



Department of Health and Human Services, Administration for Children and Families (ACF)
Docket No: HHS-ACF-2019-0005, RIN 0970-ZA15

Improving Access to Affordable, High Quality Child Care: Request for Information

November 21, 2019

The early care and education (ECE) system in the United States is broken. As it currently stands, it does not meet the needs of children, families, or the early educators providing ECE services:

- Child care is one of the most significant expenses in a family's budget, similar to housing costs.ⁱ Eligibility for Head Start and child care subsidies is typically limited to the lowest earning households, even though middle income families also struggle with the high costs of care.ⁱⁱ Even families eligible for subsidies do not necessarily receive them: due to lack of funds and restricted state eligibility, only 15% of children eligible under federal rules have access to childcare subsidies.ⁱⁱⁱ
- A lack of access to affordable care can lead to missed employment opportunities for parents, with knock on effects for the broader economy,^{iv} as well as missed early learning opportunities for young children during a crucial period of their development.^v
- At the same time, early educators do not earn enough to make ends meet, contributing to stress and poor well-being as well as difficulty recruiting and retaining individuals to do this work. Teaching in early care and education is one of the lowest paying occupations in the United States and as a result many teachers are worried about putting food on their tables or paying routine health care costs.^{vi} Some early educators face worse disadvantages than others: African-American early educators as well as educators working with infants and toddlers earn less per hour than their peers, even when controlling for education.^{vii}

ACF's request for public comment correctly identifies a slew of problems that must be addressed in early care and education to ensure that the needs of children, families, and early educators are met going forward. These include improving access to affordable, high-quality care by building the supply of child care (A1) and cultivating the child care workforce (A3), as well as transforming the financing of ECE programs (B). The request for comment breaks these areas out into discrete sections but we must be clear that these problems (and their solutions) are interconnected:

- As the request for comment notes, the early educator workforce is the key to quality ECE services. Without ensuring that the early educator workforce is adequately prepared, supported on the job, and compensated fairly for their work, it will be impossible to build the supply of services that children need during

a key stage of their development, and that parents need to participate in employment.

- Addressing deficiencies in public financing of ECE is crucial for meaningful reform in each of these areas. Fixing a broken system cannot be accomplished only with existing resources — parents can't afford to pay more than they already do and early educators can't afford to live on their abysmal wages. The system as it is is unsustainable, and cannot be propped up only through small changes to business models or investment by private philanthropic organizations.

Public investment in ECE can be used more effectively by ensuring that key areas are addressed:

- **Ensure access to supports for the early educator workforce to attain higher education.** Research is clear that high-quality ECE depends on adequately prepared early educators.^{viii} Minimum qualification standards should be aligned across settings and funding streams and should ensure that a) all lead teachers and site administrators are educated on par with teachers of older children: a Bachelor's degree with specialization in ECE, and b) that all those working with children in other roles (e.g. assistant teachers) have foundational knowledge in child development (such as a Child Development Associate Credential).^{ix} As such, apprenticeships, stackable credentials, and other means of preparing early educators should facilitate pathways to higher education (e.g. via articulation agreements). Given the low wages of early educators, supports to access higher education, such as scholarships, must be comprehensive, including the full cost of tuition, books and travel as well as paid release time. Studies have shown that with proper monetary and non-monetary supports (such as counseling, participation in cohorts, access to materials in home languages, class offerings online or during non-standard hours), early educators currently working in the field can attain higher education leading to a Bachelor's degree or higher.^x
- **Higher compensation for early educators must be a priority.** Higher education supports are essential but not sufficient. Nationally, over half of center-based ECE teaching staff already have a degree: 35% have a Bachelor's degree or higher and a further 17% have an Associate degree.^{xi} Yet, over half of early educators *with a Bachelor's degree* earn less than \$15 an hour.^{xii} Recent studies of the early educator workforce in several states highlight higher compensation as a key motivator to stay in the field,^{xiii} and poor compensation as the key determinant in the decision to leave the field.^{xiv} Wages and access to benefits like health insurance and retirement must be improved for all early educators, from entry-level to senior positions, in order to ensure that current early educators can afford to stay in the field, and that prospective early educators are attracted to the work now and in the future.^{xv}
- **Enforce standards for early educator work environments.** Teacher preparation is crucial to program quality, but its impact is, in part, dependent upon their working conditions — the on-the job supports that teachers need in order to help children succeed (such as sufficient staffing and paid non-child contact time to perform professional responsibilities). Just as children's environments can support or impede their learning, work environments can

promote or hinder teachers' practice and ongoing skill development. Early educator work environments have routinely been overlooked in quality improvement efforts even though studies have shown a link between how supportive early educators' workplaces are, and the quality of their interactions with children.^{xvi}

- **Invest in data systems** to ensure that public dollars are spent effectively. The absence of good data allows anecdote — and sometimes bias — to drive policy decisions. Without quality comprehensive data, it's impossible to answer key policy questions about the supply of and access to high-quality ECE, much less develop estimates of the level of public funding needed for reforms. While many states are working on integrated early childhood data systems to address this issue, few have the ability to integrate data on the early educator workforce, even though this is crucial for understanding the quality of the service provided and inequities in children's access to well-qualified, well-compensated early educators.^{xvii} Data on the workforce is also crucial for understanding inequities in educator access to higher education and better compensation and for tracking whether investments have been implemented successfully.
- **Coordinate existing funding streams and align standards.** Currently, separate standards exist for providers according to funding stream (Head Start, childcare subsidies, and pre-K funds) and setting/size (center-based, home-based of various sizes). These standards include qualifications for teachers, group sizes/staffing ratios, and a wide range of other expectations important for ensuring high-quality learning environments for children. While such standards should be maintained and strengthened, they must also be aligned. Standards that differ according to funding stream and setting rather than the developmental needs of the child perpetuate access based on what parents can afford and result in inequities for children. They also increase barriers to opening and sustaining ECE services, as providers must navigate a confusing array of standards to maximize public funding. Efforts to coordinate standards and funding streams between federal and state agencies should be prioritized as outlined in the National Academies of Sciences, Engineering, and Medicine report, *Transforming the Financing of Early Care and Education*.

Building a 21st century ECE system will necessitate not only more efficient use of current public funds, but increased public investment in ECE.^{xviii} The U.S. spends approximately 0.3% of GDP on ECE, compared with 0.7% on average in OECD countries, and over 1% in countries such as France, Norway, and Sweden that are internationally renowned for their ECE services. A comprehensive, dynamic cost model (taking into account both the cost of high-quality early care and education and likely changes in utilization when care is made universally accessible through public subsidies) estimates that *total* national costs (public and private) would be between \$75-140 billion per year.^{xix} While that may seem like a large investment, it is only about 1/10 to 1/5 of what American taxpayers spend on K-12 public education (\$706 billion in 2017-18 dollars).^{xx} The notice of public comment states that current federal and national levels of public spending on ECE are approximately \$37 billion, meaning that additional costs for a high-quality system with universal access would be approximately \$38-103

billion, per year. Some of this cost could potentially be recouped in the form of economic growth: according to some estimates, the U.S. currently loses \$57 billion per year due to the economic impacts of insufficient child care on parents, employers, and taxpayers.^{xxi}

Fixing the broken child care system in the U.S. is not impossible. But large-scale financial reform will be necessary to build a system that works for children, families, and early educators.

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