## Some states are taking childcare funding into their own hands - but congress must act [1]

The U.S. needs childcare and early learning policies that give every family affordable options to meet their needs and support a diverse childcare workforce, where all providers earn a livable wage.

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## Excerpts

The largest investment in childcare in American history expired this September. As Congress continues to negotiate a budget deal, the need for \$16 billion in emergency childcare funding—requested by President Biden and congressional Democrats—remains top of mind for parents, early educators, childcare owners and directors, and employers across the nation.

The impact of this almost four-month gap in funding is being felt as a steady drip, with tuition increases and staffing shortages preceding program closures in many communities. November data from a new survey of (1,000) childcare providers and families from the RAPID Survey Project and NAEYC shows:

- Twenty-nine percent of families reported childcare tuition increases in the past month, including 38 percent of Black families and 34 percent of Latino families.
- Twenty-eight percent of providers who lost stabilization grants cut educator wages or could not sustain raises.
- Seventy-nine percent of parents looking for care are having difficulty finding openings. Of those, 84 percent say this has impacted their ability to work.

Across the country, childcare investments have strong bipartisan support, polling by The Century Foundation (TCF) and the Morning Consult shows.

- Overall, 62 percent of Americans believe that addressing the childcare cliff should be a top priority for federal policymakers.
- A majority of Democrats (76 percent), Independents (56 percent) and Republicans (51 percent) all believe addressing the childcare cliff should be a top priority for Congress and the White House.

## **Eleven States Allocate Funding to Childcare**

TCF's new report shines a spotlight on the 11 states and Washington, D.C., that have taken action to directly address the childcare cliff with state funds.

These funds are successfully bolstering the supply of childcare.

In Massachusetts, which recently approved \$475 million in state dollars to continue its stabilization grant program, 47 percent of providers have been able to delay tuition increases and 21 percent of providers were able to reduce tuition.

In Washington, D.C., more than 3,000 early childhood educators received quarterly supplemental payments, in addition to their salaries, from the D.C. Early Childhood Educator Pay Equity Fund in the 2023 fiscal year. These payments totaled almost \$70 million and increased caregiver compensation by 40 percent, supporting staff retention.

In New Mexico, the dedication of state funds to continue the \$3-an-hour wage increase originally adopted with American Rescue Plan Act (ARPA) funds, is expected to have a positive impact on the childcare workforce.

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Majority of U.S. States Are Not Stabilizing Childcare With State Funds

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At the same time, across the nation, many of the 39 states that have not invested to continue stabilizing the childcare sector are facing rising tuition and fees for families, staffing shortages, and closures. These different trajectories are expected to only widen in the coming months and years, absent action.

In Florida, providers are sharing stories about having to turn families away because of staffing shortages.

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Child Care Aware of Kansas found that, in just the period from when their stabilization grants ended (June 1, 2023, to Sept. 15, 2023), Kansas had a net loss of 43 family childcare programs throughout the state—more than the state had lost over the course of the entire year prior.

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## The Need for 'Ongoing and Permanent' Childcare Investments

Parent Voices California's executive director Mary Ignatius said what's needed is "an infusion of state and federal funding that is ongoing and permanent to match children as they age."

In the short-term—as President Biden, congressional Democrats and nearly 1,000 organizations across the nation have called for—\$16 billion in federal emergency childcare funding is needed to avert a devastating decrease in the supply of care that will disrupt both families and our economy. States must invest additional funding as well.

In the long-term, the United States needs to adopt childcare and early learning policies that give every family affordable and easy-to-access options to meet their needs and support a diverse childcare workforce, where all providers earn a livable wage.

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