs at the state-level.
- Determine the extent of the cost gap between existing resources and what is required to accomplish reforms.

Create a plan for phased implementation. For example, an eight-year plan could include Phase 1: development; Phase 2: progression and learnings; and Phase 3: full implementation. Identify costs associated with each phase and incorporate data collection and analysis to facilitate learning and adjustments during the implementation process.

Commit to securing dedicated, sustainable funds to enact reforms.

- Develop an educational campaign to assist policymakers and the public in understanding the costs of building an equitable system and the benefits of this investment.
- Support national proposals, such as a ["New Deal" child care infrastructure investment](#) [↗](#), to increase the number and safety of community-based facilities. Funding for small center- and home-based programs to make needed repairs and improve ventilation is crucial to ensure safe learning environments for children and safe work environments for educators during the COVID-19 pandemic.
- Prioritize ECE in state budgets in the absence of or in addition to increased federal funding.

TABLE 3.11

CSCCE

Progress on Financial Resources, by State/Territory, 2020

State	State Reported Extra CCDF Spending, 2016-2018	Ratio of Pre-K to K-12 Spending More Than 50%	2020 Progress
Alabama	No	Yes	Edging Forward
Alaska	No	No	Stalled
Arizona	No	No	Stalled
Arkansas	No	Yes	Edging Forward
California	No	Yes	Edging Forward
Colorado	Yes	No	Edging Forward
Connecticut	No	No	Stalled
Delaware	No	No	Stalled
District of Columbia	No	Yes	Edging Forward
Florida	No	No	Stalled
Georgia	Yes	No	Edging Forward
Hawaii	No	No	Stalled
Idaho	No	No	Stalled
Illinois	No	No	Stalled
Indiana	No	No	Stalled
Iowa	No	No	Stalled
Kansas	No	No	Stalled
Kentucky	No	Yes	Edging Forward

TABLE 3.11 CONTINUED

CSCCE

State	State Reported Extra CCDF Spending, 2016-2018	Ratio of Pre-K to K-12 Spending More Than 50%	2020 Progress
Louisiana	Yes	No	Edging Forward
Maine	No	No	Stalled
Maryland	No	Yes	Edging Forward
Massachusetts	No	No	Stalled
Michigan	No	Yes	Edging Forward
Minnesota	No	No	Stalled
Mississippi	No	Yes	Edging Forward
Missouri	No	No	Stalled
Montana	No	Yes	Edging Forward
Nebraska	Yes	Yes	Making Headway
Nevada	No	No	Stalled
New Hampshire	No	No	Stalled
New Jersey	No	Yes	Edging Forward
New Mexico	No	No	Stalled
New York	No	No	Stalled
North Carolina	No	Yes	Edging Forward
North Dakota	No	No	Stalled
Ohio	Yes	No	Edging Forward
Oklahoma	No	Yes	Edging Forward

TABLE 3.11 CONTINUED

CSCCE

State	State Reported Extra CCDF Spending, 2016-2018	Ratio of Pre-K to K-12 Spending More Than 50%	2020 Progress
Oregon	No	Yes	Edging Forward
Pennsylvania	No	No	Stalled
Rhode Island	No	Yes	Edging Forward
South Carolina	No	No	Stalled
South Dakota	No	No	Stalled
Tennessee	Yes	Yes	Making Headway
Texas	No	No	Stalled
Utah	No	No	Stalled
Vermont	Yes	No	Edging Forward
Virginia	No	No	Stalled
Washington	Yes	No	Edging Forward
West Virginia	No	Yes	Edging Forward
Wisconsin	No	No	Stalled
Wyoming	No	No	Stalled
Total	8	17	

TABLE 3.11 CONTINUED

CSCCE

Territory	State Reported Extra CCDF Spending, 2016-2018	Ratio of Pre-K to K-12 Spending More Than 50%	2020 Progress
American Samoa	Not Applicable	Not Available	Not Applicable
Guam	Not Applicable	Not Available	Not Applicable
Northern Mariana Islands	Not Applicable	Not Available	Not Applicable
Puerto Rico	Not Applicable	Not Available	Not Applicable
U.S. Virgin Islands	Not Applicable	Not Available	Not Applicable

Sources: Ratio of pre-K to K-12 spending calculated by CSCCE, using data from Friedman-Krauss et al. (2020). The State of Preschool 2019. Rutgers, NJ: National Institute for Early Education Research. Retrieved from <http://nieer.org/state-preschool-yearbooks/2019-2>. Excess spending 2016-2018 determinations were made using data provided by CLASP based on the U.S. Department of Health and Human Services, Child Care and Development Fund Program Data and Statistics.

TABLE 3.12

CSCCE

Pre-K & K-12 per Pupil Spending, by State, 2019

State	Pre-K Spending	K-12 Spending	Pre-K Spending as % of K-12 Spending
Alabama	\$6,257	\$11,143	56%
Alaska	\$5,521	\$26,305	21%
Arizona	\$4,013	\$9,781	41%
Arkansas	\$9,332	\$11,595	80%
California	\$8,427	\$16,096	52%
Colorado	\$4,525	\$13,507	34%
Connecticut	\$8,786	\$21,691	41%
Delaware	\$7,277	\$15,496	47%
District of Columbia	\$19,710	\$37,594	52%
Florida	\$2,253	\$11,364	20%
Georgia	\$4,539	\$11,238	40%
Hawaii	\$7,208	\$18,194	40%
Idaho	\$0	\$8,645	0%
Illinois	\$5,811	\$17,525	33%
Indiana	\$0	\$10,491	0%
Iowa	\$3,516	\$13,385	26%
Kansas	\$2,164	\$13,730	16%
Kentucky	\$8,453	\$11,693	72%
Louisiana	\$4,793	\$13,545	35%
Maine	\$8,414	\$18,077	47%
Maryland	\$8,432	\$16,258	52%

TABLE 3.12 CONTINUED

CSCCE

State	Pre-K Spending	K-12 Spending	Pre-K Spending as % of K-12 Spending
Massachusetts	\$3,430	\$20,296	17%
Michigan	\$6,586	\$12,344	53%
Minnesota	\$6,570	\$15,582	42%
Mississippi	\$9,457	\$9,439	100%
Missouri	\$3,330	\$13,257	25%
Montana	\$9,633	\$12,172	79%
Nebraska	\$8,585	\$13,075	66%
Nevada	\$6,832	\$13,993	49%
New Hampshire	\$0	\$18,443	0%
New Jersey	\$13,502	\$21,790	62%
New Mexico	\$6,060	\$12,936	47%
New York	\$6,912	\$30,392	23%
North Carolina	\$9,162	\$10,771	85%
North Dakota	\$531	\$16,902	3%
Ohio	\$4,000	\$13,411	30%
Oklahoma	\$9,096	\$9,673	94%
Oregon	\$9,820	\$14,697	67%
Pennsylvania	\$6,563	\$20,737	32%
Rhode Island	\$11,784	\$18,119	65%
South Carolina	\$3,138	\$13,811	23%
South Dakota	\$0	\$12,397	0%
Tennessee	\$6,266	\$9,952	63%

TABLE 3.12 CONTINUED

CSCCE

State	Pre-K Spending	K-12 Spending	Pre-K Spending as % of K-12 Spending
Texas	\$3,640	\$12,621	29%
Utah	\$0	\$9,057	0%
Vermont	\$8,164	\$18,446	44%
Virginia	\$6,299	\$13,914	45%
Washington	\$8,969	\$19,476	46%
West Virginia	\$11,052	\$13,747	80%
Wisconsin	\$6,110	\$13,611	45%
Wyoming	\$0	\$19,735	0%

Territory	Pre-K Spending	K-12 Spending	Pre-K Spending as % of K-12 Spending
American Samoa	\$0	Not Available	Not Available
Guam	\$4,901	Not Available	Not Available
Northern Mariana Islands	Not Available	Not Available	Not Available
Puerto Rico	\$0	Not Available	Not Available
U.S. Virgin Islands	\$0	Not Available	Not Available

Source: Pre-K and K-12 spending data compiled from Friedman-Krauss et al. (2020). The State of Preschool 2019. Rutgers, NJ: National Institute for Early Education Research. Retrieved from <http://nieer.org/state-preschool-yearbooks/2019-2>. [↗](#)

Note: The State of Preschool Yearbooks are the most comprehensive source on pre-K spending by state but may underestimate sources of federal and local funding. Furthermore, they do not include special education funding, which may represent a not-insignificant proportion of total K-12 spending, depending on the state. However, there is no recent state-by-state data on K-12 special education funding that could be used to adjust these totals to more adequately assess differences in pre-K and K-12 spending, excluding special education funding.

TABLE 3.13

Values-Based ECE 0-5 Budget Estimates for Every State

CSCCE

State	Total Cost: Lower Bound Estimate	Total Cost: Upper Bound Estimate	Cost per Child: Lower Bound Estimate	Cost per Child: Upper Bound Estimate
Alabama	\$4.7B	\$6.4B	\$27,000	\$29,000
Alaska	\$1.2B	\$1.6B	\$36,000	\$38,000
Arizona	\$6.3B	\$8.6B	\$24,000	\$26,000
Arkansas	\$2.9B	\$4.0B	\$25,000	\$27,000
California	\$29.7B	\$75.4B	\$30,000	\$39,000
Colorado	\$5.6B	\$7.6B	\$27,000	\$30,000
Connecticut	\$4.4B	\$6.0B	\$39,000	\$42,000
Delaware	\$1.0B	\$1.4B	\$31,000	\$34,000
District of Columbia	\$862.3M	\$1.2B	\$33,000	\$36,000
Florida	\$17.2B	\$23.5B	\$26,000	\$27,000
Georgia	\$11.1B	\$15.1B	\$28,000	\$30,000
Hawaii	\$1.7B	\$2.3B	\$30,000	\$32,000
Idaho	\$1.6B	\$2.3B	\$24,000	\$26,000
Illinois	\$14.8B	\$20.2B	\$31,000	\$34,000
Indiana	\$6.7B	\$9.2B	\$26,000	\$28,000
Iowa	\$3.1B	\$4.3B	\$26,000	\$28,000
Kansas	\$3.1B	\$4.2B	\$26,000	\$28,000
Kentucky	\$4.7B	\$6.4B	\$28,000	\$30,000

TABLE 3.13 CONTINUED

CSCCE

State	Total Cost: Lower Bound Estimate	Total Cost: Upper Bound Estimate	Cost per Child: Lower Bound Estimate	Cost per Child: Upper Bound Estimate
Louisiana	\$4.2B	\$5.8B	\$22,000	\$24,000
Maine	\$979.8M	\$1.3B	\$25,000	\$27,000
Maryland	\$8.0B	\$10.9B	\$36,000	\$39,000
Massachusetts	\$7.4B	\$10.1B	\$33,000	\$36,000
Michigan	\$11.4B	\$15.5B	\$33,000	\$36,000
Minnesota	\$6.7B	\$9.1B	\$31,000	\$34,000
Mississippi	\$2.7B	\$3.6B	\$23,000	\$25,000
Missouri	\$5.6B	\$7.6B	\$24,000	\$26,000
Montana	\$980.8M	\$1.3B	\$26,000	\$28,000
Nebraska	\$2.2B	\$3.0B	\$28,000	\$30,000
Nevada	\$2.9B	\$3.9B	\$26,000	\$28,000
New Hampshire	\$1.1B	\$1.5B	\$27,000	\$30,000
New Jersey	\$11.3B	\$15.4B	\$35,000	\$38,000
New Mexico	\$2.2B	\$3.0B	\$27,000	\$29,000
New York	\$26.1B	\$35.7B	\$36,000	\$40,000
North Carolina	\$9.1B	\$12.4B	\$25,000	\$27,000
North Dakota	\$854.0M	\$1.2B	\$27,000	\$29,000
Ohio	\$12.6B	\$17.2B	\$30,000	\$32,000
Oklahoma	\$3.4B	\$4.6B	\$21,000	\$23,000
Oregon	\$3.9B	\$5.3B	\$28,000	\$30,000

TABLE 3.13 CONTINUED

CSCCE

State	Total Cost: Lower Bound Estimate	Total Cost: Upper Bound Estimate	Cost per Child: Lower Bound Estimate	Cost per Child: Upper Bound Estimate
Pennsylvania	\$13.4B	\$18.3B	\$31,000	\$34,000
Rhode Island	\$1.2B	\$1.6B	\$35,000	\$38,000
South Carolina	\$4.5B	\$6.1B	\$25,000	\$27,000
South Dakota	\$843.5M	\$1.2B	\$23,000	\$25,000
Tennessee	\$6.6B	\$9.0B	\$27,000	\$29,000
Texas	\$34.6B	\$47.2B	\$29,000	\$31,000
Utah	\$3.9B	\$6.0B	\$28,000	\$30,000
Vermont	\$507.3M	\$689.8M	\$27,000	\$30,000
Virginia	\$10.2B	\$14.0B	\$33,000	\$36,000
Washington	\$9.4B	\$12.9B	\$34,000	\$37,000
West Virginia	\$1.5B	\$2.0B	\$24,000	\$26,000
Wisconsin	\$5.3B	\$7.2B	\$26,000	\$28,000
Wyoming	\$706.9M	\$959.3M	\$30,000	\$32,000

Source: Jointly produced by the Center for the Study of Child Care Employment and the Economic Policy Institute, see Gould, E., Whitebook, M., Mokhiber, Z., & Austin, L.J.E. (2020). Financing Early Educator Quality: A Values-Based Budget for Every State. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://cscce.berkeley.edu/financing-early-educator-quality-a-values-based-budget-for-every-state/>. 

Endnotes - Financial Resources

- 155.** Clark, K., Murkowski, L., & Clark, S. (2020). Child care has always been essential to our economy - let's start treating it that way. *The Hill*. Retrieved from <https://thehill.com/blogs/congress-blog/politics/514460-child-care-has-always-been-essential-to-our-economy-lets-start>; LaPier, J. (2020). *Child Care, Essential to Economic Recovery, Received Just \$2.3 Billion in PPP Funds*. Washington, DC: Bipartisan Policy Center. Retrieved from <https://bipartisanpolicy.org/press-release/child-care-essential-to-economic-recovery-received-just-2-3-billion-in-ppp-funds/>; Tobia, E. (2020). My Business Is 'Essential.' It Doesn't Feel That Way. *Barron's*. Retrieved from <https://www.barrons.com/articles/my-business-is-essential-it-doesnt-feel-that-way-51587258661>.
- 156.** Center for the Study of Child Care Employment (2020, May 7). *California Child Care at the Brink: The Devastating Impact of Covid-19 on California Child Care*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://cscce.berkeley.edu/california-child-care-at-the-brink-covid-19/>; NAEYC (2020). *From the Front Lines: The Ongoing Effect of the Pandemic on Child Care*. Washington, DC: National Association for the Education of Young Children. Retrieved from https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/topics/naeyc_coronavirus_ongoingeffectsonchildcare.pdf.
- 157.** Doocy, S., Kim, Y., & Montoya, E. (2020, July 22). *California Child Care in Crisis: The Escalating Impacts of Covid-19 as California Reopens*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://cscce.berkeley.edu/california-child-care-in-crisis-covid-19/>.
- 158.** NAEYC (2020). *Holding On Until Help Comes: A Survey Reveals Child Care's Fight to Survive*. Washington, DC: National Association for the Education of Young Children. Retrieved from https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/holding_on_until_help_comes_survey_analysis_july_2020.pdf.
- 159.** Committee for Economic Development (2020). *Family Child Care Home Provider Challenges with SBA Relief Assistance in the CARES Act*. Arlington, VA: Committee for Economic Development. Retrieved from https://users.neo.registeredsite.com/0/8/7/11474780/assets/FCC_Provider_Challenges_with_the_CARES_Act_April_14_2020.pdf; Smith, L., & McHenry, K. (2020). *The PPP Doesn't Work for Our Nation's Most Essential Small Businesses: Child Care*. Washington, DC: Bipartisan Policy Center. Retrieved from <https://bipartisanpolicy.org/blog/the-ppp-doesnt-work-for-our-nations-most-essential-small-businesses-child-care/>.
- 160.** National Academies of Sciences, Engineering, and Medicine (NASEM) (2018). *Transforming the Financing of Early Care and Education*. Washington, DC: The National Academies Press. Retrieved from <https://doi.org/10.17226/24984>.
- 161.** There are some exceptions: for example, New Mexico offered grants of up to \$34,500, and North Carolina offered grants of up to \$30,000. The Hunt Institute (2020). *Covid-19 State Child Care Actions*. Cary, NC: The Hunt Institute. Retrieved from <https://hunt-institute.org/covid-19-resources/state-child-care-actions-covid-19/>.
- 162.** Schulman, K. (2020). *Child Care's Struggles to Survive Covid-19: State Impacts and Responses*. Washington, DC: National Women's Law Center. Retrieved from <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/08/state-child-care-covid-19-impact-responseJulyUpdate-2.pdf>; The Hunt Institute (2020). *Covid-19 State Child Care Actions*. Cary, NC: The Hunt Institute. Retrieved from <https://hunt-institute.org/covid-19-resources/state-child-care-actions-covid-19/>.
- 163.** Smith, L., McHenry, K., Wolters, B., & Jasinska, M. (2020). *September Update: State-by-State Use of CARES Act Funds to Support Child Care Through the Fall*. Washington, DC: Bipartisan Policy Center. Retrieved from <https://bipartisanpolicy.org/blog/september-update-state-by-state-use-of-cares-act-funds-to-support-child-care-through-the-fall/>.
- 164.** Smith, L., & Wolters, B. (2020). *Challenges Child Care Programs and States Face in Reopening and Beyond*. Washington, DC: Bipartisan Policy Center. Retrieved from <https://bipartisanpolicy.org/blog/challenges-child-care-programs-and-states-face-in-reopening-and-beyond/>.
- 165.** Gould, E., & Blair, H. (2020). *Who's Paying Now? The Explicit and Implicit Costs of the Current Early Care and Education System*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://cscce.berkeley.edu/whos-paying-now-the-explicit-and-implicit-costs-of-the-current-early-care-and-education-system/>.

- 166.** National Academies of Sciences, Engineering, and Medicine (NASEM) (2018). *Transforming the Financing of Early Care and Education*. Washington, DC: The National Academies Press. Retrieved from <https://doi.org/10.17226/24984>.
- 167.** Gould, E., Whitebook, M., Mokhiber, Z., & Austin, L.J.E. (2020). *Financing Early Educator Quality: A Values-Based Budget for Every State*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://cscce.berkeley.edu/financing-early-educator-quality-a-values-based-budget-for-every-state/>.
- 168.** Gould, E., & Blair, H. (2020). *Who's Paying Now? The Explicit and Implicit Costs of the Current Early Care and Education System*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://cscce.berkeley.edu/whos-paying-now-the-explicit-and-implicit-costs-of-the-current-early-care-and-education-system/>.
- 169.** Sharrock, E., & Parkerson, C. (2020). *Investing in the Birth-to-Three Workforce: A New Vision to Strengthen the Foundation for All Learning*. Bank Street College of Education. Retrieved from <https://educate.bankstreet.edu/bsec/1>; Weilin, L., Franchett, A., & Epstein, D. (2020). *Early Childhood Workforce Qualifications Calculator*. Bethesda, MD: Child Trends. Retrieved from <https://www.childtrends.org/publications/early-childhood-workforce-qualifications-calculator>.
- 170.** Office of the State Superintendent of Education (2018). *Modeling the Cost of Child Care in the District of Columbia 2018*. Washington, DC: Office of the State Superintendent of Education. Retrieved from <https://osse.dc.gov/publication/modeling-cost-child-care-district-columbia-2018>.
- 171.** Stoney, L. (2020). *Rate Setting in Reality: Moving Beyond the Myth of Market-Based Pricing*. Opportunities Exchange. Retrieved from https://opportunities-exchange.org/wp-content/uploads/OpEx_2020_RateSetting_IssueBrf.pdf; Bipartisan Policy Center (2020). *The Limitations of Using Market Rates for Setting Child Care Subsidy Rates*. Washington, DC: Bipartisan Policy Center. Retrieved from https://bipartisanpolicy.org/wp-content/uploads/2020/06/Limitations_of_Market_Rate_Surveys_for_Child_Care_Brief_FINAL1.pdf.
- 172.** Austin, L.J.E., Whitebook, M., & Dichter, H. (2019, July 22). *Financing Early Educator Teacher Quality: A Closer Look at Assumptions That Drive Variations in Estimating the Cost of Services*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://cscce.berkeley.edu/financing-early-educator-teacher-quality/>.
- 173.** Friedman-Krauss, A.H., Barnett, W.S., Garver, K.A., Hodges, K.S., Weisenfeld, G.G., & Gardiner, B.A. (2020). *The State of Preschool 2019*. New Brunswick, NJ: National Institute for Early Education Research. Retrieved from <http://nieer.org/state-preschool-yearbooks/2019-2>.
- 174.** Dressman, E. (2020). My child care business needs state support now to survive the pandemic. *EdSource*. Retrieved from <https://edsources.org/2020/my-child-care-business-needs-state-support-now-to-survive-the-pandemic/639568>.
- 175.** Hardy, A. (2020). *Child Care Assistance and Participation in 2018*. Washington, DC: Center for Law and Social Policy. Retrieved from https://www.clasp.org/sites/default/files/publications/2020/09/2020_Child%20Care%20Assistance%20and%20Participation%202018.pdf.
- 176.** Personal communication with Katherine Gallagher Robbins and Stephanie Schmit, Center for Law and Social Policy, July 2020.