



INVESTING IN EARLY CHILDHOOD DEVELOPMENT

NOVEMBER 2021



AMERICAN RESCUE PLAN



ADMINISTRATION FOR
CHILDREN & FAMILIES
Early Childhood Development

AMERICAN RESCUE PLAN

The American Rescue Plan:

- Helps cover child care cost
- Increases the child tax credit
- Expands child care assistance
- Supports Head Start programs in reaching more eligible families



AMERICAN RESCUE PLAN



CHILD CARE INVESTMENTS

- \$24 billion stabilization program requiring grants to child care providers
- \$15 billion for CCDF supplemental funding



HEAD START INVESTMENTS

- \$1 billion to support Head Start programs address the impact of the pandemic, support grantees and reach more families



ADMINISTRATION'S GOALS FOR ARP FUNDING

Stabilize the child care sector

Increase provider payment rates to cover the cost of quality

Improve payment policies

Increase wages and benefits

Build the supply of child care for underserved populations

Expand access to child care assistance for more families





EARLY CHILDHOOD WORKFORCE

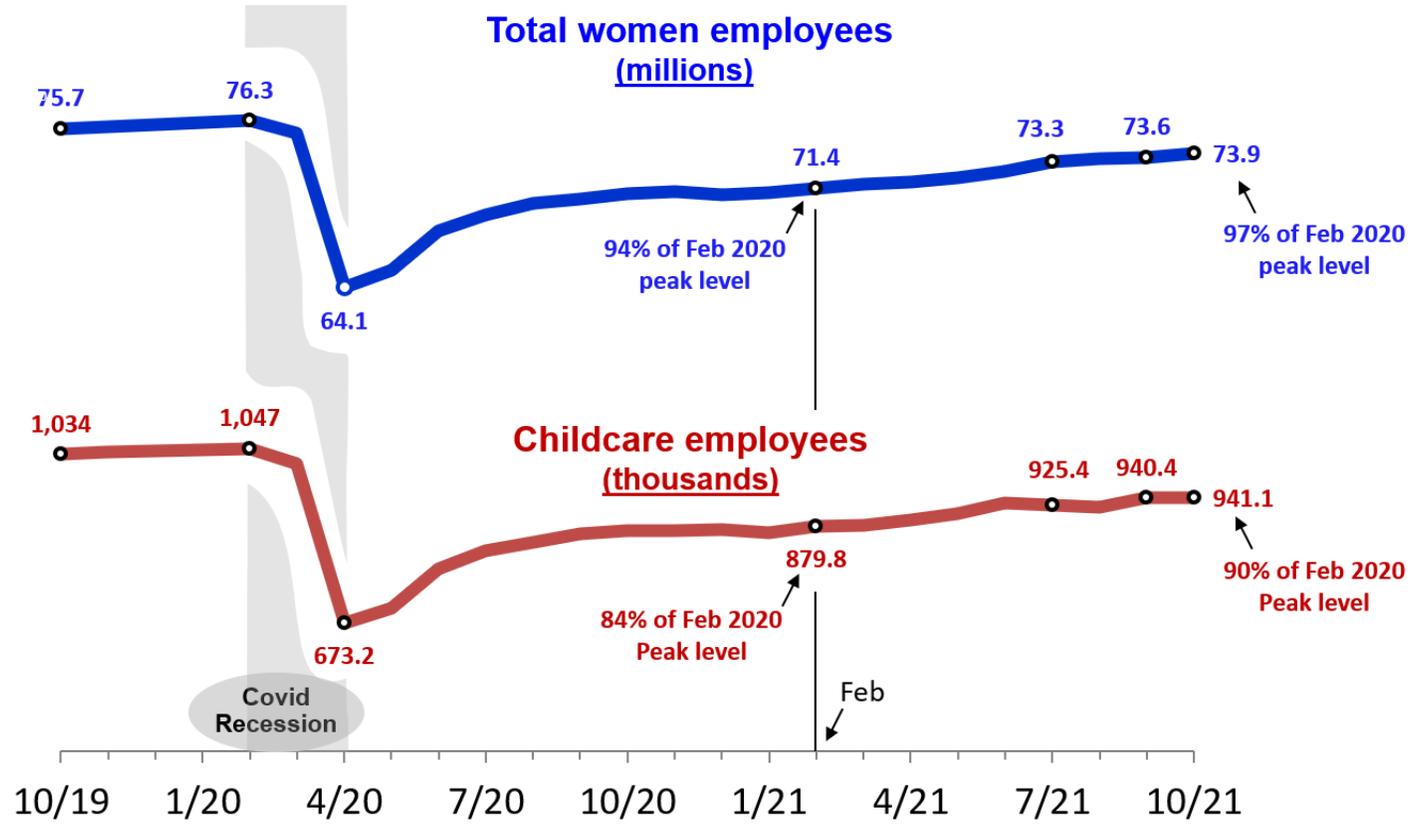


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WHERE WE ARE: OVERVIEW OF THE WORKFORCE SHORTAGE

- 90% of pre-pandemic child care jobs are back, but still have progress to make.
- Child care jobs lag behind other jobs for women

Total women employees vs childcare employees
 Seasonally adjusted: October 2019 – October 2021

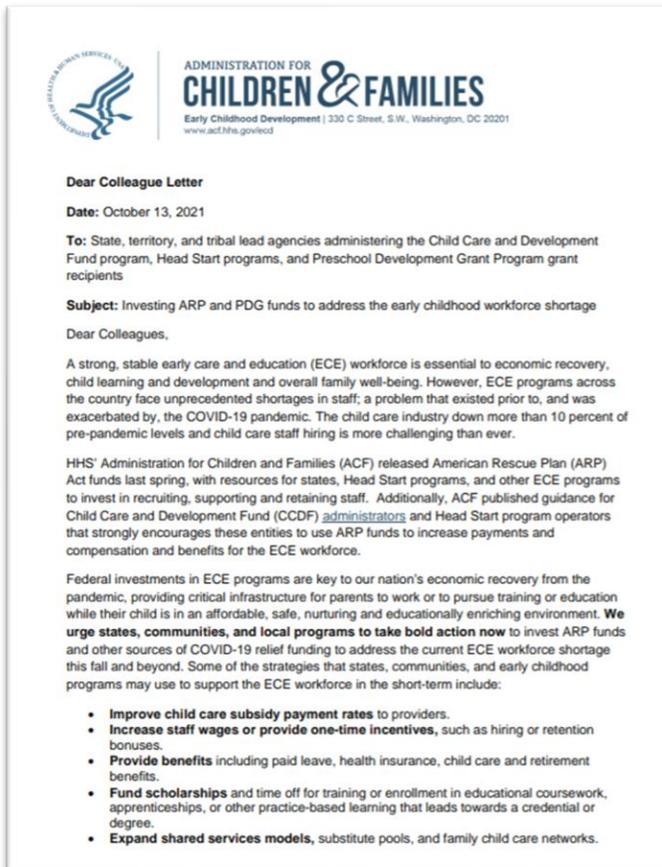


Note: Shaded area denotes the Covid recession from February 2020 to April 2020 (as designated by NBER).
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics – CES.



RECENT ECE WORKFORCE EFFORTS

- Published a ***Dear Colleague Letter*** to spur greater investment of ARP and PDG funds to address ECE workforce shortage, including:
 - promising strategies
 - examples from states/local programs
 - existing federal resources.



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ECE WORKFORCE STRATEGIES

Strategies highlighted in the Dear Colleague Letter include:

- **Improving subsidy payment rates;**
- **Increasing staff wages**, one-time incentives, hiring or retention bonuses;
- **Providing benefits** including paid leave, health, child care, retirement benefits;
- **Funding scholarships** and time off for training, coursework, apprenticeships, or other practice-based learning that leads towards a credential or degree;
- **Expanding shared services models**, substitute pools, and family child care networks; and
- **Supporting staff wellness** (breaks, adult-sized furniture in classrooms, mentoring and coaching, mental health consultation for ECE staff and providers).



STATE EXAMPLES – INVESTMENTS IN THE ECE WORKFORCE

Many states are using ARP Child Care Stabilization Grants to incentivize increases in staff compensation:

MN

Minnesota requires programs to use 70% of their Stabilization Grant amount to:

- Increase compensation,
- Provide premium pay, or
- Offer staff benefits.

ME

Maine's Stabilization Grant formula includes \$200 per staff per month that must be paid directly to staff.

CT

Connecticut allows providers to opt-in to receive 25% additional funding for:

- Bonuses or increases in wages;
- Contributions towards health insurance costs or staff retirement plans;
- Educational advancement or tuition reimbursement; or
- Covering staff child care costs.



STATE EXAMPLES – INVESTMENTS IN THE ECE WORKFORCE

AZ

Arizona increased provider payment rates to the 75th percentile of the market rate for infants and toddlers.

OK

Oklahoma is using ARP funds to provide:

- Child care subsidy benefits for employees of licensed child care, regardless of family income;
- Business training for providers; and
- Increased professional development stipends and training opportunities.

CO

Colorado is using ARP Supplemental funds to:

- Help providers recruit and retain ECE professionals through grants for benefits, compensation, PD or hiring;
- Provide a pathway to employment for ECE educators without the upfront cost of coursework; and
- Combine free coursework with work experiences through apprenticeship programs that lead to credentials or degrees.



HEALTH COVERAGE FOR THE ECE WORKFORCE



What Do Early Childhood Educators Need to Know About the Marketplace?

It's important to be healthy so you can take good care of yourself, your family, and the children who are counting on you. COVID-19 has raised the need for health coverage and the new law has made that **coverage more affordable and accessible than ever through the Health Insurance Marketplace®**. If you choose to buy a health plan through the Marketplace, you may qualify for help paying for health coverage, **even if you weren't eligible for help in the past.**

ACF is partnering with CMS for a ***Week of Action*** to improve health coverage rates for the ECE workforce:

- Marketplace navigators and assisters will connect with ECE workers
- Enroll by December 15 for coverage starting on January 1, 2022.
- Join us as *Champions of Coverage* to raise awareness about more affordable health coverage!



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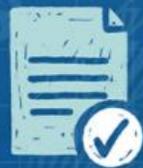
BUILD BACK BETTER



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BUILD BACK BETTER

EARLY CHILDHOOD DEVELOPMENT AND THE AMERICAN FAMILIES PLAN



AMERICAN
RESCUE PLAN

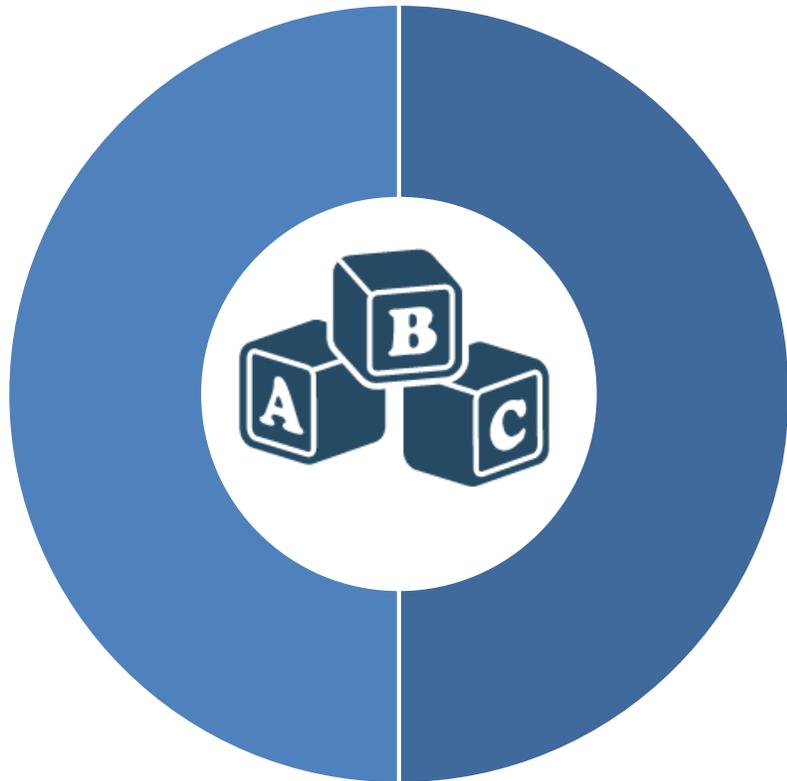


AMERICAN
JOBS PLAN



AMERICAN
FAMILIES
PLAN

PROPOSED NEW EARLY CHILDHOOD PROGRAMS



Child Care for American Families Program



Universal Preschool



CHILD CARE FOR AMERICAN FAMILIES

- Child care assistance is phased in and determined by income eligibility
 - Children eligible in households earning at or below the median income in their state during the first year
 - Children eligible in households earning under 2.5 times the median income in their state during the fourth year
- Families pay no more than 7 percent of their income for child care
- Lowest income families receive free child care
- Inclusive for children with disabilities
- Provider payments based on cost of quality, including low ratios, developmentally appropriate curriculum
- Increase wages



UNIVERSAL PRE-K

**State-Federal
Partnership**



**Free for
Families**



**Inclusive
Programs**



**Increased
Wages**



High-Quality



**Families Save
\$13K p/year**

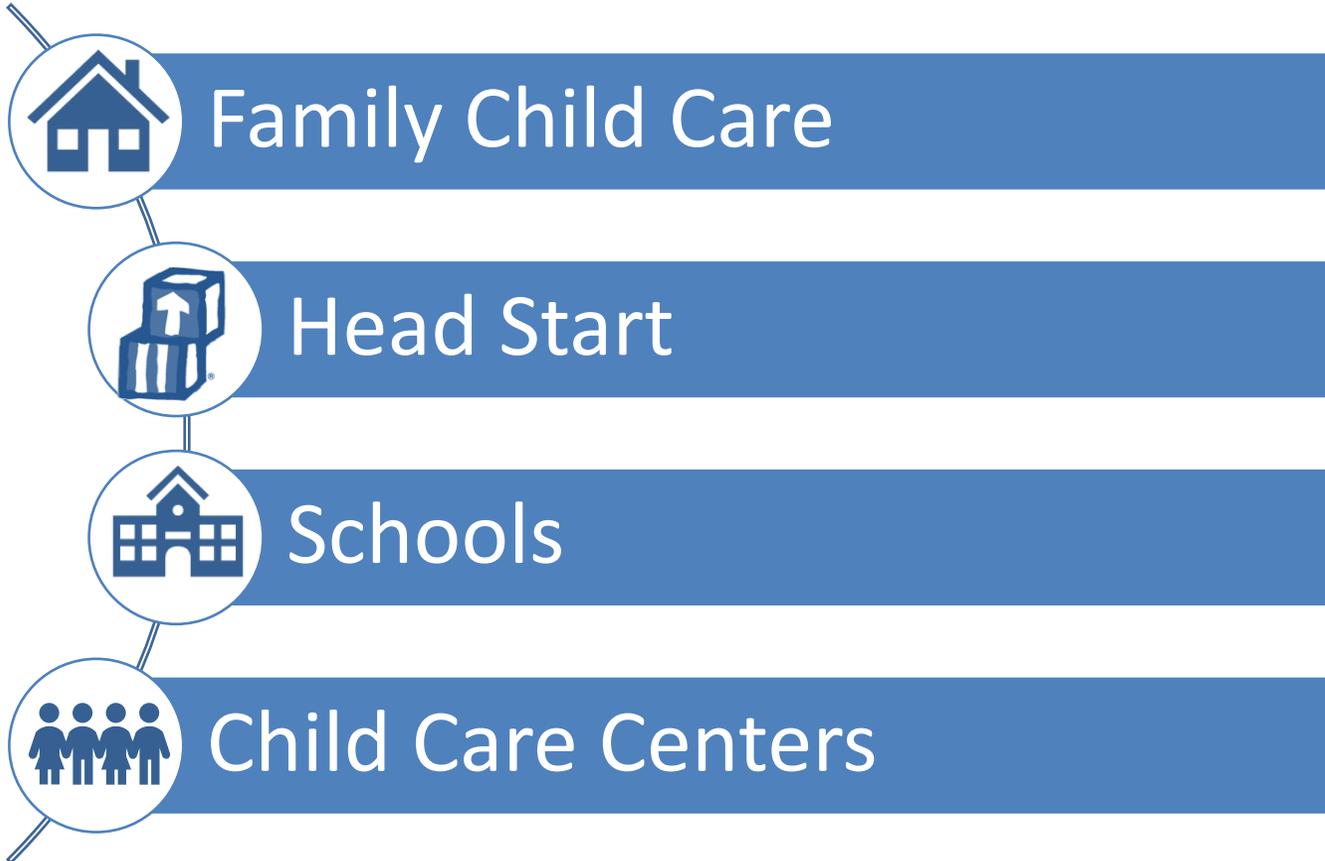


INCLUSIVE EARLY CHILDHOOD PROGRAMS

- Child care providers will receive **funding to cover the true cost of quality early childhood care and education environments** that are inclusive of children with disabilities
- All **publicly-funded preschool will consist of supportive classroom environments** that are inclusive of children with disabilities
- Policies **to prioritize increasing access** to inclusive early childhood programs for children with disabilities



MIXED DELIVERY SYSTEM



FAMILIES CHOOSE THE SETTING THAT WORKS BEST FOR THEM



QUESTIONS



Build Back Better Framework