

**SOLVING THE CHILD CARE CRISIS:  
MEETING THE NEEDS OF WORKING  
FAMILIES AND CHILD CARE WORKERS**

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**HEARING**  
OF THE  
**COMMITTEE ON HEALTH, EDUCATION,  
LABOR, AND PENSIONS**  
**UNITED STATES SENATE**  
**ONE HUNDRED EIGHTEENTH CONGRESS**

FIRST SESSION

ON

EXAMINING THE SOLVING THE CHILD CARE CRISIS, FOCUSING ON  
MEETING THE NEEDS OF WORKING FAMILIES AND CHILD CARE  
WORKERS

—————  
MAY 31, 2023  
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**SOLVING THE CHILD CARE CRISIS:  
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**Wednesday, May 31, 2023**

U.S. SENATE,  
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,  
*Washington, DC.*

The Committee met, pursuant to notice, at 10:02 a.m., in room 430, Dirksen Senate Office Building, Hon. Bernard Sanders, Chairman of the Committee, presiding.

Present: Senators Sanders [presiding], Murray, Casey, Baldwin, Kaine, Hassan, Smith, Lujan, Hickenlooper, Cassidy, Murkowski, Braun, Marshall, Tuberville, Mullin, and Budd.

**OPENING STATEMENT OF SENATOR SANDERS**

The CHAIR. Let's get this show on the road. The Senate Committee on Health, Education, Labor, and Pensions will come to order. And let me begin by thanking all of our panelists for being here for what will be, I think, a very important discussion for tens of millions of families in this country.

As a Nation, we often talk about family values and how much we love our children, but unfortunately, we have a funny way of showing that love. In America today, we have the highest rate of childhood poverty of almost any major country on earth.

We have, as we will be discussing today, a broken and dysfunctional childcare system. It is no great secret that the psychologists tell us that the most important years of human intellectual and emotional development are 0 through 4.

That is what the psychologists tell us. Yet there are very few people, I think, who will come to the conclusion in this country that we provide our youngest children with the kind of love and care and attention that they need, and that really is disgraceful. The young people are the future of America and in many ways we have turned our backs on them.

We are the richest country in the history of the world, and there is no excuse, if we got our priorities right, why we should not be providing the highest quality of childcare for the little ones and to ease problems for their parents.

Again, I don't have to tell anybody who is here that in America today the cost of childcare for a variety of reasons is outrageously high and unaffordable to millions and millions of working class and

middle class families. In Vermont, which I think it is about the national average, it is about \$15,000.

Here in D.C. as your staff will tell you, if you have any kids who have staff—if you have any staff who have children, they will tell you, you know what childcare is in D.C.? It is about \$30,000 a year, which is very, very high. Imagine, \$30,000 a year if you have got a 2-year old. And how can a working-class family, people that make \$50,000, \$60,000, \$70,000 a year, afford to spend \$15,000 a year on childcare or even more?

The result of that is that according to a recent survey, 40 percent of parents in America have gone into debt due to the cost of childcare, and nearly 30 percent of how to make unacceptable choices of paying for childcare or paying their rent or mortgage. In other words, you want to have a kid in America, and you are working class, well, we are going to make you pay for that boy. You are going to go deeply in debt.

Thank you for having a child. Not exactly what I think we should be doing as a Nation. All over—not only is the cost of childcare outrageously high, for families in most parts of this country, it is very, very difficult to find a slot.

I will not surprise anybody on this Committee because you have all heard the story, people get pregnant and the first thing they do is call up a childcare center, a place trying to find a spot, and they are told, well, wait maybe, but in all likelihood you will be on a waiting list.

The other point that I would make is not only that child care is terribly expensive, not only that is that there are not enough slots, if we appreciate the kids and we understand how important care is for the little kids, obviously, the conclusion is you are going to respect the people who work with the children, who you can argue are some of the most important work in America, nurturing the little children, and yet we are paying in this country those workers outrageously low wages.

We are paying them starvation wages. And we are talking about paying people \$13, \$14 an hour, and the result of that is tens of thousands of people are leaving the profession. They could make more working in McDonald's than they can nurturing our little children. And the last point that I would make is you think this is just about the little children and you think it is about the parents, you are wrong.

It is also about the economy, all right. Now, nobody has the exact numbers, but I have heard that there are at least many, many hundreds of thousands of people, mostly women, who would like to enter the workforce, they can't because they cannot find quality, affordable childcare.

Now, we made progress in the American Rescue Plan.

Finally, the U.S. Congress said we appreciate our children. We appreciate our workers. We appreciate our parents. We are going to do something about it. And we significantly increased funding for childcare, not enough, but we made some progress. And right now, though, we are at a precipice where that funding may disappear.

That funding kept over 200,000 childcare providers in business, sustained childcare for nearly 10 million kids, and prevented 1 million childcare workers from losing their jobs. According—that is the good news. The bad news is that if Congress does nothing, this funding will expire on September 30th of this year, making a very bad situation worse. We cannot afford to allow that to happen.

We need to renew that vital funding. But let us be clear, that is not all we need to do. We need a vision—for all those of the family values, we need a vision for the future, which understands that every family in America has the right to high quality, affordable childcare, that childcare workers deserve decent pay for the important work that they do, and that we must expand the number of childcare programs available so that anybody in America can get the quality care they need.

I look forward to working with all of my colleagues on this Committee to make that a reality.

With that, let me recognize Senator Cassidy.

#### OPENING STATEMENT OF SENATOR CASSIDY

Senator CASSIDY. Thank you, Senator Sanders. Childcare obviously is too expensive for those who need it, but I think it is important to note that it has become more expensive as we have pumped more Federal dollars into it—it is kind of odd.

I am a doctor. It always says in health care as a doctor, don't just do something, think. We can throw a lot more money at it and see what happens. Why don't we sit and think? I will point out that we can agree that childcare is important for working families, but what Republicans will disagree with, at least this Republican, is that more Government and more of the kind of spending that Congressional Democrats are promoting is the solution.

Let's think about that. I will note that after failing to convince Americans that their childcare overhaul in the Build Back Better plan was a good idea, Democrats are promoting additional Federal dollars under the guise of a crisis—a crisis. We will talk about that.

This Committee does oversee, by the way, right now the Childcare and Development Block Grant, which is the primary Federal program providing childcare assistance to low income working families through a voucher program which retains parental choice. My Democratic colleagues are proposing to completely overhaul this block grant program and create a Government run childcare system.

This is despite a 2022, like last year, report by the Bipartisan Policy Center that found that 57 percent of parents who currently use informal childcare preferred informal childcare over formal childcare centers, even if the formal care was free and conveniently located.

A one size fits all model of institutional childcare with massive Federal spending doesn't seem to match what parents want or what working families need. I will also note, by the way, the irony is not lost on anyone that we are days away from the Federal Government theoretically defaulting on its debt and we are discussing,

among other things, an additional \$600 billion to spend on a Government run institutionalized childcare system.

Let's think about this. Now, by the way, we spoke of a crisis. The plan comes in response to a crisis of its own making as Democrats flooded the childcare industry with \$39 billion in what was supposed to be short term COVID-19 spending.

There is \$18 billion that have still not been spent. The Department of Health and Human Services had to grant 9 states, 4 territories, and 82 tribes waivers going back to 2019 because they haven't been able to spend their money on time. I would also like to point out that the Government Accountability Office, which is our official sources of information, cannot tell us how the childcare funding is being used. And anecdotally, there are stories of the money not being used well.

For example, I have heard that it is not being used in the direct operation of running the childcare center, but on ancillary issues which are quite peripheral to actually providing childcare. I look forward to hearing from HHS and GAO about what they found. And we need this information. We can say, oh my gosh, let's spend a whole lot more money. There is a crisis. Oh, we have got to do something.

It is very emotional. But we don't know how the money is—and there is \$18 billion out there and we don't know how the money that has been spent, has been spent. We should have this information to understand the scope and to make an informed decision about potential legislation. It kind of blows my mind that we would dramatically increase funding without knowing how the existing funding is being spent.

Just think about that. \$18 billion left to be spent, we are going to dramatically increase funding, and we don't know how the money that we have already put out there has been spent. Now, keep in mind that the massive, unchecked spending is how this crisis was created. And now we are told that the crisis can only be solved with even more massive Federal takeover of policy and funding, in some cases, removing parental choice.

Now, if there is one thing we learned during the COVID-19 pandemic, parents want to be involved. This Committee should make it easier for Americans to pick the best childcare option for their family, not financially coerce them into a Federal Government run institution. And by the way, we have seen this movie before. As For example, student loans.

As more Federal assistance went toward student loans, the cost of higher education skyrocketed. And now we are to the point where we have got to forgive a lot of student loans because, I could keep going but you know what my point is.

I will also point out that as—as pointed out by a man named Matthew Desmond in his book, "Evicted. Poverty and Profit in the American City", when the Federal Government threw additional money in housing programs, the funding was largely swallowed up by a bureaucracy in charge, rather than actually meeting those with—those in need on the ground. I will point out Mr. Desmond, I am sure, would self-identify as a liberal.



He is writing about a need to further address poverty. There is nothing in here that would suggest he is a conservative. There is a lot in there to say that he has looked at how we spent money and it grows the bureaucracy and it doesn't meet the needs of those on the ground. Let's just not do something, let's think.

Now, when we speak about making childcare affordable through Federal assistance, we have to make sure that we are not worsening the very problem we wish to solve or fueling an ever-exploding cost that gets transferred onto the backs of taxpayers. And by the way, it is worth repeating, there are still billions of unspent dollars to address childcare through the end of next Fiscal Year.

I will point out this is an incredibly important issue, but there are billions to address it through the end of the next Fiscal Year, and we are having this hearing when there are nine different health care re-authorization—health care, health care reauthorizations waiting before this Committee that will expire in September if we do not address them. To be more specific, the Committee has not formally considered bipartisan text, let alone marked up any of them.

If these are not addressed before August recess, that means we will have less, which means we have less than 2 months to do nine reauthorizations, it will not happen. And this is a basic responsibility of the Committee, and the lack of progress toward accomplishing this basic responsibility is concerning.

Now, childcare is an incredibly important issue, but we have nine crucial health care reauthorizations set to expire in September. Hopefully the June calendar for this Committee will prioritize getting those done. Let me finish. I thank the witnesses for being here. They care deeply about affordable childcare.

What the American people need to know is why this is going to be different than all the other patterns like higher education and health care and other areas where increased Federal spending has done little to improve quality or cost, and in many instances has done the opposite.

We want affordable childcare. We don't want more bureaucracy and more Government spending that is wasted. With that, I yield.

The CHAIR. Let me now turn to Senator Luján, who will introduce our first witness, who is Secretary Elizabeth Groginsky of New Mexico.

Senator LUJÁN. Thank you, Mr. Chairman, and to our Ranking Member for holding today's hearing. And thank you to all of our witnesses for being here today. As a Head Start alumnus, I know the value of high-quality early childhood education and believe that Congress should be strengthening its support for childcare in this country, not taking steps backward.

It might surprise you there is only two sitting U.S. Senators that went to Head Start. I am proud to be one of them. I am incredibly grateful to welcome our Secretary, Elizabeth Groginsky, and who is our cabinet Secretary for the Early Childhood Education Department from New Mexico.

Now, just 4 years ago, a report came out from the Annie E. Casey Foundation, which is an annual report called Kids Count,

measuring student well-being and success across the country. We are very thankful in our state that our Governor, Michelle Lujan Grisham, stepped forward, and she initiated something that was important for us back in New Mexico, and I think an example across the country, where we are now one of a few states, including Alabama, Connecticut, Georgia, Massachusetts, and Washington, to do this.

What our Governor did was she created a new cabinet secretary position and a new state agency in 2019 to put programs of children 0 to 5 under one roof. Secretary Groginsky answered the call, and she is our first cabinet secretary for early childhood education in this capacity and helping families and helping children in New Mexico.

Now, thanks to the flexibility baked into the Federal childcare assistance and the amount provided, New Mexico was able to make significant steps in improving and helping children, but improving the system that we have in our state.

Secretary Groginsky is here to share her story of how transformational these one-time investments were, but also to emphasize that they are worth sustaining. It is critical for Congress to look at what worked with the pandemic, with this investment, helping kids, and how we made a difference in people's lives, and for the Committee to come together to restart the bipartisan conversations as well.

I want to thank and welcome our secretary, and I want to say thank you for being here to help share your story. Thank you,

Mr. Chairman.

The CHAIR. Secretary Groginsky, the floor is yours.

**STATEMENT OF ELIZABETH GROGINSKY, CABINET SECRETARY, NEW MEXICO EARLY CHILDHOOD EDUCATION AND CARE DEPARTMENT, SANTA FE, NM**

Ms. GROGINSKY. Thank you, Senator Lujan. Good morning, Chairman Sanders, Ranking Member Cassidy, and Members of the Committee. Thank you for inviting me to testify about New Mexico's success toward building a high quality, equitable, and affordable early childhood system that supports families' needs by delivering early education and care for young children during their years of most critical and rapid development.

As an aunt of 18 beautiful nieces and nephews, a great aunt of 19, and in my role as Cabinet Secretary, I know firsthand the struggles and joys of working families and childcare providers. Today, I will discuss how New Mexico transformed childcare to support families, improve children short and long term outcomes, and increased and strengthen the childcare workforce that cares for and educates them.

These actions, taken together, ultimately fuels the economy today and into the future. Our state has a unique historical context, diverse cultures and languages with families and traditions going back many hundreds of years. We are shaped by 23 sovereign tribes, pueblos, and nations, which comprise 11 percent of our pop-

ulation and a 49 percent Hispanic population, a great diversity which contributes to the depth and the beauty of our state.

Despite these strengths, New Mexico has struggled for generations to realize its potential. The reasons for this are complex, many rooted in historical inequities. Under the leadership of our Governor, Michelle Lujan Grisham, New Mexico has pursued a bold, transformational vision.

Like every other state, New Mexico's childcare industry was on the brink of collapse during the early months of the pandemic. Providers' enrollment and revenues plummeted, exacerbating challenges in recruiting and retaining staff. Fortunately, the Federal Government recognized that childcare is crucial to families and local economies and made historic investments in the industry.

Amidst this crisis, New Mexico identified an opportunity with these Federal funds to stabilize and remake the foundation of the state's childcare industry. Critical to the success of this Federal funding was its flexibility. Because of this flexibility, New Mexico could be nimble and creative with these funds and preserve the mix delivery system that gives families the choices they want and need.

With this support, the state established groundbreaking initiatives and policy changes. First, we stabilized the industry to ensure access to high quality education. New Mexico's low point in childcare capacity came in February 2021, when 15 percent of pre-pandemic capacity had been eliminated.

We acted swiftly, distributing over \$163 million in federally funded grants to more than 1,000 childcare providers, allowing more programs to reopen and stay open. Providers reported that these stabilization grants saved their businesses and allowed them to emerge from the pandemic even stronger than before.

Second, we improved the long-term viability of the workforce and supported parent choice through childcare assistance rates that reflect the true cost of care. New Mexico became the first state in the Nation, along with D.C., to use a federally approved alternative cost model to inform and determine subsidy rates.

Most states use a traditional market rate study which sets rates based on what providers are charging parents. This method is flawed because childcare tuition remains artificially low due to families' inability to afford the full cost of quality care. Tuition stays low to keep families from being priced out, so provider revenues and wages remain low.

New Mexico's cost model approach allows childcare providers to increase their employees' compensation, have a healthier business bottom line, and we can serve more children. Third, New Mexico strengthened families by significantly expanding eligibility and waiving parent co-payments.

The state increased our income eligibility to 400 percent of the Federal poverty level and waived all family co-payments. This has been a game changer for working families who routinely spent a third of their income on childcare. Relieved of this crippling financial burden, working families can now better afford rent, mortgage,

food, transportation, health care, and other activities that improve their families' stability, security, and well-being.

Fourth, the state expanded childcare supply and access. Like most states, New Mexico has a long-standing shortage of childcare supply. To address this, the state allocated over \$11 million in ARP stabilization administration funds to 37 grantees, with a capacity increasing capacity by 1,200.

Finally, we advanced the diverse, well-compensated, and credentialed early childhood workforce. We used the relief funds to give a \$1,500 recruitment bonus, \$3 an hour raises. We have also invested in free college supports for advanced credentials. In closing, public investment and leadership makes a difference.

The relief funds equipped our state to transform our childcare industry. Today, New Mexico leads the Nation in early childhood investment and innovation and is a roadmap for other states looking to make similar changes. However, continued Federal investment is necessary to maintain the transformational gains in states.

New Mexico is proof of the enormous impact that a significant Federal investment can have on children, families, and their communities. An investment in quality childcare is an investment in a more vibrant and secure future for our Country.

Learning from the extraordinary Federal early childhood investments made during the pandemic, I urge the Members of this Committee, Congress, and the Federal Administration to maintain these investments and commit to a long-term state funding strategy that sustains the significant advancements we and others have made.

Thank you for your time and this opportunity to share New Mexico's experience and vision for the future of our children.

[The prepared statement of Ms. Groginsky follows:]

PREPARED STATEMENT OF ELIZABETH GROGINSKY

Chairman Sanders, Ranking Member Cassidy and Members of the Senate Health, Education, Labor, and Pensions Committee, thank you for inviting me to testify today about New Mexico's success toward building a comprehensive, high-quality, equitable, and affordable early childhood system that supports families' needs by delivering high-quality early education and care for young children during their years of most critical and rapid development. In New Mexico, this system translates into state policies that expand, fund, and continuously improve child care, preschool, Head Start, home visiting, and early intervention, in a coordinated approach, to support positive outcomes for families and young children.

As an aunt of 18 beautiful nieces and nephews, a great aunt of 19, and in my role as Cabinet Secretary, I know firsthand the struggles and joys of working families and child care providers.

In my testimony today I will discuss how New Mexico's approach has transformed child care policies to support families today, improved children's short-and long-term outcomes, and increased and strengthened the child care workforce that cares for and educates them, which helps us respect and ensure parent choice. These actions taken together ultimately fuels the overall economy of our state today and into the future.

After providing a brief New Mexico context, I will describe our widespread and significant child care reforms and their impacts: expanding access by significantly increasing families' eligibility; improving affordability by eliminating parent copayments; paying for the actual cost of quality care; making large fiscal investments; elevating state governance; and realizing the immense benefits of Federal relief funding.

New Mexico's child care transformation began in July 2021 when the state **increased child care assistance rates to reflect the true cost of care** using a federally approved cost estimation methodology and then equally important, we **expanded eligibility for families to 400 percent of the Federal Poverty Level (FPL) and waived copayments for families**. These important policy changes, made by the Governor, helped **stabilize and improve the quality and supply of child care** throughout the state. Other New Mexico workforce improvement policies include **better compensation of early childhood professionals and supporting best practices for child care businesses**.

In making effective changes to the state's early childhood system, it is essential to appreciate New Mexico's unique historical context, diverse cultural and linguistic heritage, with close knit communities and families with traditions going back many hundreds of years. Our state is shaped by 23 sovereign Native American Tribes, Pueblos, and Nations—each with their own unique languages, histories, and traditions and comprise 11 percent of the total state population along with a 49 percent Hispanic population, a great diversity which contributes to the depth and beauty of our state.

Despite these strengths, New Mexico has struggled for generations to realize its potential. The reasons for this are complex, and many are rooted in historical inequities, but under the leadership of our Governor, Michelle Lujan Grisham, New Mexico has pursued a bold, transformational vision for a state where all New Mexico families thrive.

First, I want to focus on our advances in **financing** and in **governance**. For the last decade, New Mexico advocates have supported greater investment in the state early childhood system, recognizing that providing comprehensive family supports and a strong foundation for children's learning and growth are essential for improving outcomes for young children in our state. Governor Lujan Grisham made early childhood education and care a cornerstone of her policy agenda, and in 2019 New Mexico created one of the first cabinet-level early education and care departments in the Nation. Aligning all of New Mexico's early childhood programs and services under one agency has been critical for all the state policy improvements and was instrumental in helping us successfully navigate the COVID-19 crisis.

In the Governor's second year, she proposed an Early Childhood Trust Fund using excess state revenues to increase funding for early childhood programs, which was enacted with bipartisan support from the New Mexico Legislature. And now this past year, the voters approved a constitutional amendment for dedicated funding for early childhood education. I'll come back to this key issue of revenue as I close out my testimony.

Like every other state, New Mexico's child care industry found itself on the brink of total collapse during the early weeks and months of the pandemic. Child care providers' revenues plummeted along with lower enrollment, which exacerbated existing challenges in recruiting and retaining qualified child care professionals. Added health and safety costs ate away at already razor thin margins. COVID exposed how fragile and fractured the child care model in America already was.

Fortunately, the Federal Government recognized how crucial child care is to families, young children, and local economies, and made historic investments in the industry through the distribution of more than \$400 million in Federal relief funding to New Mexico. Amidst this crisis, New Mexico identified an opportunity—with the resources available through these Federal funds—to stabilize and remake the entire foundation of the state's child care industry. We did this by improving the sustainability of the business model, increasing compensation for the child care workforce, expanding access and affordability for families, and enhancing the quality of education and care for children.

A critical component for the success of this funding was the flexibility the Federal Government provided to states. The fundamental nature of the COVID-19 emergency demanded that Federal relief funds be distributed with all possible haste to avoid collapse of the already fragile child care industry under the extraordinary strains caused by the pandemic. These Federal funds included CARES (Coronavirus Aid Relief and Economic Security) Act, CRRSA (Coronavirus Response and Relief Supplemental Appropriations) Act, and ARPA (American Rescue Plan Act). With this funding, states were empowered to respond to the unique needs of their early childhood systems and the families, children, and communities that they served. Because of this flexibility, New Mexico was able to be nimble, decisive, and creative with how it maximized these funds, while preserving the mixed delivery system that gives families the choices they need. With this support, the state embarked on a series of groundbreaking policy changes, which I discuss below.

**Stabilize the child Care Industry to Ensure Access to Quality Early Care and Education**

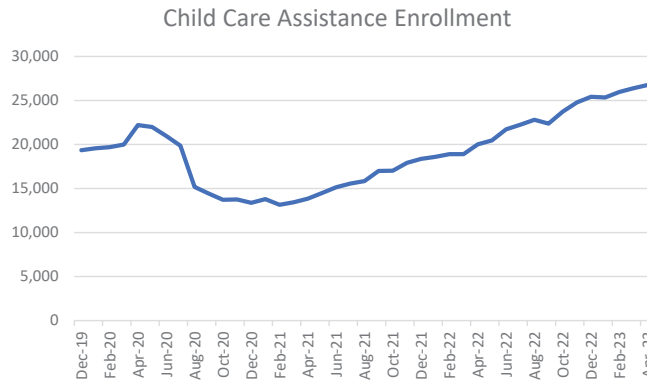
New Mexico’s low point in child care capacity came in February 2021, when 15 percent of pre-pandemic child care capacity had been eliminated. The state, however, acted swiftly, distributing over \$163 million in grants later that year to more than 1,100 child care providers, allowing many programs to reopen or stay open, provide raises and bonuses to staff, and make improvements to their infrastructure and learning environments. Providers reported that these stabilization grants not only kept their businesses afloat but allowed them to emerge from the pandemic even stronger than before. New Mexico has in fact more licensed child care capacity than before the pandemic and has nearly as many facilities (Table 1).

Table 1. Licensed Child Care Capacity in New Mexico Throughout the COVID–19 Pandemic

	March 2020	March 2021	March 2022	March 2023	Difference 2020-2023
<b>Total Licensed Capacity</b>	61,601	53,301	59,565	63,233	+1,632
<b>Total Licensed Facilities</b>	994	847	937	983	-11

After an initial spike in child care assistance enrollment when schools were closing in March 2020, enrollment began to drop. When Federal pandemic relief funding arrived in March 2021, enrollment improved and child care programs were able to support more children in care. Enrollment is now increasing rapidly, by more than 300 families per month. Currently, 42 percent of New Mexico’s licensed capacity is supported by the state’s child care assistance program.

**Chart 1. Number of Children Enrolled in New Mexico Child Care Assistance Dec. 2019 to April 2023**



While our providers are not with me today, they have shared with me with their experiences about the impact of this support:

In 2022, ECECD leveraged its Federal relief funding along with Grant County Federal relief funding to support a local provider in Silver City, NM in preserving critical child care capacity for the community<sup>1</sup>. El Grito del Bosque Early Learning Center now provides care for up to 56 children from 6 weeks to 3 years of age. The center was set to permanently close, depriving Silver city of one of the only child development centers that served infants and toddlers and stranding dozens of families without child care.

<sup>1</sup> <https://www.nmcecd.org/2022/04/08/eecd-grant-helps-expand-child-care-capacity-in-silver-city>

**Misty Pugmire El Grito Director, Silver City, NM:** “Keeping this child care center open means so much to the families of Silver City. This is what is possible when the whole community comes together to support early education and care. Rather than losing this resource, we have created a beautiful space where babies and young children in Grant County can learn and grow for generations.”

**Connie Coates, office manager and treasurer at Canyon Christian Academy in Alamogordo, NM:** “The stabilization grant has been a great blessing. The funding we received made it possible for us to hire a full-time classroom aide to help in our preschool, allowing for more individualized attention to better focus on each students’ needs.”

**Jennifer Salinas, director of the Early Learning Center at Kaune in Santa Fe, NM:** “We’ve been able to hire a third teacher for each of our classrooms, which, because of the pandemic, the children have really needed that one-on-one attention. We’ve also hired a part-time mental health consultant and later we hope to hire a full-time mental health consultant. We also plan to use the funding for maintenance on our building, including upgrades to our heating and plumbing systems, and the installation of outdoor learning spaces.”

**Fatima Gonzalez Ray, director of Little Amigos Child Development Center in Las Cruces:** “It’s made a huge difference on our stress levels. The funding has helped us offset any unforeseen expenses and made it possible for us to make payroll, hire new teachers, and purchase much-needed supplies and materials for our classrooms. We’ve also been able to purchase for each classroom a new HEPA-filtered air purifier, which so far has led to a reduction in sick days taken by our staff.”

### **Improve the long-term viability of the child care industry and support parent choice through child care assistance rates that reflect the true cost of care<sup>2</sup>**

Instead of setting rates based on a market rate study, which perpetuates inadequate payment rates, New Mexico became the first state in the Nation, along with D.C., to use an alternative methodology approved by the U.S. Department of Health and Human Services, Office of Child Care. In 2021, and again in 2023<sup>3</sup>, New Mexico created a cost estimation model to inform and determine child care subsidy rates. This alternative model is based on what it costs providers to create quality learning environments, maintain child-to-teacher ratios, and pay their staff competitive wages. This change in how we pay child care providers is central to a stable and expanding workforce because we now pay for actual costs of care instead of relying on the outdated market rate pricing approach that has reinforced a broken child care market. Most states use this traditional market rate study model that we replaced, which surveys providers to determine what they are charging parents for care and set rates accordingly. This method is flawed because child care tuition remains artificially low due to families’ inability to afford the full cost of quality care. Tuition stays low to keep families from being priced out; child care provider revenues remain low; and wages for child care professionals remain low. As a result of the new approach we are using, child care providers are now able to improve the compensation of their employees, have a healthier business bottom line, and provide a path to allowing the state to serve more children in child care. Here’s what our providers say about it:

**Future Generations Early Learning Center in Clovis, NM:** Ashleigh Tackitt, Center Director said: “The increased revenues will help our center better serve children and families, our employees, and our community. With this additional support, we can invest in improved learning environments, hire more staff to lower student-teacher ratios, and provide more individualized care and education for the children we serve. Increased wages for our staff have given them the security they needed to quit second jobs, spend more quality time with their own families, pursue early education degrees and credentials, and commit to early education as a viable long-term career.”

<sup>2</sup> <https://www.nmeccd.org/2021/07/01/n-m-dramatically-expands-child-care-assistance>

<sup>3</sup> <https://www.nmeccd.org/2023/05/08/eccd-announces-proposed-changes-that-will-improve-access-to-high-quality-child-care-for-most-new-mexico-families>

**The Toy Box Early Learning and Child Care Center, Las Cruces, NM,** Angela Garcia, CEO: “New Mexico’s continued investment in early childhood education is changing the trajectory of our future. My program is finally fully staffed for the first time since the pandemic. My educators have said they can now breathe a little easier at home financially making them better teachers in the classroom. Our children continue to benefit from these investments by having less stressed teachers and more financially stable homes with waived copays and continuity of care with increased access. We believe it takes a village to provide the best foundation possible for our children and these continued investments allow everyone in the village to focus on what’s important, our children. The most recent proposed increases to the child care assistance rates are another step in ensuring quality child care and education for our children and ensuring we move toward a professional wage for our early childhood professionals.

**A Gold Star Academy & Child Development Center, Farmington, NM,** Barbara Tedrow, Owner/CEO: “The \$3 an hour raise for child care workers and the proposed increase to child care assistance rates have collectively transformed my child care center, our employees, and our community. They have elevated the value and recognition of our staff, expanded our reach to serve more families, and improved the economic and educational opportunities for our community.”

#### **Strengthen families through expanded eligibility and waived parent copayments<sup>4</sup>**

In 2022, ECECD used Federal emergency funds to increase income eligibility for child care assistance (CCA) up to 400 percent of Federal poverty level, which is currently \$120,000 per year for a family of four. Simultaneously, ECECD waived all family copayments, making child care free for a majority of New Mexico families. This has been a game changer for working families in New Mexico, who routinely spent a third or more of their gross income on child care. Relieved of this crippling financial burden, families can better afford rent or mortgage, food and clothing, transportation, health needs, put money aside for retirement, extracurricular activities for their children, and other activities that improve their family’s stability, security, and well-being. These changes have allowed New Mexico to provide financial assistance for more families who need child care, most of them at or near poverty. Here is what families have shared about what this means to them:

**Dylan Rojas, Albuquerque, NM:** a single father shared the following: “Because I am on my own with my 1 year old daughter, my biggest fear was that I was not going to be able to afford child care. The free child care provided through the State of New Mexico’s Child Care Assistance program has eliminated that stress and worry from my life. Because of this program, I know that while I work for a better future for our family, my daughter is in a safe place where she is happy, learning, and growing. Applying for Child Care Assistance was a simple and easy process and the support it provides has allowed me to stop living paycheck to paycheck, buildup savings, and live a more comfortable and stable life with my daughter.”

**Mackenzie Clark, of Portales, NM:** “The CCA program has made our lives a lot less stressful. The cost of child care can be equivalent to what we spend on rent, and the Child Care Assistance program means I don’t have to worry about that expense on top of everything else. I now have the money to get extra things my son needs like clothing, shoes, educational materials, and workbooks, as well as the fun stuff like toys and family outings. It’s been an amazing experience and I am so grateful that our local child care providers helped connect us with ECECD’s Child Care Assistance program.”

**Lauren Frazier, of Albuquerque, NM:** “I used to be the stay-at-home parent while my husband was our primary bread winner. It has been a long-term dream of mine to go to nursing school and become an RN. Until we enrolled in this program, there wasn’t a way for me to afford school because of the cost of child care and the time commitment nursing school requires. Because of the CCA program, I am now working toward my

<sup>4</sup> <https://www.nmececd.org/2022/04/28/new-mexico-leads-the-nation-as-Governor-lujan-gris-ham-makes-childcare-free-for-most-families>



dream job. It's helping my dream come true all while providing the best quality of care for my children."

**Vicki Sampler, Curry County, NM** "The expanded child care assistance program allows me to work full time to provide for my children," Said Vicki Sampler, a single mother of four in Curry County, NM. "I can go to work with peace of mind knowing that my children are safe and receiving quality care and education from trusted professionals. I would never have been able to afford that kind of care without the child care assistance program and waived copays. Now I have flexibility in my budget to afford little league for my kids and other family activities that I wouldn't have had time or money for otherwise."

**Irlanda Hernandez, Albuquerque, NM** "The co-pay waiver for my 4-year-old son's child care has been a such great help financially for our family," said Irlanda Hernandez, an educator and mother of four. As a dual-language second-grade teacher with a background in early childhood education, I know that a quality early education can have a tremendous impact on a child's life, and this expansion of the child care copay waiver makes quality early education all the more accessible to families like mine."

#### **Expand child care supply and access**

Affordability is not the only major barrier to families' accessing quality care in their communities, however. Like most states, New Mexico has a longstanding shortage of child care supply. There simply isn't enough child care in most communities to meet the needs of the families who live there. To begin addressing this issue, ECECD allocated over \$11 million in ARPA stabilization administration funds to create a child care supply building grant. ECECD has awarded 37 grants to child care providers in communities where care is most needed. Originally the grant was projected to create 800 new slots; today we project that the grant will increase licensed capacity by 1,200; creating more opportunities for New Mexico families. Our providers described the impact:

**Crystal Tapia-Romero—New Mexico Early Learning Academy, Albuquerque, NM:** "We're excited to have the supply building grant because it is going to allow us to complete minor renovation on a building that will serve infants and toddlers. We will use the funds to furnish the building and pay the salaries of staff for the first 6 months. The infant/toddler program will create 150 new slots. The building is located in a child care desert where there aren't many high-quality programs for infants and toddlers. Overall, this is a huge blessing because not only are we now able to provide quality care for nearly 100 families in that area, but we are creating about 75 new jobs. We offer competitive wages for our employees and to create this many new jobs and new slots is extremely exciting for us."

**Barbara Tedrow—A Gold Star Academy & Child Development Center, Farmington, NM:** "The Supply Building Grant has expanded our infant and toddler child care services and has opened up a world of possibilities for our centers and the families in our community. This invaluable opportunity has allowed us to create additional spaces, improve facilities, and enhance our programming to meet the unique needs of our youngest learners. We can now offer a nurturing, stimulating, and an inclusive environment where infants and toddlers can thrive, setting the foundation for a lifelong love of learning. The grant has also facilitated the recruitment and training of highly skilled staff, ensuring that we can deliver the highest quality and education to every child."

#### **Advance a diverse, well-compensated, and credentialed early childhood workforce**

To prevent erosion of the early childhood workforce and incentivize new workers entering the profession, ECECD utilized Federal relief funds to provide a \$1,500 recruitment and retention bonus<sup>5</sup> to every early educator who served during the pan-

<sup>5</sup> <https://www.nmceecd.org/2021/11/01/child-care-workers-in-new-mexico-eligible-for-1500-incentive-payments>

dem, followed by a grant to providers that funded a \$3/hour raise<sup>6</sup> for over 7,000 child care staff across the state. Additionally, New Mexico invested heavily in credential and degree supports for early educators, incentives for Native American and bilingual educators,<sup>7</sup> free college tuition,<sup>8</sup> and stipends to cover living expenses<sup>9</sup> for those actively pursuing a degree in early childhood education and care.

**Michelle Valles, teacher Bumble Bee Learning Center, Santa Teresa, NM:** “There has been a drastic change on my part receiving the extra three dollars an hour. It has helped me with my rent and transportation expenses and helps me focus better on what we do: caring for the children and giving them the support that they need. It also helps me continue my studies and training to become a better teacher.”

**Rebecca Sanabria, teacher at NM Children First Learning Center, Sunland Park, NM:** “The wage increase has helped me out financially, especially as a first-time mom who struggles with the expenses of raising a baby. It gives me the courage to come to work, and the satisfaction of knowing that my bills are getting paid and I’m providing for my family. I’m not as stressed anymore.”

**Ruth Porta, Administrator at La Esperanza Child Development Center, LLC in Albuquerque, NM** “The Competitive Pay for Professionals (CPP) \$3 an hour raise has allowed my program to retain and recruit qualified staff and educators. Before my base pay was \$13.00 per hour now thanks to the CPP my starting pay is \$16.00 per hour. My staff morale has increased significantly and the turnover has decreased by almost 80 percent. One of my educators, a single mother of three children, told me last week that now with the CPP she qualifies to buy a house! With the new proposed rulemaking for child care assistance rate increases, my program will be able to continue paying my staff at the same rate as the CPP and increase my revenues to a level that will allow me to hire a Family Liaison Coordinator and an Infant-Toddler Curriculum Director to increase the quality of service we provide to our community.”

**Where we are today: public investment and leadership makes a difference.** Taken together, the Federal relief funds equipped our state to transform and reinvigorate our early childhood system. Today, New Mexico leads the Nation in early childhood investment and innovation and serves as a roadmap for many other states looking to make similar changes. However, as transformational as these emergency funds were for New Mexico, they were one-time only funds and not sufficient to maintain these gains over the long term.

Following the end of most pandemic restrictions in Spring 2022, our department leadership embarked on an extensive tour<sup>10</sup> of the state to visit early childhood programs to observe the impact of the emergency relief funding and learn the needs of providers. One of the most common items of feedback we heard, from every corner of the state, was concern about the looming expiration of Federal relief funds, which they worried would roll back recent gains and return the child care industry to an unsustainable pre-pandemic status-quo.

Fortunately, in the November 2022 election, the voters of New Mexico approved a significant, sustainable, and predictable new source of funding for early childhood by tapping into a small portion of the state’s Land Grant Permanent Fund.<sup>11</sup> Additionally, the Early Childhood Trust Fund is growing, resulting in a significant increase in distributions to ECECD. With these new funds, New Mexico is able to increase rates for child care assistance and Pre-K, which will result directly in increased compensation for providers, and free child care for most New Mexico families. Not every state is in the same position as New Mexico, and increased Federal funding for child care must be part of the equation moving forward.

<sup>6</sup> <https://www.nmececd.org/2022/10/11/gov-lujan-grisham-announces-historic-pay-increase-for-early-childhood-workforce>

<sup>7</sup> <https://www.nmececd.org/2022/11/10/ececd-awards-7-million-in-endowments-to-support-early-childhood-programs-at-nm-colleges-and-universities>

<sup>8</sup> <https://www.Governor.state.nm.us/2022/03/04/Governor-signs-legislation-making-college-tuition-free-MichelleLujan-percent20Grisham-Friday-program>

<sup>9</sup> <https://www.nmececd.org/2022/05/12/Governor-lujan-grisham-launches-new-stipend-program-supporting-more-than-800-early-childhood-professionals-seeking-advanced-degrees>

<sup>10</sup> <https://www.nmececd.org/wp-content/uploads/2022/12/Spring-Tour-2022-Mini-Report-Dec-20-2022.pdf>

<sup>11</sup> <https://www.abqjournal.com/2547588/voters-approve-amendment-to-spend-more-money-on-early-childhood-education.html>

New Mexico is proof positive of the enormous impact that a significant Federal investment in early childhood programs and services can have on families, young children, and the communities in which they live. For too long, our Nation has underinvested in young children during their most critical and rapid period of development. Ninety percent of brain development occurs in the first 5 years of life, and research is definitive that access to high-quality care and education during this window improves long-term outcomes for children across a range of academic, health, and well-being indicators. An investment in early care and education is an investment in a more vibrant and secure future for our children and families.

Drawing from the lessons learned from the extraordinary early childhood investments the Federal Government made during the pandemic, I urge the Members of this Committee, Congress, and the Federal administration to maintain these investments and commit to a long-term early childhood funding strategy for states that sustains the significant child care advancements we and others have made. Thank you for your time and this opportunity to share New Mexico's experiences and vision for the future of our children.

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[SUMMARY STATEMENT OF ELIZABETH GROGINSKY]

Using the Federal relief funds distributed through CARES (Coronavirus Aid Relief and Economic Security) Act, CRRSA (Coronavirus Response and Relief Supplemental Appropriations) Act, and ARPA (American Rescue Plan Act), New Mexico averted the collapse of its child care industry and developed and implemented transformational policies that have begun to fix many of the persistent problems that have blocked access to affordable, quality care.

**Stabilize the child care industry to ensure access to quality early care and education**

- Distributed over \$163 million in child care stabilization grants to more than 1,100 child care providers.
- Federal funds supported staff raises and bonuses and improvements to infrastructure and learning environments.
- This support resulted in providers staying open through the pandemic.

**Improve the long-term viability of the child care workforce and support parent choice through child care assistance rates that reflect the true cost of care**

- Became the first state to move to a cost model for rates in 2020, significantly improving revenues for providers.
- Proposed rate increases for state Fiscal Year 2024, using the cost model, that include competitive industry wages.

**Strengthen families through expanded eligibility and waived parent copayments**

- Implemented the largest expansion of the child care assistance program in state history, increasing income eligibility up to 400 percent of the Federal Poverty Level.
- Waived all family copayments, making child care free for most New Mexico families.

**Advance a diverse, well-compensated, and credentialed early childhood workforce**

- Delivered a \$1,500 recruitment and retention bonus to every early educator who served during the pandemic.
- Provided a \$3/hour raise for more than 7,000 child care staff in the state.
- Funded stipends to cover living expenses for early childhood professionals pursuing early childhood degrees.

**Expand child care supply and access**

- Initiated a child care supply building grant with Federal relief funding that is on track to create more than 1,200 new child care slots in communities where they are needed most.

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The CHAIR. Thank you very much, Secretary Groginsky. Our next witness will be Lauren Hogan, who is the Managing Director of Policy and Professional Advancement at the National Association for the Education of Young Children. She is a national policy expert on childcare and early learning. Ms. Hogan, thanks very much for being with us.

**STATEMENT OF LAUREN HOGAN, MANAGING DIRECTOR OF POLICY AND PROFESSIONAL ADVANCEMENT, NATIONAL ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN, WASHINGTON, DC**

Ms. HOGAN. Thank you so much, Senator—Chairman Sanders, Ranking Member Cassidy, and Members of the Committee. It is a privilege to be here today as a parent and on behalf of NAEYC's early childhood community.

I am honored to have the opportunity to share educator stories, to show how helping them helps families, and to talk with you about how we can solve the crisis at hand. Early childhood educators are the linchpin driving childcare quality and supply for all ages and all settings.

Together with families, they help children build strong foundations, and their success is proven by decades of evidence attesting to the short and long term benefits of investing in quality early learning. However, these educators, women, and women of color, are earning poverty level wages that undermine their skilled and complex work.

Facing limited choices, parents of young children pay more for childcare than college tuition, and a lack of investment in childcare for infants and toddlers alone costs our Country \$122 billion each year.

How does this happen? Childcare is unique, a textbook example of a market failure in which neither families nor educators can absorb the true costs. Imagine a deep hole in the ground surrounded by quicksand. Educators and parents are struggling to stand on the edge and build a bridge across the chasm where public funding should be.

The educators try by, say, maxing out credit cards like Amanda in California, or accessing Social Security early, like a family childcare provider in Iowa, or foregoing salary like Sheila in Tennessee. Parents are trying too, but as Leah in Washington says, we are barely making it. The start of the pandemic worsens these pre-existing challenges, but amid the crisis, childcare relief funds arrive.

In addition to helping families by limiting copays and expanding eligibility, every state sets up stabilization grant programs that are responsive to community needs, supporting providers so they can support families and children and businesses.

You have heard about the amazing work in New Mexico, but we know that 75 percent of states increased provider payment rates, and many from Kansas to Kentucky, Maine to Michigan, Oklahoma and Ohio are building the supply and retention of the early childhood workforce. 300,000 new childcare slots are created, and the number of licensed programs today exceeds the number opened pre-pandemic thanks to Federal relief.

The grants didn't fill the hole, but they stabilized the quicksand around it, and they have been a saving grace for the 220,000 childcare programs and 10 million children and their families. In one NAEYC survey, 92 percent of childcare programs said the grants helped keep their program open, and 30 percent would have closed permanently without them. Stabilization grants have been greatly appreciated, says Nicole, a center director in New Jersey, and I pray they will continue.

Unfortunately for Nicole and educators everywhere, stabilization grant funding is ending, and parents and educators feel themselves sinking back into this quicksand. So, a director in Louisiana says, after the end of stabilization grants, the increase in pay will need to be passed on to families.

We really don't want to do this, but we will have no choice. Approximately 40 percent of center directors and family childcare providers agree, saying that their programs too, are going to be forced to raise tuition. One in three leaders say their programs will cut wages. One in five family childcare providers will serve fewer children.

Only 13 percent of family childcare respondents could say that their program will be fine when stabilization grants end. It is a climate of extreme uncertainty for these small businesses. Educators are walking away. Parents and providers are desperate. A center director in Tennessee said that she is hiring people now that she never would have interviewed before the pandemic.

This is the kind of last resort decision that should really worry us all. Parents and providers feel like they are failing, but it is the market that is failing them. Correcting underlying imbalances requires Government intervention not to restrict individual choices, but to enhance them. Congress must recognize that childcare is a public good that requires public investment and step in with subsidized funding in sufficient scope and scale as it does with other industries when free markets fail.

Building on bipartisan support, and with the knowledge that good things happen when Congress funds childcare and early learning, we urge you to prioritize the investments needed to keep the quicksand stabilized and fill the hole, support every state with sufficient and predictable funding and flexibility that allows them to finance the true cost of care, invest in the education and compensation of educators, make child care more affordable for families, and support infants, toddlers, preschoolers, and school age children in a comprehensive mixed delivery system that provides for real family choice.

The hole is deep, the quicksand is strong, and parents and educators can't build the bridge alone. Thankfully, we know Federal

investments in childcare work, and so Congress must make them before it is too late. Thank you very much.

[The prepared statement of Ms. Hogan follows:]

PREPARED STATEMENT OF LAUREN HOGAN

Chairman Sanders, Ranking Member Cassidy and Members of the Committee:

It is a privilege to be with you today, as a parent myself, and on behalf of the 60,000 early childhood educators and allies who are members of the National Association for the Education of Young Children (NAEYC). Together with our 51 state and local Affiliates across the country, NAEYC has the honor of being the professional membership organization promoting high-quality early learning for all young children, birth through age 8. We work toward an early childhood education workforce that is valued and supported across all states, with all ages, and in all settings, including child care centers, family child care homes, faith-based programs, and schools. I'm honored to have the opportunity today to share stories from and about this workforce and show how our Nation's undervaluing of them has led to the child care crisis that is impacting families in every state and community—and further, to talk about how we can solve it and help families, children, educators, businesses, and our economy thrive.

Early childhood educators are the linchpin driving both quality and supply in child care and early learning.<sup>1</sup> Together with families, they share responsibility for building the relationships that help ensure children have a strong foundation, which supports all their learning and development. And they are successful, proven by decades of evidence and data attesting to the benefits of investing in high-quality early childhood education and educators, which are felt both immediately, and over generations.<sup>2</sup>

However, these same early childhood educators—primarily women and often from communities of color—who make it possible for so many others to have the jobs they need, are earning poverty-level wages that undermine their own skilled, complex, and valuable work.<sup>3</sup> Research confirms that better-paid teachers provide better-quality care, and yet even before the pandemic, nearly half of early childhood educators earned wages so low that they had to access public benefits in order to make ends meet.<sup>4</sup> At the same time, parents of young children pay more for child care than public in-state college tuition, yet—with more than half living in a child care desert<sup>5</sup>—still don't have real choices. Without available and affordable quality child care, businesses struggle to hire the skilled and talented workers that are needed to support the economy, and a lack of investment in child care for infants and toddlers alone costs our Country \$122 billion each year in lost earnings, productivity, and revenue.<sup>6</sup>

These realities are simultaneously true because child care is a textbook example of a market failure, the constraints of which mean that families can't afford the cost of care, while early childhood programs (in centers and in family child care homes) can't raise wages or provide benefits sufficient to compete with other employment options, because they cannot pass more costs along to families.<sup>7</sup> This means they can't effectively recruit or retain staff, which in turn means that too many people leave programs or close family child care homes, and not enough people come in.

<sup>1</sup> Wechsler, M., Melnick, H., Maier, A., & Bishop, J. 2016. *The Building Blocks of High-Quality Early Childhood Education Programs*. Palo Alto, CA: Learning Policy Institute.

<sup>2</sup> Heckman, J. J. *Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy*. January 2020. Retrieved from The Heckman Equation: <https://heckmanequation.org/resource/invest-in-earlychildhood-development-reduce-deficits-strengthen-the-economy/> and Leslie J. Calman, L. T.-W. (2005). *Early Childhood Education for All: A Wise Investment*. New York: Legal Momentum.

<sup>3</sup> Whitebook, M., McLean, C., Austin, L.J.E., & Edwards, B. *Early Childhood Workforce Index - 2018*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <http://csce.berkeley.edu/topic/early-childhood-workforceindex/2018>

<sup>4</sup> Kashen, Julie, Halley Pottery and Andrew Stettner. *Quality Jobs, Quality Child Care*. 2016. The Century Foundation. Retrieved online at: <https://tcf.org/content/report/quality-jobs-quality-child-care/>

<sup>5</sup> Center for American Progress. 2018. *Childcaredeserts.org*

<sup>6</sup> Ready Nation and Council for Strong America. 2023. *\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis*. Retrieved online at: <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>

<sup>7</sup> Harbach, Meredith Johnson, *Childcare Market Failure* (January 1, 2015). *Utah Law Review*, Vol. 2015, No. 3, 2015, Available at SSRN: <https://ssrn.com/abstract=2898360>

That, in turn, means fewer people are available to provide the care and education that families and children need across all states and in all communities, which means child care becomes a scarce—and therefore increasingly expensive—resource. Costs go up for families, options dwindle, and quality moves further out of reach. This is the cycle we are experiencing, and without significant Federal help, it will continue to worsen.

In order to talk more fully about this crisis—where it came from, how child care relief helped, and what’s needed to solve it—I’d like you to join me in imagining a deep, unfilled hole in the ground, surrounded by quicksand. Where there should be strong and secure scaffolding to keep the hole from collapsing, there are only rickety sticks. Each morning, early childhood educators and parents of young children walk up to opposite sides of the hole, holding the hands of young children, trying to keep from sinking into the quicksand. They look to each other across that deep, unfilled chasm, created by a lack of sufficient public funding for child care, and think about how they can possibly build the connecting bridge that supports children who are safe, happy, healthy, and learning.

Sometimes, the educator—owner of a family child care home, director of a child care center—tries to build the bridge on the quicksand, across the hole, by maxing out her personal credit card to pay her assistant and cover rent, as Amanda in California had to do. Some months, she forgoes salary, as Sheila in Tennessee did, or is away from her own young children to cover staffing shortages early in the morning and late in the evening, like Jordyn in Maine. A family child care provider in Iowa starts accessing her social security early to cover the costs of running her program. Maggie in Georgia—speaking on behalf of directors everywhere—talks about how one of her best teachers needs a raise, up from \$11/hour, the average for providers in the state, as around the country. But where the retail store down the street can pay that, along with health insurance, Maggie cannot. So the teacher leaves, even though everyone, children and families included, desperately wishes she could stay.

Sometimes, when there are no other options and the quicksand threatens to pull the entire program under, the program raises tuition or reduces hours. Then, parents who already paying more than they can afford to build their part of their bridge, sink a little deeper into the quicksand on their side. As Leah in Washington says, “It’s almost impossible to run a household on one income these days, and having one person stay home hasn’t been an option. We have paid over \$15,000 a year for child care for our kids. And no matter which way we slice it, we are barely making it.” Or a parent in Arizona, who explains, “Most places had long waiting lists, and things were a little tense as we waited for an opening. My son was getting too heavy for my elderly mother and I was concerned that her hearing problems would affect her ability to care for her grandchild. Finally, there was an opening, but . . . the cost of child care is more than my mortgage and I’m already concerned that they will close or raise their rates.”<sup>8</sup>

For decades, every day has been like this; for so many families, so many educators, with impacts on so many children and consequences for employers, businesses, and the economy. And then, the pandemic hits, and alongside the panic and crisis of having to close and reopen programs, navigate illnesses, and reassure families and children, child care relief funds start to arrive. In addition to waiving or limiting copayments for families and increasing eligibility so more families can get the help they need, all 50 states set up stabilization grant programs, responsive to the needs of their communities and designed to ensure much-needed funds equitably and efficiently reach programs and educators. In North Carolina, a total of 4,379 child care programs received \$276.8 million from Stabilization Grant funds for staff compensation and bonuses, leading to a \$2 to \$3 hourly increase in wages and bonuses totaling between \$2,000 and \$3,500.<sup>9</sup> In Alaska, \$51 million was awarded to approximately 446 child care businesses. Three out of every four states increased provider payment rates, and many made policy decisions to build the supply and retention of the workforce by investing in scholarships and apprenticeships; providing access to paid leave, health insurance, and child care benefits; and expanding shared services models, substitute pools, and family child care networks.<sup>10</sup>

<sup>8</sup> Quotes drawn from MomsRising via <https://www.momsrising.org/stories>

<sup>9</sup> NC-Stabilization-Funds-Provider-Survey-Findings-FINAL-4.18.pdf ([childcarerrnc.org](http://childcarerrnc.org))

<sup>10</sup> Administration for Children and Families. Examples of State & Local ECE Workforce Recruitment & Retention Strategies. Retrieved online at: <https://www.acf.hhs.gov/ecd/appendix-dear-colleague>

Overall, these grants have been a saving grace for the 220,000 child care programs—reaching up to 10 million children and their families—who received them.<sup>11</sup> We know that’s true because NAEYC asked them, over the course of seven surveys since March 2020.<sup>12</sup> Here are just a few things we also know about how the stabilization grants have worked to support providers so that they can support children, families, and businesses:

- 92 percent of child care programs said the grants helped keep their program open, and one in every three said their program would have closed permanently without them.
  - This number rises for family child care (FCC) providers; 40 percent of FCC providers who received the grants said their program “would be closed without the support.”
- Half of survey respondents indicated that they had received more money from a wage increase or supplement in the last year; and those who worked in programs receiving stabilization grants were twice as likely to report an increase than those who did not.
  - Again, this number rises for family child care providers: FCC respondents who received stabilization grants were three times more likely to have reported a wage increase than FCC respondents who did not receive stabilization grants.
- 300,000 new child care slots have been created, and the number of licensed child care centers today exceeds the number open pre-pandemic, which, as Child Care Aware of America says, suggests that the relief funding “didn’t just keep the sector afloat, but allowed it to recover and grow.”<sup>13</sup>

With these relief funds, the early childhood educators and parents who walk up to the edges of that deep hole with their children every morning, have felt the ground beneath their feet get a little stronger, a little more stable. The unfilled hole is still there, and the scaffolding is still rickety, and they still have to build the bridge, but the quicksand isn’t threatening to pull them under at the same time. “It’s not the only solution,” says Nicole, a child care center director in New Jersey, “but stabilization grants are one thing that has been greatly appreciated and helping. I pray they will continue.”

Unfortunately for Nicole, and educators everywhere, many states have exhausted their funds or are in final payment stages. To the extent any state has relief funding left, the money has been obligated and plans are in place to use those funds so they can be fully spent by their respective deadlines. As stabilization grants end, educators and parents at the edges of the hole can feel the quicksand coming back, even stronger and faster than before. As Kishauna, a family child care provider in Iowa tells us, “The grants were helpful but we have nothing left. We have no idea where the money is coming from going forward.” She and thousands of other programs are warning us about the consequences. For example:

- 43 percent of child care center directors and 37 percent of family child care (FCC) providers said that when stabilization grants end, their program will be forced to raise tuition for working parents.
  - As a child care center director in Louisiana says, “We would like to keep our staff working for higher pay. But after the end of the stabilization grants, the increase will need to be passed on to our families. We really don’t want to do this but will have no choice. Higher pay for our staff is a must in order to keep the numbers where they are in our center.”
- 22 percent of child care center directors said their program will lose staff while 19 percent of FCC providers said their program will have to serve fewer children.

<sup>11</sup> Administration for Children and Families. May, 25, 2023. COVID Investments in Child Care: Supporting Children, Families, and Providers. Retrieved online at: <https://www.acf.hhs.gov/occ/infographic/covid-investments-child-care-supporting-children-families-and-providers>

<sup>12</sup> All NAEYC ECE Field survey briefs, including state-by-state data and deep-dive briefs focused on family child care programs, and programs serving infants and toddlers, are available at [www.naeyc.org/ece-workforce-surveys](http://www.naeyc.org/ece-workforce-surveys)

<sup>13</sup> Child Care Aware of America. 2023. Catalyzing Growth: Using Data to Change Child Care. Retrieved online at: <https://info.childcareaware.org/media/catalyzing-growth-22-data>



- 27 percent of child care center directors and 29 percent of FCC providers said their program will cut wages or be unable to sustain wage/salary increases.
- Only 13 percent of FCC respondents could say that their program “will be fine” when stabilization grants end.

“When the stabilization grants for compensation end,” says one North Carolina center director, “my center will be in critical condition. Staffing issues are major barriers to the operation of my center. I am currently unable to hire enough staff to fill the slots that I am licensed for. The result is that I can’t serve children in my community who need child care. I have talked to my current staff and it is most likely that the majority of them will leave my center and the profession if there is not a solution which extends the grants.”

All small businesses understand the importance of continuity and the challenges of uncertainty. This is a climate of extreme uncertainty—and fears for the future are playing out in the present. Educators keep walking away; one in every three respondents to NAEYC’s last survey indicated that they were considering leaving their job or closing their family child care home.

As educators leave programs seeking their own economic security, turnover increases, transitions become more challenging for children and programs, and parents and providers grow desperate. A child care center director in Tennessee told us that they were hiring people now that they never would have interviewed before the pandemic. Given all we know about the science of early learning, and the protections needed to support children’s health and safety, these kinds of last-resort decisions should worry us all. Child care program directors, owners, and operators—knowing now what stronger ground can feel like, wearied by the ever-growing bridges they need to build and the ever-shrinking pool of resources they can draw upon to build them—are wondering how long they can go on.

Providers and parents may feel like they are failing, but the reality is that the market has failed them, and correcting the imbalances underlying this market failure requires government intervention. Such intervention will not restrict individual choices but will enhance them. If Congress does not step in with subsidized funding at sufficient scope and scale to support and strengthen our Nation’s child care system—as it does with other industries, from banking to telecom to energy to agriculture—the result won’t lead to more or better options for families. It will lead to fewer options, and worse ones.

This is the time to recognize that child care is a public good that requires public investment. Bipartisan increases to the Child Care and Development Block Grant, bipartisan investments at the state and local levels, and congressional support for child care relief has demonstrated that when Congress funds child care and early learning—when you meet the needs of both families and educators—good things happen.

Building on that foundation, we urge Congress to act, both by making immediate investments to stabilize the quicksand beneath the feet of educators, families, and children, and by making the substantial, sustainable investments needed to strengthen the scaffolding and fill the market-failure sized hole in the child care system. This means supporting every state with sufficient and predictable funding and flexibility that allows them to:

1. **Finance the true cost of care** and simultaneously address affordability, accessibility, quality, and compensation.
2. **Invest in the education and compensation of early childhood educators** so they can recruit and retain a qualified workforce across settings.
3. **Make child care more affordable for families** so that families pay no more than 7 percent of their income in a sliding scale format that meets families’ individual budgets.
4. **Support infants, toddlers, and preschoolers in a comprehensive, mixed-delivery system** because different families need different solutions, and they must have real options that include family child care, faith-based settings, public schools, community-based settings, Head Start and private providers.

It is necessary and possible to address the interconnected challenges of access, affordability, and quality in child care and early learning. It is necessary and possible to reinforce the benefits of a strong mixed-delivery system that ensures parents have real choice in determining whether to rely on care, and what setting best

meets their needs. Child care is not a rural, suburban, or an urban problem; not a Democratic, Republican, or Independent problem—but an American problem. Our nation is at an urgent and important inflection point, and it is true that the hole is deep, the scaffolding is rickety, the quicksand is strong, and parents and educators can't build the bridge by themselves. Thankfully, we know Federal investments in child care work, and so Congress can—and must—make them before it is too late. Thank you very much.

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[SUMMARY STATEMENT OF LAUREN HOGAN]

During Ms. Hogan's testimony, she will share stories from and about the early childhood education workforce and show how our Nation's undervaluing of them has led to the child care crisis that is impacting families in every state and community. Further, she will talk about how we can solve this crisis and help families, children, educators, businesses, and our economy thrive. Key points will include:

- Early childhood educators are the linchpin driving both quality and supply in child care and early learning.
- As a result of the nation's failure to adequately invest in high-quality child care and early learning over the years, children are not getting what they need; families are paying more for child care than for housing, if and when they can find and access that care; and the workforce is paid so little that nearly half live in families that depend on public assistance.
- Child care is a textbook example of a market failure, and insufficient public funding has created a deep hole, with rickety scaffolding, surrounded by quicksand. Educators and parents have been trying to work together to build a bridge across the hole, but they are struggling because they are anchored in quicksand.
- Child care relief funds didn't fill the hole, but they stabilized the quicksand. They have been a saving grace for 220,000 programs, reaching up to 10 million children and their families, and showing that when Congress funds child care and early learning, good things happen (i.e., programs stay open; providers receive increased wages and benefits; families save money on child care costs; and more families got the help they needed).
- But as stabilization grants end, the consequences will be dire, with programs forced to raise tuition for families and cut wages for educators. One in every three educators say they are considering leaving their program or closing their family child care home.
- Correcting the imbalances underlying the child care market failure requires government intervention—not to restrict individual choices but to enhance them. Subsidized funding at sufficient scope and scale is needed to support and strengthen our Nation's child care system to create more and better options for families.
- Congress must (a) make immediate investments ensure the quicksand beneath the feet of educators, families, and children remains stabilized and (b) make the substantial, sustainable investments needed to strengthen the scaffolding and fill the market-failure sized hole in the child care system. This means supporting every state with sufficient and predictable funding and flexibility that allows them to:
  - Finance the true cost of care
  - Invest in the education and compensation of early childhood educators across settings
  - Make child care more affordable for families
  - Support infants, toddlers, and preschoolers in the context of a comprehensive, mixed-delivery system that works for programs and ensures quality options exist for families

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The CHAIR. Ms. Hogan, thank you very much.

Let me now turn to Senator Kaine, who will introduce our next witness, Cheryl Morman.

Senator Kaine. Well, to my colleagues, I am really honored to have the chance to introduce you to Mrs. Cheryl Morman. And she plays an important role in this panel because she represents home health, home childcare providers, family childcare providers.

Ms. Morman is the current President of the Virginia Alliance for Family Child Care Associations. It is the only statewide association in Virginia solely focused on home-based family childcare and is an affiliate of the National Association for Family Child Care.

Ms. Morman has owned and operated a family childcare program, Blessings from Above, in my hometown of Richmond for over 20 years. Blessings From Above stayed open throughout the COVID-19 pandemic, serving children of first responders, teachers, and other essential professions.

This is an important one, Mrs. Morman personally called over 400 family childcare providers during COVID within the Commonwealth to ensure that they knew how to access the childcare stabilization grants. She represents publicly funded family childcare providers on the Virginia Early Childhood Advisory Committee.

She works with the Virginia Department of Education in tandem with Virginia Commonwealth University to develop a unified set of early learning and development standards for children's age birth to 5.

She is a member of a working group by the Virginia Department of Social Services to build childcare supply in underserved areas using a toolkit for community services. I am grateful for the work that she does. I am grateful that she is with us today. Thank you for all you do, Mrs. Morman.

The CHAIR. Ms. Morman, you are recognized.

**STATEMENT OF CHERYL MORMAN, FAMILY CHILD CARE PROVIDER AND PRESIDENT, VIRGINIA ALLIANCE FOR FAMILY CHILD CARE ASSOCIATIONS, RICHMOND, VA**

Ms. MORMAN. Good morning, Chair Sanders—

The CHAIR. Hold the mic a little bit closer to your mouth, please.

Ms. MORMAN. Good morning, Chair Sanders, Ranking Member Cassidy, and Members of the Committee. Thank you for this opportunity.

I am Cheryl Morman, President of the Virginia Alliance of Family Childcare Association, the only state association in Virginia whose focus is family childcare, which refers to small childcare programs operated from someone's home. I have been a licensed family childcare business owner and educator since 2002.

The children in my care are 6 weeks to 5 years of age. I am a wife, a mother, and a grandmother. Since testimony this morning is short, I will get to the topic at hand, the childcare crisis and the role of the Federal Government in improving this crisis. Prior to COVID-19, my family childcare business was at capacity with a waiting list.

I had two full time teachers along with myself, 11 families paid privately, and only one of my families participated in the childcare subsidy program. I was able to maintain payroll and my expenses.

There were parents that would have difficulty from time to time, but they made too much money to qualify for assistance.

I would have to work out payment arrangements, often to my business's detriment, to continue to meet the needs of our families and the children entrusted in my care. Then COVID-19 hit. Many daycare facilities began to close. However, many family childcare facilities continued to operate.

The funding provided by Congress for COVID-19 relief, particularly \$50 billion since December 2020, helped me to stabilize and get through without sacrificing critical services to the parents I serve. To help families with the costs of childcare, the Federal funding allowed the state to increase the income eligibility and do away with their co-pay, which meant more families could qualify for childcare assistance.

The number of families in my program benefiting from childcare assistance increased from 1 to 6. Some were new families, and some were families I cared for before that, now qualify for childcare assistance. Eventually, the state also increased the number of absences covered, providing resources based on enrollment and not attendance.

This meant that if a family had COVID or was exposed to COVID, had to be out for 7 to 10 days prior to the provider, still receive tuition and child remained with the program. Other crucial assistance received included four rounds of CARES grants, \$25,000 in American Rescue Plan Stabilization Funds, a payment protection plan loan, unemployment insurance, and COBRA coverage when my husband lost his job after almost 30 years with the same company.

Finally, a Small Business Administration loan of \$46,000. This loan was needed to keep my program doors open and a roof over our head since regardless of all the help, operational expenses increased dramatically. My life during the COVID-19 pandemic was about survival. In a lot of ways, it still is.

I want to reiterate that the relief funding was critical to saving the childcare industry, and more specifically, my own business. I believe more providers would have closed if Congress did not act significantly and swiftly. But systemic challenges persist. For example, I have vacant slots I cannot fill without an additional staff person.

I recently interviewed a young woman who was well qualified, but as I shared the pay, she declined. Virginia recently piloted a new solution to address the childcare staff crisis. They will attract and train new people to work in childcare programs if we agree to pay \$17 an hour for 1 year.

This is a great step, but I currently pay \$12 an hour and cannot afford this increase. Good policy solutions without additional sustained funding will not work. I want to pay more since my staff deserve more, but I want to stress that I will go out of business without additional sustained funding.

Furthermore, I hear from many family childcare providers who are disproportionately women of color that they are close to closing and leaving childcare altogether. According to a recent report by

NAFCC and NAEYC, 40 percent of respondents from family childcare homes reported that they are considering leaving their program or closing their family childcare home, primarily due to the low compensation and funding.

We must invest in laying a firm foundation for all children, not just the ones from wealthy families. Families need different options which are not available without additional sustained funding. Again, thank you for this opportunity.

[The prepared statement of Ms. Morman follows:]

PREPARED STATEMENT OF CHERYL MORMAN

My name is Cheryl Morman, and I have owned and operated Blessings From Above Child Development Center, a family child care program in Richmond, Virginia, for over 20 years. I am the current president of the Virginia Alliance for Family Child Care Associations (VAFCCA), the only statewide association in Virginia solely focused on family child care, which refers to small child care programs operated from someone's home. I am a member of the National Association for Family Child Care, which supports FCC throughout the country as educators make the intentional professional choice to offer high-quality early care and education in their homes. I was recently selected for the Early Childhood Advisory Committee (ECAC) to represent publicly funded family child care providers. As an ECAC member, I will help shape the unified early childhood care and education system in the Commonwealth to improve access to high-quality early childhood care and education so that all Virginia children will be well prepared for school and life.

I am a wife, a mother, a grandmother, and an educator. I have been married to a wonderfully supportive husband for 27 years. We have two sons and three beautiful grandchildren between the ages of four and one, who simultaneously wear me out and bring me great joy.

**Before the COVID-19 Pandemic, despite the essential role my program played for families, there was not enough support to assist families in accessing child care.**

I am licensed to care for 12 children between 6 weeks to 5 years of age. Before COVID, I remained full with a waiting list. I had two full-time teachers along with myself. I was able to maintain payroll and my expenses. I could only pay my employees a minimum wage of \$12/hour and could not offer health benefits. My access to health insurance came through my husband's employer. Whenever the child care program fell short, we would have to rely on my husband's stable income. Sometimes parents struggled to make the tuition payments, but they made too much money to qualify for the subsidy. I would develop flexible payment arrangements with families to ensure their children could remain in my program. However, I couldn't make payment arrangements for my expenses. I still had to pay my staff and buy food for my child care program.

I participated in the Virginia Quality Birth to Five program to continue ensuring I was meeting our families' needs and the development of the children entrusted in my care. We also participated in the Child and Adult Care Food Program and offered healthy and nutritious meals to children.

We always used a developmentally appropriate curriculum that helped their development in the classroom and offered ideas to carry over to home. FCC educators disproportionately care for infants and toddlers and children from low-income families, families of color including Black, Latinx, immigrant, and Indigenous, as well as families living in rural communities. We were one big family. We provided occasional date night services and opportunities for families to connect as their children formed trusting relationships with their peers.

Before the COVID-19 pandemic, one of my priorities was advocating for an increase in the Child Care Development Block Grant (CCDBG) reimbursement rates for providers. Before COVID, my program was full with 12 children enrolled; however, only the family of one of the children had subsidy assistance. I wanted to care for more children on the subsidy, but there were two significant challenges. First, the rates for all providers, regardless of setting, were significantly lower than the cost of providing high-quality care. The issues were even more challenging for family childcare providers who were reimbursed at an even lower rate. My rate was more than the rate set by the Department of Social Services, which means the dif-

ference would either be absorbed by the parents, who couldn't afford much more, or myself. Second, the subsidy payments are not made until 1.5 months after I provide the care, and I could not afford to wait this long for the reimbursement. It has always been challenging to sustain our programs, but we made it work to provide the care and early learning opportunities families need.

**When COVID began, child care programs like mine struggled to stay open for families, but the historic child care relief funds saved the sector.**

Then COVID hit. We continued to stay open using the reserved cleaning supplies and paper products. We shopped in bulk but quickly ran out of supplies and needed help finding what we needed. Shopping was done early in the mornings before our programs opened. This helped us to reduce the amount of contact with others in stores. I also had to help with remote learning for two school-aged children enrolled in my program.

Many daycare facilities began to close; however, many family child care facilities continued to operate according to an NAFCC survey, one-third of all FCC programs remained open. We depended on one another to get information out. Family child care providers did their best to keep their doors open and environments safe.

The funding provided by Congress for Covid-19 relief, particularly \$50 billion since December 2020, helped me stabilize and get through without sacrificing critical services to the parents I serve. To help families with the cost of child care, the Federal funding allowed the state to increase the income eligibility and do away with their co-pay, which meant more families could qualify for childcare assistance.

My program went from 11 private pay families before COVID to 3 privately paying families and six families using childcare subsidies. Some were new families, and some were families I had cared for before, but they now qualified for child care assistance. Eventually, the state also increased the number of absences covered, providing resources based on enrollment rather than attendance. If that child or family had COVID or was exposed to COVID and had to be out for 7–10 days, the provider still received tuition, and the child remained with the program. Other crucial assistance received included: up to 4 rounds of CARES grant; \$25,000 in American Rescue Plan Stabilization Funds; a Payment Protection Plan (PPP) loan; unemployment insurance and COBRA coverage when my husband lost his job after almost 30 years with the same company; and finally, a Small Business Administration loan of \$46,000. This loan was needed to keep my program doors open and a roof over our heads since operational expenses increased dramatically regardless of all the help. I installed humidifiers to help with airflow and individual desks to help with social distancing. I bought new age-appropriate materials and supplies to keep children engaged. We also expanded our playground area to give children more freedom to play and enjoy the outdoors. My life during the COVID-19 pandemic was about survival, and in many ways, it still is.

**We must build on the success of the child care funding to ensure children are well prepared, families have access to care that meets their needs, and child care providers have compensation and respect worthy of their contributions to society.**

The emotional, physical, and financial strains continue. We're not wearing a mask, but we are fighting to keep our heads afloat daily. I want to reiterate that the relief funding was critical to saving the child care industry and, more specifically, my business. More providers would have closed if Congress did not act significantly and swiftly. But systemic challenges persist. For example, I am fully enrolled in VA's Child Care Subsidy program, but I have vacant slots I cannot fill without an additional staff person. I recently interviewed a young woman who was well qualified, but as soon as I shared the pay, she declined. Virginia recently piloted a new solution to address the child care staffing crisis. VA will attract and train new people to work in child care programs if we agree to pay \$17/hour for 1 year. This is a great step, but I currently pay \$12/hour and cannot afford this increase. Good policy solutions without additional, sustained funding will not work. I want to pay more since they deserve more, but I want to underscore that I will go out of business without additional, sustained funding.

Furthermore, as the President of the VA FCC Alliance, I hear from many FCC providers in VA that they are close to closing and leaving child care altogether. According to a recent report by NAFCC and NAEYC, 40.2 percent of respondents from FCC homes reported that they are considering leaving their program or closing their FCC home.

We can't charge the true cost of care because, without additional funding, parents can't afford the rate. We know FCC is disproportionately relied on by families of color, families working non-traditional hours, low-income families, and families with infants & toddlers. So as more FCC programs close, we should be concerned about what will happen to the most vulnerable children.

When I look at children enjoying free play in my classroom, I see a room where stars are born, and professions are made. Skills are being developed to handle rejection, disappointment, discomfort, unfairness, empathy, love, kindness, respect, gentleness, and self-control. I see conflict resolution, compromise, negotiations, and the power to agree to disagree and walk away. Is this an area you want to make cuts in?

We must invest in laying a firm foundation for ALL children, not just the ones from wealthy families. Our future depends on it. The children we have in our programs won't be children forever. Families need different options, and these options are not available without additional, sustained funding.

Thank you for this opportunity.

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[SUMMARY STATEMENT OF CHERYL MORMAN]

I am Cheryl Morman, President of the Virginia Alliance of Family Child Care Associations (VAFCCA). We are the only state association in Virginia focusing on family child care, which refers to small child care programs operated from someone's home. I have been a licensed Family Child Care Business Owner and Educator since 2002. I am a wife, mother, grandmother, and an educator. I am licensed to care for 12 children between 6 weeks to 5 years of age. I employ one assistant teacher. As you examine the Child Care crisis across the Nation, I urge you to keep my story in mind:

- Before Covid-19, running my business as a family child care provider was challenging but the demand was so great that I often had a waiting list. Some parents would struggle to pay for child care, yet they made too much to qualify for child care assistance.
- When Covid-19 hit, family child care providers did their best to keep their doors open and the environment safe.
- The Federal Covid relief funding was crucial for my State of Virginia to help providers and families.
- To help families with the cost of child care, the state increased income eligibility, meaning families could afford child care.
- I could avail myself of CARES grants for a total of \$25,000, a small PPP loan, and an Economic Injury Disaster Loan (EIDL), and I secured a Small Business Administration Loan for \$46,000.
- My life during Covid was all about survival; in many ways, it is still about that.
- We cannot charge the true cost of care because, without additional funding, parents cannot afford the rate.
- Policy solutions without resources will not work and will perpetuate the crisis. We need public funding in a mixed delivery child care system so that all available options are available for families.

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The CHAIR. Thank you very much.

Let me turn the mic over to Senator Cassidy.

Senator CASSIDY. Thank you, Chair Sanders. We are joined today by Ms. Carrie Lukas, President of the Independent Women's Forum. Ms. Lukas joins us as a policy expert, advocate, and mother of five kids, a graduate of Princeton and of Harvard's Kennedy School of Government.

Ms. Lukas can speak to what parents want and need, the appropriate role of the Federal Government in helping to address childcare issues, and her experience as a working mom. We look forward to her testimony on the choices, why childcare should not

operate like a K through 12 public school, and what the evidence says about Government run institutional childcare's impact on children.

We welcome Ms. Lukas and look forward to her testimony.

**STATEMENT OF CARRIE LUKAS, PRESIDENT, INDEPENDENT WOMEN'S FORUM, WASHINGTON, DC**

Ms. LUKAS. Thank you very much. Good morning, I am Carrie Lukas, and I am President of Independent Women's Forum. Independent Women's Forum is a nonprofit organization dedicated to developing and advancing policies that aren't just well-intended but that actually enhance people's freedoms, opportunities, and well-being. I am a mother of five children between the ages 8 and 17.

As you consider policies designed to help parents of young children, I urge you to keep the following principles in mind. First, American families want choices, not a one size fits all Government daycare regime. The premise of today's hearing is that there is a crisis, making sweeping intervention necessary.

Yet reality is different. Many parents absolutely do face significant challenges related to accessing and affording childcare, but there are many that are also satisfied with their existing arrangements.

In fact, a 2021 bipartisan Public Policy Center survey found that two-thirds of single parent and two working parent households were using what they considered their ideal childcare arrangement. That is important because while policymakers should seek to help those in need, we also don't want to disrupt those—the situation for those for whom their situation is working.

Critically, surveys also suggest that most parents do not perform formal daycare settings. A 2022 report of the bipartisan Policy Center found that nearly 6 in 10 parents preferred informal childcare over formal childcare centers. And that is even if formal childcare was free and in a convenient location.

Most parents in American simply think that having family or family like care is best for children. But second, don't make childcare and preschools operate like our K-through-12 public school system.

At the height of the COVID pandemic, according to the Department of Health and Human Services, about 60 percent of childcare centers were closed. But by the end of 2020—at the end of 2020, an estimated 73 percent of childcare centers had opened. In contrast, at the end of 2020, only about one-third of K through 12 public schools were providing fully in-person services.

The private schools had largely opened, but most public schools fought to stay closed for as long as possible. And public schools behave this way because they do not see parents and students as their customers. And why would they? Their ability to pay the bills and keep their jobs depends on pleasing Government officials, not on serving families.

In fact, we should be warned that all the battles we see over public K-through-12 today, over curriculums, the use of pronouns, sex-ed, masking policies, they will come to your local daycare and pre-



school if Government becomes the primary funder and sets the rules for what constitutes an approved daycare provider.

Parents should fight to keep this from becoming the situation for our childcare and preschools. Third, Government officials can and should perform—pursue reforms to make daycare more affordable and accessible. And to start, policymakers at all levels of Government should seek to eliminate regulations that are not directly related to safety and true quality.

A study by the Mercatus Center found that cost of care could be reduced by as much as \$1,900 per child per year by eliminating regulations not directly related to quality of care. And during COVID, policy leaders around the country, Democrats as well as Republicans, did lift state care regulations to encourage the creation of additional daycare options.

Policymakers should explore the consequences of this deregulation and continue to eliminate regulations that don't make sense. Next, financially support families, not daycare providers, and use the money wisely.

Rather than shoveling more taxpayer money into Government bureaucracies, policymakers ought to provide tax relief for parents or direct support to parents so they can make the choices that make sense for them. Importantly, policymakers should not make financial support conditional on childcare arrangements. Incentivizing the use of paid childcare isn't fair to the families who have loved ones, parents, grandparents, aunts, and neighbors who provide loving care for children in their lives for free while forgoing paid employment.

Having family members like grandparents as caregivers is good for kids as well as their grandparents. We should not effectively discourage or crowd out these relationships by incentivizing only paid childcare.

Finally, Government approved daycare isn't necessarily good for kids. Your—Government funding for childcare is often sold as a sure-fire way to improve life outcomes for children, particularly from low-income families. However, the evidence simply doesn't bear this out. Congressionally mandated studies of Head Start have failed to show lasting benefits for participants.

A recent study in Tennessee of the state-run pre-K revealed it had long term negative effects on children's achievement and behavior. This doesn't mean that there are no studies that will find benefits associated with preschool, nor does it mean that daycare and childcare aren't a necessary and important service for millions of children and families.

But it should encourage some humility and caution policymakers away from trying to push all students into Government approved childcare centers, since that could do more harm than good. Thank you.

[The prepared statement of Ms. Lukas follows:]

PREPARED STATEMENT OF CARRIE LUKAS

Good morning, I'm Carrie Lukas, President of Independent Women's Forum. Independent Women's Forum is a nonprofit organization (501c3) dedicated to developing

and advancing policies that aren't just well-intended, but actually enhance people's freedom, opportunities, and well-being.

I'm also the mother of five children between the ages of 8 and 17. I've been a stay-at-home mom without paid child care, and I've also used a variety of different paid childcare arrangements. As you consider policies designed to help parents of young children, I urge you to keep the following principles in mind:

### **1. American Families Want Choices, Not a One-Size-Fits-All Government Daycare Regime**

The premise of today's hearing is that there is a childcare "crisis" making sweeping government intervention necessary. Yet the reality is different: many parents face significant challenges related to accessing and affording child care, but many are also satisfied with their existing arrangements. In fact, a 2021 **Bipartisan Public Policy Center Survey** found that two-thirds (66 percent) of families with a single parent or two working parents say they were using their ideal childcare arrangement in January 2020. That's important because policymakers should seek to help those who need it, but also not disrupt arrangements that are working for parents.

Critically, surveys also suggest that most parents do not prefer formal daycare settings. A 2022 report by the Bipartisan Policy Center and Morning Consult found that nearly six in ten parents preferred informal child care over formal child care centers, even if formal care was free and in a convenient location. Most parents and Americans simply think that having family or family like care is best for children.<sup>1</sup>

This should caution against imposing proposals like the Child Care for Working Families Act which would heavily incentivize the use of institutional day care—parents' least preferred option.

### **2. Don't Make Child Care and Preschools Operate Like K-12 Public Schools**

Our recent experience with COVID demonstrated why we should reject any public policy change that would make our childcare and preschool systems function more like our K-12 public schools.

I have five children in public schools and, like many working parents, during the COVID pandemic, that meant I had to juggle my job along with managing my kids' schooling online. Where I live, most private schools provided in-person service by the fall of 2020, but our public schools fought to stay closed for as long as was politically possible, until mid-April 2021. That was long after it made any sense from a COVID and health perspective; long after teachers had been given priority access to vaccines; and long after it was obvious that it was an utter catastrophe in terms of emotional health and lost learning for students—particularly for children from low-income families, those with disabilities, and those for whom English is a second language.

The failures of our K-12 public schools contrast with the childcare sector. At the height of the pandemic, according to the Department of Health and Human Services, about 60 percent of childcare centers closed and enrollment fell by about 70 percent. But many stayed open to serve the children of critical workers. And by the end of 2020, an estimated 73 percent of daycare, preschool, and childcare programs had opened.

In contrast, **at the end of 2020**, only about a third of K-12 public schools were providing fully in-person services. Public schools behaved this way because they do not see parents and students as their customers. Why would they? Their ability to pay the bills and keep their jobs depends on pleasing government officials, not serving families. They know that most families are captive consumers; escaping to another school is financially out of reach. Parents should fight to keep this from becoming the situation for our child care and preschool.

In fact, all of the battles we see raging about public K-12 schools—over the content of the curriculum, the use of pronouns and sex ed, how religion is discussed, and masking policies—will come to your local day care and preschool if the government becomes their primary funder and sets the rules for what constitutes an approved daycare provider. We should also expect union-driven disruptions similar to

<sup>1</sup> See Linda Smith, Sarah Tracey, Ben Wolters, "Are Parents' Child Care Preferences Changing? Overview of BPC's Parent Survey," Bipartisan Policy Center, 2021. <https://bipartisanpolicy.org/blog/are-parents-child-care-preferences-changing—overview-of-bpcs-parent-survey/>. And Nikki Graf, "Most Americans say children are better off with a parent at home," Pew Research Center, 2016. <https://www.pewresearch.org/short-reads/2016/10/10/most-americans-say-children-are-better-off-with-a-parent-at-home>

those parents have endured during K–12 teacher strikes and COVID-era school closures.

Head Start shows just some of the problems you can expect with Federal management of child care. Head Start programs provide fewer hours at a higher cost than other daycare programs. They also have been found to be ripe with fraud and abuse, and even have had significant safety lapses. The 3- and 4-year-olds in Head Start facilities were forced to wear masks long after mandates were lifted for adult-dominated spaces; long after they'd been safely removed from other schools; and long after the evidence showed that disposable masks not only didn't help prevent the spread of COVID but probably hurt kids' speech and emotional development. Why were Head Start kids specifically targeted for these masking policies? Because they are at the mercy of regulators who could use them to virtue signal. This is simply wrong and Americans should reject putting more children under this Federal regime.

### **3. Reduce Regulations to Increase the Quantity of Daycare Providers and Diversity of Daycare Providers**

There are ways that government officials can make day care more affordable and accessible. To start, policymakers at all levels of government should seek to eliminate regulations that are not directly related to safety and true quality so that a greater diversity of providers—especially smaller and at-home providers—enter the marketplace so parents have more and better options.

A study by the Mercatus Center found that costs of care could be reduced by between \$850 and \$1,890 per child per year by eliminating regulations not related to the quality of care. A review of childcare regulations around the country reveals ludicrous examples of regulations dictating the minutiae of daycare facilities such as very specific art supplies and the number and size of balls and other toys, which clearly just create headaches and drive up costs for providers. These should be rescinded.

During COVID, policy leaders around the country, including Democrats as well as Republicans, lifted daycare regulations to encourage the creation of additional daycare options. Policymakers should explore the consequences of this deregulation and make permanent the elimination of regulations that have been found unnecessary.

In fact, in spite of the tremendous disruption during COVID, the 2022 data released by Child Care Aware of America showed that the number of licensed childcare centers today exceeded the number open pre-pandemic. States around the country have been enacting a variety of new childcare-related initiatives, which will provide helpful examples of what works and what doesn't.<sup>2</sup> That's progress that we should seek to continue and the Federal Government shouldn't disrupt.

### **4. Financially Support Families, Not Daycare Providers—and Use Money Wisely**

Policymakers considering investing tens of billions more taxpayer dollars in our childcare sector should first do some serious oversight of how existing funding for that sector is being used. Again, our experience during COVID is alarming in terms of reckless spending and zero accountability for the use of taxpayer money.

All of this government overspending and waste has had real consequences, helping fuel the runaway inflation which is making it harder and harder for American families to get by. Rather than shoveling more money into a government bureaucracy, policymakers ought to provide tax relief for parents, especially parents who have young children, since they often face the largest expenses.

Importantly, policymakers should not make financial support conditional on childcare arrangements. Incentivizing the use of paid child care isn't fair to all the families with loved ones—parents, grandparents, aunts, and neighbors—who provide loving care for children in their lives for free, while forgoing paid employment. Having family members like grandparents as caregivers is good for kids and for the grandparents themselves. We should not effectively discourage or crowd out these relationships.

<sup>2</sup> Dana Goldstein, "With Child Care Scarce, States Try to Fix 'a Broken Market,'" *New York Times*, 2022. <https://www.nytimes.com/2022/06/18/us/child-care-state-regulations.html>.

### 5. Government-Approved Day Care Isn't Necessarily Good for Kids

Government funding for child care is often sold as a surefire way to improve life outcomes for children, particularly from low-income families. However, the evidence simply doesn't bear this out. **Congressionally-mandated studies** of Head Start have failed to show lasting benefits for participants. A **recent study** in Tennessee of state-run pre-K revealed it has **long-term negative effects** on children's achievement and behavior.

This doesn't mean that no study will ever find benefits associated with preschool, nor does it mean that day care and child care aren't a necessary and important service for millions of children and families. But it should encourage some humility and caution policymakers away from trying to push all children into government-approved childcare centers since it could do more harm than good.

Thank you.

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[SUMMARY STATEMENT OF CARRIE LUKAS]

I'm Carrie Lukas, President of Independent Women's Forum. Independent Women's Forum is a nonprofit organization (501c3) dedicated to developing and advanc-

ing policies that aren't just well-intended, but actually enhance people's freedom, opportunities, and well-being.

I'm also the mother of five children between the ages of 8 and 17. I've been a stay-at-home mom without paid child care and I've also used a variety of different paid childcare arrangements.

As you consider policies designed to help parents of young children, I urge you to keep the following principles in mind:

- **1. American Families Want Choices, Not a One-Size-Fits-All Government Daycare Regime**
- **2. Don't Make Child Care and Preschools Operate Like K-12 Public Schools**
- **3. Reduce Regulations to Increase the Quantity of Daycare Providers and Diversity of Daycare Providers**
- **4. Financially Support Families, Not Daycare Providers—and Use Money Wisely**
- **5. Government Approved Day Care Isn't Necessarily Good for Kids**

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The CHAIR. Thank you very much, Ms. Lukas.  
Senator Cassidy.

Senator CASSIDY. I am sorry. We also welcome Ms. Kathryn Larin, Director of the Government Accounting Office's Education Workforce and Income Security Team. Ms. Larin oversees GAO's work on a variety of issues impacting low income and vulnerable populations, including childcare, child welfare, and economic assistance programs.

Today, Ms. Larin will speak to what the data shows about how states use supplemental childcare funding, and how complete data on the way states use the funding will not be available for another few years.

Her testimony will detail the challenges states experience managing more Federal funding than they had ever received, and difficulties getting money to providers quickly. We look forward to Ms. Larin's testimony about what we can say definitively about how states used their supplemental pandemic childcare funding.

**STATEMENT OF KATHRYN LARIN, DIRECTOR IN EDUCATION, WORKFORCE, AND INCOME SECURITY, GOVERNMENT ACCOUNTABILITY OFFICE, WASHINGTON, DC**

Ms. LARIN. Thank you. Good morning, Chairman Sanders, Ranking Member Cassidy, and Members of the Committee. Thank you for inviting me here today to discuss GAO's work on states' use of COVID-19 pandemic related funding for childcare.

The Federal Government has long invested in childcare as a key support for workers to help them become self-sufficient. During the pandemic, Congress appropriated more than \$52 billion in supplemental funding, including to the Child Care and Development Fund, the Nation's key Federal program for subsidizing childcare.

This was to help stabilize the sector and ensure that some families would have access to childcare. My testimony today will address two items, how states used pandemic relief childcare funds and flexibilities, and past and continuing challenges states face in spending these funds.

First, regarding state spending of supplemental funds, as of April 2023, states had spent approximately \$34.5 billion of the \$52.5 billion in supplemental funding that Congress appropriated. The majority of the unspent funds, \$11.7 billion, were provided through the American Rescue Plan, and states have until September 2024 to spend them.

The rest must be spent by the end of this Fiscal Year, September 2023. According to a survey that we conducted in 2020 and interviews we have had with state officials since then, states used supplemental funds for various purposes, including to provide childcare to essential workers and to support childcare centers experiencing temporary closures and decreased enrollment.

States have also taken advantage of new flexibilities offered through this supplemental funding, for example, by changing the way they pay providers or by waiving or reducing family co-payments. And there is some evidence that the funds have helped accomplish what they were meant to do, stabilize the childcare industry.

More generous, absent state policies and paying providers based on enrollment rather than attendance, kept some providers open when enrollment was low or fluctuating. More providers joined state programs, providing them with a reliable source of income during volatile times and allowing them to stay open.

After an initial steep decline, employment in the childcare sector has steadily increased, though it has not yet rebounded to pre-pandemic levels. However, given the times states have to spend the remaining funds and significant lags in reporting of data, a full accounting of how all the pandemic funds are being spent will likely not be available until 2025 or 2026.

Turning now to challenges states face in spending the funds. We interviewed child—state childcare officials in seven states in the fall of 2022, and they said they faced both short term and long-term challenges adapting their subsidy programs to use the supplemental funding, in some cases before Federal guidance was available.

All seven states told us they faced challenges moving quickly after receiving the money. They were tasked with managing and distributing the very large increase in funding during a compressed timeframe, and some states found it challenging to find ways to best meet families and providers' needs.

In addition, states told us they had to think strategically about how to manage funds given their time limited nature. Some states sought to spend money on one-time items rather than addressing long standing challenges. For example, investing in IT systems or training, or offering one time signing bonuses to new employees rather than raising staffed wages or substantially expanding enrollment.

Other states implemented changes that they would like to sustain, but they expressed uncertainty about future funding levels and the impact on their programs of reverting to pre-pandemic eligibility and provider payment policies. Some anticipate that having to expel families from the program when the funding expires.

In some supplemental childcare funding provided to the Childcare Development Fund and stabilization grants during the pandemic provided critical support to both providers and families in need of care, but a full accounting of the funds, how they are being used, and their full impact will not be available for at least the next few years. This concludes my statement. I am happy to answer any questions.

[The prepared statement of Ms. Larin follows:]

PREPARED STATEMENT OF KATHRYN LARIN

Chairman Sanders, Ranking Member Cassidy, and Members of the Committee:

Thank you for inviting me here today to discuss our work on states' use of Federal COVID-19 supplemental child care funds. The Federal Government has long invested in child care as a key support for workers to help them become self-sufficient. Child care subsidies help some low-income families afford child care so parents can work, attend school, or participate in job training. The Child Care and Development Fund (CCDF) is the largest Federal child care program, providing grants to states to improve the affordability, availability, and quality of child care. Appropriations for child care through CCDF during the COVID-19 pandemic totaled more than \$52 billion, representing a concerted effort to stabilize the sector and to ensure that low-income families would continue to have access to affordable child care. This influx of funds also allowed states to invest in quality improvements that benefit all children—including those who do not receive subsidies. States were also given temporary flexibilities in how they administer CCDF programs.

These efforts to support child care providers and families are ongoing, as some of these funds do not expire until September 2023 and others expire in September 2024. My statement today discusses (1) states' use of Federal COVID-19 relief child care funds and flexibilities, and (2) the past and continuing challenges states have faced in spending these funds.

This statement is primarily based on two recent prior reports on CCDF. For our October 2021 report, we surveyed state CCDF administrators in 50 states and the District of Columbia and asked about their uses of supplemental child care funds and flexibilities in 2020. For our March 2023 report, we interviewed state child care administrators in seven selected states in September and October 2022.<sup>1</sup> The work upon which this statement is based was conducted 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

CCDF is the primary source of Federal funding to help low-income families pay for child care. The Department of Health and Human Services (HHS) Office of Child Care administers the CCDF at the Federal level and provides guidance and technical assistance to states on how to operate their subsidy programs. Under CCDF, states have substantial flexibility to establish their own eligibility criteria that determine which low-income working families will receive subsidies to help them pay for child care. On average, 1.43 million of the estimated 8.7 million children eligible for child care subsidies in their states received them from CCDF funds in a given month in fiscal year 2019.<sup>2</sup> The gap between the number of low-income working families whose children could benefit from child care subsidies, and the number who actually receive subsidies, is long-standing.

As we reported in March 2023, nearly all state child care administrators and child care experts we interviewed in 2022 said that the pandemic placed unprecedented

<sup>1</sup> For our prior work see GAO, COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response, GAO-22-105051 (Washington D.C.: Oct. 27, 2021); Child Care: Subsidy Eligibility and Use in Fiscal Year 2019 and State Program Changes during the Pandemic, GAO-23-106073 (Washington, DC: Mar. 29, 2023).

<sup>2</sup> A total of 2 million children were served on average each month through all Federal and state funding streams.

strain on child care providers and working families.<sup>3</sup> Child care providers faced temporary and permanent closures. According to one report, nearly 16,000 child care centers and licensed family child care programs closed permanently between December 2019 and March 2021.<sup>4</sup> Many child care workers left the sector for higher paying jobs, leading to worker shortages as demand for child care started to increase. Providers were also tasked with updating their policies and programs to reflect constantly changing health and safety requirements and paying for personal protective equipment once they were able to re-open. Meanwhile, parents who lost their jobs as businesses suspended their operations or closed needed child care support while they searched for new jobs or sought educational activities to enhance their employment

Data from mid-2022 shows the child care sector recovering, although at this point it is not yet known whether employment has returned to pre-pandemic levels. Employment in the child care industry dropped 35 percent in April 2020 compared to early 2020, according to a recent HHS analysis.<sup>5</sup> After this initial decline, employment steadily increased and reached 92 percent of February 2020 levels by November 2022. As a result, on average, child care providers had more than 1.5 fewer employees in June 2022 than in January 2020, with impacts for both providers and families.

In 2020 and 2021, Congress appropriated more than \$52 billion in Coronavirus Aid, Relief, and Economic Security (CARES) Act and other COVID-19 supplemental funds for CCDF to help states prevent, prepare for, and respond to the COVID-19 pandemic (see table 1). This was a large-scale increase in CCDF funds; in fiscal year 2019, CCDF allocations were \$8.1 billion.<sup>6</sup>

Each supplemental funding source had specific spending rules and deadlines for states to obligate and spend funds. States were also provided flexibilities in how they could use their CCDF funds. For example, according to HHS, states were allowed to waive family co-payments for all families using child care subsidies, which is generally not allowable.<sup>7</sup>

As we reported in October 2021, states reported using a variety of strategies to support child care providers and families in 2020, including helping essential workers pay for care and paying child care providers based on enrollment rather than attendance, according to states' response to our National survey.<sup>8</sup> In a more recent study, HHS officials

Page 4 GAO-23-106833 Child Care reported states' use of similar strategies.<sup>9</sup> When asked about how they used CCDF CARES Act funds or planned to use

<sup>3</sup> We interviewed the state child care administrators in September and October 2022 in seven selected states: California, Colorado, Connecticut, Georgia, Michigan, New Mexico, and Texas. See GAO-23-106073.

<sup>4</sup> Child Care Aware of America, *Demanding Change: Repairing our Child Care System* (Arlington, VA: Feb. 2022). prospects. Finding and paying for child care became more of a struggle for these parents.

<sup>5</sup> Crouse, G., Ghertner, R., and Chien, N. *The Impact of the COVID-19 Pandemic on the Child Care Industry and Workforce*. (Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, January 2023).

<sup>6</sup> Additional sources of Federal funding for child care subsidies include Temporary Assistance for Needy Families and the Social Services Block Grant. The Federal Government and states spent an estimated total of \$11.1 billion to subsidize child care through these programs in fiscal year 2019, according to HHS.

<sup>7</sup> Waiving co-payments for all families generally is not allowable under CCDF, but was allowed temporarily for states with a CCDF waiver or using Coronavirus Response and Relief Supplemental Appropriations Act, 2021 funds, according to HHS officials. See <https://www.acf.hhs.gov/sites/default/files/documents/occ/summary-of-waiver-approvals.pdf> for additional information on approved waivers.

<sup>8</sup> We surveyed state CCDF administrators in 50 states and the District of Columbia and asked about their uses of supplemental child care funds and flexibilities in 2020. Our survey was administered between January and March 2021 and asked states to report on four points in time: March 31, June 30, September 30, and December 31, 2020. All but one state responded to our survey. For additional information, see GAO-22-105051.

<sup>9</sup> The HHS Office of Planning, Research and Evaluation issued a report in July 2022 that provided information about how states changed their CCDF policies in response to the COVID-19 pandemic from the declaration of the public health emergency on January 31, 2020 to March 1, 2021. The information was based on administrative data from states and territories. According to this report, for some portion of the pandemic's first year, 35 states waived co-payments for all families and 18 waived income eligibility thresholds for essential workers, changes that HHS officials we interviewed said were possible only because of the supplemental funds and the flexibility provided to states. For more information, see Department of Health and Human Services, Appendix to the 2020 CCDF Policies Data base Book of Tables: Child Care Subsidy Policies



Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) funds, states most commonly noted that they provided assistance to child care providers experiencing temporary closures or decreased enrollment and to child care providers not previously receiving CCDF funding (see table 2). More than half of states used funds to provide child care assistance to essential workers regardless of income. Based on preliminary data, HHS has noted that compared to 2019, the average monthly number of children served in 2020 with CCDF funded subsidies increased modestly.<sup>10</sup> HHS officials attribute the fiscal year 2020 increase in the number of children who received subsidies to states' use of CARES Act funding and flexibilities to serve the children of essential workers who were not previously eligible, among other reasons.

When asked about flexibilities they used, states most commonly opted to pay providers based on more generous absence day policies (see fig. 1).<sup>11</sup> In its preliminary fiscal year 2020 data, HHS officials attributed states' increase in the average monthly CCDF subsidy amount to child care providers, in part, to this more generous policy.<sup>12</sup> As we recently reported in March 2023, state child care administrators we interviewed in 2022 also said that paying subsidies to providers based on enrollment kept some providers from closing during periods of fluctuating or low attendance. One state administrator said this change incentivized additional providers to join the state subsidy program, as subsidies became a reliable source of income for child care providers during volatile times. We also found that 32 states waived or reduced family co-payments at the start of the pandemic, but over time fewer states continued this flexibility. For example, only 22 still had this change in effect in December 2020.

#### **Data about Supplemental CCDF Use and Effects after March 2021 Are Not Yet Available**

We have previously reported on states' use of the supplemental CCDF funds early in the pandemic, but data on the full extent of their use and impact is not yet available because states have not spent or obligated all the funding.<sup>13</sup> HHS added questions related to states' use of COVID-19 supplemental child care funding to the CCDF forms states are required to submit to HHS. Specifically, states submit CCDF financial reports reflecting their uses of the funds to HHS by 30 days after the end of each quarter. In addition, HHS receives information from states on their use of American Rescue Plan Act of 2021 (ARPA) child care stabilization funds on a new reporting form specific to that funding stream. HHS's Office of Child Care also conducts regular interviews with states to track their progress in spending COVID-19 supplemental child care funding, according to HHS officials. States continue to submit reports on their spending at the end of each year as funds are spent.

As of April 2023, HHS reported that states have spent \$34.5 billion of the \$52.5 billion in COVID-19 supplemental child care funds (see table 3). While recent annual obligation data are not yet available, HHS officials report that all state child care administrators stated that they met the September 30, 2022 obligation deadline for CARES, CRRSA, and ARPA stabilization funds.

According to HHS officials, states report quarterly financial data that include expenditures and other financial information by each COVID-19 supplemental funding source. HHS does not aggregate or publish these quarterly data and instead publishes these data on an annual basis, which officials said provides a more reliable accounting. According to HHS, states make significant adjustments to their reports during the year, including changing which funding source is claimed for certain obligations, where allowable and appropriate, leaving quarterly reports potentially misleading or inaccurate. HHS reported that a significant lag in finalizing and publishing data exists due to the process of reviewing submissions, following-up with states on missing or inconsistent data, and aggregating, clearing, and pub-

in Response to the COVID-19 Pandemic From January 2020 to March 2021, OPRE Report 2022-152 (Washington, DC: July 2022).

<sup>10</sup> The most recent CCDF eligibility data are from fiscal year 2019. While fiscal year 2020 eligibility data are not yet available, HHS published preliminary 2020 subsidy receipt data in May 2022 that showed an increase in the average number of children provided subsidies funded only through CCDF to an estimated 1.49 million children in an average month.

<sup>11</sup> More generous absence day policies were used during the pandemic to allow providers to continue receiving CCDF payments if their programs closed or children were absent, as a way to help support child care businesses during times of low attendance.

<sup>12</sup> In fiscal year 2019, providers were paid \$504 per month, on average nationally, for each child in their care who received a subsidy, according to HHS data. HHS's preliminary fiscal year 2020 data reflect an increase to \$556 per month, on average nationally for each child.

<sup>13</sup> GAO-22-105051.

lishing the results. The agency has published comprehensive fiscal year 2020 financial data and anticipates publishing fiscal year 2021 data in the fall of 2023, which will include obligation and liquidation amounts for each source of COVID-19 supplemental child care funding as of September 30, 2021. As a result, a full accounting of how supplemental COVID-19 funds were spent will likely be available in 2025 or 2026.

Similarly, data on the number of children eligible for and who received child care subsidies is typically available years after the end of the fiscal year. The most recent HHS information about the number of children eligible for and who received child care subsidies is from fiscal year 2019, prior to the appropriation of supplemental funds. HHS produces eligibility estimates using a microsimulation model that takes time to update every year, resulting in 2-year lag.<sup>14</sup> Therefore, a fuller picture on the use and impact of pandemic-related child care spending may not emerge until 2026.

### **State Child Care Administrators Cited Challenges Spending COVID-19 Funding and Reported Facing Continued Uncertainty**

As the public health emergency unfolded, states were tasked with quickly deciding how to assist vulnerable families and child care providers, sometimes before guidance on the use of Federal funds was available. State child care administrators we interviewed in 2022 said that they faced both short-term and ongoing challenges as they adapted their subsidy programs to meet the time-sensitive needs of families and child care providers during different phases of the pandemic. They specifically cited challenges to managing the influx of funding and making decisions that reflected its time-limited nature. State administrators are still in the process of spending these funds, but noted they are facing uncertainty about how the pandemic funds' expiration will affect both child care providers and families.

- **Managing influx of funding.** While child care administrators we interviewed in 2022 said that they were grateful for the additional financial support for their subsidy program, all seven expressed challenges related to managing and distributing a large influx of funding during a compressed timeframe to address families' and providers' real-time needs. For example, one state administrator discussed the challenge of quickly designing and implementing changes to the state program's IT system to account for changes made to their payment processes.
- **Time-limited nature of funding.** Amid this stress, state child care administrators tried to make sustainable choices and think strategically about how to use the funds. All seven state administrators we interviewed expressed concerns about the time-limited and one-time nature of the financial support they received during the pandemic. As a result, in some instances, states decided to use funds for one-time purposes rather than to address long-standing challenges. For example, one administrator explained that the state opted to pay one-time signing or retention bonuses rather than to raise wages to address long-standing child care worker recruitment and retention challenges.
- **Remaining uncertainty for states, families, and providers.** State administrators said uncertainty about future funding levels was a concern. In particular, several state child care administrators expressed concern about reverting to restrictive, pre-pandemic income eligibility limits for families and lower rates of payment to providers that do not reflect providers' true cost of delivering quality care. Three state administrators said they were concerned that without additional action they may need to expel families from the program when COVID-19 relief funds expire.

<sup>14</sup> There generally is a 2-year time lag between the collection of Census data that HHS uses to create its eligibility estimates and when it releases these data, according to HHS officials. HHS produces the eligibility estimates using the Transfer Income Model (TRIM), a microsimulation model developed and maintained by the Urban Institute under a contract with HHS. This model is based on the Annual Social and Economic Supplement of the Current Population Survey. TRIM compares family income and work status data, among other factors, from the Current Population Survey against CCDF requirements in order to generate estimates of the number of children and families eligible for subsidies. The baseline TRIM microsimulation takes time to produce in part because it analyzes changes in subsidy eligibility requirements in each state, as well as changes in requirements for other transfer programs and income imputations, among other factors. HHS has not finalized fiscal year 2020 subsidy receipt data, but preliminary data are available.

As we reported in March 2023, child care providers and low-income families have faced long-standing challenges. A pre-pandemic 2018 analysis found that more than half of Americans—51 percent—lived in neighborhoods classified as child care deserts, areas with more than three young children for every licensed child care slot.<sup>15</sup> Even when high-quality child care is available, many families struggle to pay for the cost of this care, with some who receive subsidies paying more than 7 percent of their income, HHS's benchmark for what may be considered affordable, on co-payments.<sup>16</sup> At the same time, several of the state child care administrators and experts we interviewed said that provider payment rates often are not sufficient to cover the high cost of providing quality care, leading to fewer providers accepting subsidies and fewer places for families to use them. As such, addressing these and other key challenges would require a sustained effort.

We currently have work underway examining whether and how states used pandemic child care funding to implement potential long-term strategies to help families and child care providers. As part of this work, we plan to further examine challenges states faced spending these funds. We plan to issue a report on the results of this work in early 2024.

Chairman Sanders, Ranking Member Cassidy, and Members of the Committee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

The CHAIR. Thank you very much. Let me begin the questioning. Let me start off with Ms. Groginsky, and I don't have a lot of time, so please answer briefly. New Mexico is not the most progressive state in the country. It is not the most conservative state in the country. You have kind of revolutionized the way you do childcare in that state. How do the people in New Mexico feel about it?

Ms. GROGINSKY. Thank you, Senator—

The CHAIR. Talk into the mic, please.

Ms. GROGINSKY. Yes, thank you. They are thrilled. I traveled the state. I talked to families. I talked to providers. I talked to educators. Everybody feels more valued and respected.

The CHAIR. What the Governor has done and what you have done is popular in the state, people feel good about it?

Ms. GROGINSKY. Absolutely.

The CHAIR. All right. Ms. Hogan, let me ask you, you are an expert on children in this country. For a start, how do we compare in terms of our childcare with other countries? And second of all, in your judgment, given the fact that psychologists tell us 0 through 4 is the most important years of intellectual and emotional development, how do we treat our kids in general?

Ms. HOGAN. Thank you for the question. I think it is really important to know that the U.S. does not stack up well compared to what other countries have chosen to do, given, interestingly, research and information that they base on what has happened in the U.S.

They know from what we have done the promise that exists in early childhood education and learning, and they have taken that and made the investments that are necessary across childcare, of course, but also paid leave and the other ways in which we are able

<sup>15</sup> R. Malik, K. Hamm, et al., *America's Child Care Deserts in 2018*, (Washington, DC.: Center for American Progress, December 2018).

<sup>16</sup> Child Care and Development Fund Program, 81 Fed. Reg. 67,438, 67,515 (Sept. 30, 2016). In fiscal year 2019, in five states, families on average paid more than 7 percent of their income on their co-payment when using a child care subsidy, according to HHS data. When excluding families with \$0 co-payments, families in 14 states, on average, paid more than 7 percent of their income on their co-payment

to invest in the supports for our children and families that are needed.

The CHAIR. Okay. Ms. Morman, you—we have heard a lot of discussion. You have made one simple fact which I think tells us all, as much as we need to know. You mentioned that you are paying workers at your facility, which I gather is not a Government run, one size fits all. It is a little small, private operation that you have, but 11 families, is that right?

Ms. MORMAN. Yes, sir.

The CHAIR. Okay. You mentioned you pay workers in Virginia \$12 an hour.

Ms. MORMAN. Yes, sir.

The CHAIR. I know that you do it—that is the best that you can do. You are struggling to stay in existence. I mean, just in general, and I applaud you for maintaining your facility, providing childcare, but would you agree that we have to, as a Nation, do better than pay people less than what they make in McDonald's or almost any other profession out there?

Ms. MORMAN. Yes, sir, I would. As I mentioned in my testimony, I am enrolled in a Virginia childcare subsidy program, but I have vacant slots that I cannot fill because I need to hire additional—an additional staff person.

I recently interviewed, as I stated, the young lady and I shared the pay, and she declined. So, hiring an additional person would have given us the ability to care for more children and be more flexible with the hours.

Currently, as it stands, if either of us, me and my other staff person, if we are sick or have a family emergency, then I must either close my facility for that time period or reimburse parents for the day if they are unable to find alternate care for the day that was not a scheduled day in advance.

The CHAIR. Thank you. Let me get back to Madam Secretary here. What have you been able to do to raise pay in New Mexico and attract more qualified workforce?

Ms. GROGINSKY. Thank you, Chairman. We—what we have been able to do is we raised everybody's wages \$3 an hour who worked in childcare. Providers opted in if they wanted to do that. We have also set our childcare reimbursement rates at the true cost of care using the cost estimation model.

Providers are able to attract and pay people now \$16 an hour, \$17 an hour, and we are valuing and respecting again, families and educators. And families have more choice. Families now have more choice, both because they have—we have family childcare, we have faith based, we have language immersion programs.

The CHAIR. The idea of one size fits all is not what you are doing in New Mexico?

Ms. GROGINSKY. No. And they are all private businesses, non-profit, for profit, faith based. There is lots of options for families, and it is important that we invest in all of those options.

The CHAIR. Ms. Hogan, if in Vermont it costs \$15,000 a year, what impact does that have on the financial well-being of families?

Can families support, in many cases middle-class, working-class families, afford childcare?

Ms. HOGAN. Vermont is actually doing really great work to address comprehensively early childhood education. But the reality is that families can't—and as we know, families cannot afford it. The problem is that we ask—policymakers ask parents to cover this cost of care out of their own pockets.

We ask educators to subsidize the cost through their own low wages. And that's—because of the way the market is structured, it doesn't work because the benefits go so far beyond its individual—

The CHAIR. All right. Let me interrupt you and just ask you my last question here. Why is childcare so expensive?

Ms. HOGAN. It is a great question, because it is something that every parent with kids in or looking for childcare asks, and the reality is that it does require a little bit of an understanding about the market.

It is a labor-intensive market, and it should be. Like this is about drive and safety, and consistency and quality/ programs regularly spend up to 85 percent of costs in personnel to have these in place. But it is important to remember, I think, that the goal—

The CHAIR. In other words, you don't have one worker for 30 or 40 kids.

Ms. HOGAN. No, and you have to have those in place in order for safety and for driving quality, and we can talk more about some of those pieces.

The CHAIR. Okay, Senator Cassidy.

Senator CASSIDY. I shall defer to Senator Tuberville.

Senator TUBERVILLE. Thank you. Thank you, Senator Cassidy. Thanks to the witnesses for being here. You know, childcare is important. You know, it is a personal decision for working families. Been there, done that. Most of us have. And it is expensive, but we have got real problems.

By the way, the Federal Government funds our childcare program. Now, it is pretty interesting to me we are doing this right now when we are having problems with our debt. But that being said, we must remember that childcare is run by the states, not the Federal Government, and that is where it should be.

But if my colleagues here get their way, childcare facilities would only be eligible for all this new money, only if they play by Federal rules. Do we want that? We got to really think about that. That means that the Federal Government will control the curriculum, required childcare workers to have a 4-year degree, price out the middle class.

Ms. Lukas, would imposing a 4-year degree requirement on childcare employees—what would it do to the labor market?

Ms. LUKAS. Well, I think we have seen that in Washington, DC, where they have moved in the direction of making these requirements, and it would obviously make it much more expensive.

As a parent, I think it is a misguided because as we all know, when you are looking for care for especially your youngest kids,

what you are really focused on is having somebody who is loving, caring, patient, and having a 4-year degree is certainly not a necessary requirement in that and does needlessly push up costs.

Senator TUBERVILLE. Thank you. What would it do to our religious providers and our private providers?

Ms. LUKAS. I do think that is something we should be concerned about. I think it is great when you have state-based programs that are basically providing families with vouchers so they can make those choices. But more than half of our—my understanding is a little more than half of all daycare slots are faith based and we need to make sure of that.

I worry when it was looked at the proposals for Build Back Better and the childcare provisions in there, that it could—that there was a threat, that there could be things that would be inconsistent with faith-based care, and I think that is something we should all make sure is absolutely protected because that is really important.

The environment, parents want to be able to have an environment that they think is supportive of their children.

Senator TUBERVILLE. Ms. Larin, do you have anything to add to that about faith based? Not really?

[Laughter.]

Senator TUBERVILLE. All right. So essentially we would be putting our children in public schools from 3 years old and up. Is that what we are talking about here?

Ms. LUKAS. I worry about that. I do think that sometimes the model, if we focus on a model like expanding K-through-12 education, that could be really problematic.

I do think COVID showed us some of the problems. And it wasn't just—we have had a lot of conversations about curriculum policies, but also things like just staying open or masking policies. I think it is worth noting—people haven't talked much about Head Start.

I mean, that is the Federal Government spends more than \$10 billion, that is about \$10,000 a year, but Head Start has a lot of problems. It is got the waste, fraud, and abuse problems. It is very expensive per hour. It provides less hours per care than most other providers.

Then your Head Start kids were among those who are forced to wear masks longer than just about anybody else, long after we would realize that adults have been able to take their masks off, when we were learning that masks were not just not doing any good for kids in schools, but they were actually harming them.

I worry about kind of some of these providers or these institutions becoming political footballs.

Senator TUBERVILLE. Ms. Larin, what would spending this kind of money due to our financial system? That is a little bit easier question.

[Laughter.]

Ms. LARIN. I am sorry, could you repeat the question?

Senator TUBERVILLE. What would spending this type—kind of money, all this money, what would it do to our financial system?

Ms. LARIN. Yes. I can't answer the question about the financial system, I am sorry. But what I can say is that historically, we have invested about \$8 to \$10 billion a year in childcare. And the \$52.5 billion that was appropriated during the pandemic was really unprecedented. And that is part of the reason that states face challenges in spending that money.

Senator TUBERVILLE. Thank you. Thank you, Mr. Chairman.

The CHAIR. Thank you.

Senator Casey.

Senator CASEY. Thank you, Mr. Chairman. Thanks for this hearing. I wanted to start with Elizabeth Groginsky and ask about the—your experience in New Mexico. And as a kind of a predicate for the question, I represent a state that has 67 counties in Pennsylvania, but 48 or rural counties.

These childcare challenges that we have heard so much about today and have heard for a long time, were persistent throughout every county in the state, no matter what the population base of the county.

The childcare stabilization grants, which came through the American Rescue Plan, were used by every type of childcare provider, and our state received little less than \$729 million. That represents more than 6,800 childcare programs that affected 365,500 children in our state.

A huge impact that one initiative provided through the American Rescue Plan. And we know that the shortage that we have talked about is particularly severe for children with disabilities and in families that live in those rural areas.

How have these stabilization grants been used to support childcare providers in rural areas? That is the first part of the question. The second is, what is at stake for these communities when the funding ends in September?

Ms. GROGINSKY. Thank you. Senator Casey. We were able to distribute almost, as I said, \$168 million. Much of New Mexico is also very rural. And in addition to the stabilization grants, it—as I said, it not only stabilized but strengthened so many of the family childcare center based programs all over the state, and we have been able to use the administrative dollars from stabilization to build supply.

A small village of Des Moines, we are working with the Mayor and people in his community to build childcare. So, it is absolutely critical that we not only continue to make investments in childcare, but we look at ways to build the brick and mortar, the capacity in rural communities and all across our states to make more—child care more available, and again, to this issue of parent choice, that is what is going to make it thrive. These are all voluntary programs.

Families are coming to us saying, help us, and we are saying family childcare center based care, in-home care, grandparents. We can help people build their own childcare businesses. So, it has been a big help and we need to continue those investments.

Senator CASEY. Well, thanks. I am just astounded at the fundamental nature of these investments for these centers in our state.

We are told that just in Pennsylvania, the—just for childcare centers, they are receiving a little more than \$142,000 per center.

Here is what they are using it for, personnel costs, so fundamental in the pandemic and throughout the last couple of years. Using the dollars for rent and mortgage, and that sometimes applied more to the family care centers, of which we have thousands in our state. So, it is critically important that we have a response.

We can't just throw up our hands and say, well, the funding is over, and you are—Washington has no response to that at all. We have got to have a response. In the remaining time I have, Ms. Hogan, I was going to ask you about legislation. I may be preempting Senator Murray because she is the lead on this bill, but the Child Care for Working Families Act.

I have been blessed to have the opportunity to be a co-lead on that legislation led by Senator Murray. I wanted to ask you, how would that legislation provide a comprehensive solution to childcare needs, including by lowering costs for families, increasing access to care, and addressing early educator workforce shortages?

Ms. HOGAN. Senator Casey, thank you so much for the question, because it really is this responsive, comprehensive strategy. And there is just a couple of things I would raise, because it addresses the entire system, and it does sort of really center this Federal state partnership. I think that is one of the things that we talk about when we talk about the importance of centering good things that happen at states.

We know from early funding, it recognizes and pays for the true cost of care, which we have talked about as being incredibly important to balancing all these pieces, caps costs for working families, and ensures the lowest family has free childcare and pre-K, and Head Start. And it provides grants, which again, as we know, they work to improve quality and supply.

Senator CASEY. Well, thanks very much. It is okay to repeat that if Senator Murray asks you about it.

[Laughter.]

The CHAIR. Senator Cassidy.

Senator CASSIDY. I defer to Senator Markwayne Mullin.

Senator MULLIN. Thank you, Senator. And thank you for our panelists for being here. I am going to address a question real quick about why is it so expensive. 14 years ago, my wife and I wanted to provide health care for our employees. It was actually going to be a benefit because we were having a lot of employees miss work because they couldn't find child and health care.

We just went through the process of trying to set it up, and it was crazy how expensive it was. Then outside of that, the liability that it brought to our company honestly outweighed the benefit of it.

Because of how much regulations that we pour on these early child development centers, preschool, it makes it almost cost prohibitive. And so, if we really want to fix cost, we should start looking at ourselves and seeking out a way that we can soften the amount of regulations and still keep our kids safe.



Now, let me get to the point of my questions and kind of make a point here. We are trying to Federalize our education system. To me, it sounds like we are trying to move more toward socialism, because when you Federalize an education system, you are standardizing what you are going to be teaching our kids and taking the parents out of the ability to have a say in it.

I have very—I have a lot of concerns about this. And it still baffles me that the Chairman of our Committee, Health, Education—I am going to put right put that big, Health, Education, Labor, and Pensions Committee is—that was appointed by Senate Democrats is a self-proclaimed socialist. I am not just calling that. Chairman, you openly say that you are a socialist. It is in your book, *Outsider* in the House, the Chairman says Bill Clinton is a moderate Democrat. I am a Democrat socialist.

That is over our education system. I have a book here in front of me called, *Our Skin*, that has been endorsed by NAEYC, and I am going to read exactly what this book says. You guys might find it interesting. “A long time ago, way before you were born, a group of white people made up an idea called race.

They sorted people by skin color and said that white people were better, smarter, prettier, and they deserved more than everybody else.” This would be taught—if we socialized, our pre-K system, this would be, taught—

The CHAIR. Do you disagree with the findings in the book?

Senator MULLIN. 1,000 percent. How about we teach *Jesus Loves Me*? How about this, if teaching *Jesus Loves Me* lyrics, the lyrics, go red and yellow, black and white, they are all precious in our sight.”

Now, which one would you think would be better? I will ask everybody on the panel. Which is better to teach, this, that is a story that was made up to teach our kids, 3 year olds who have no idea what race is, now all of a sudden is being taught that white people said this as a truth—someone point at me that this being a truth, that white people developed race, that white people developed that—that all of a sudden that was our word that we developed.

By the way, I am Cherokee—Native American. I think we have experienced a little bit of racism before in my life, Chairman—

Ms. GROGINSKY. Senator Mullin—

Senator MULLIN. I ask everybody on the panel, which one is better to teach, this or that *Jesus Loves Me* lyrics. Ma’am, I will start down here. Just, which one—I don’t have time for—

Ms. GROGINSKY. Yes—what I will tell you, Senator Mullin, is that what children in these early years develop their identity—

Senator MULLIN. No, no, no, I didn’t ask any question—the question is, which one you think is—

Ms. GROGINSKY. It is important that our classrooms are—

Senator MULLIN. I am just asking which one is better?

The CHAIR. Let her answer the question completely.

Senator MULLIN. My question is this—

The CHAIR. She will answer if she sees fit—

Senator MULLIN. Which one is better, this?

Ms. GROGINSKY. It is important that children's identity——

Senator MULLIN. That is not answering my question.

Ms. GROGINSKY [continuing]. are recognized——

Senator MULLIN. That is not answering my question.

Ms. GROGINSKY. That is what creates strong, executive function——

Senator MULLIN. Okay. Ma'am, if you don't want to answer my question, that is fine. Let's move on down the panel. Which one is better to be taught, this book or the Jesus Loves Me lyrics that says everybody's—that everybody's skin doesn't matter, they are all precious in His sight.

Ms. HOGAN. I think it is important to teach that all children are seen and valued for who they are, and that is when——

Senator MULLIN. But when you teach this, don't you think that other people are starting to say that white kids are to blame?

Ms. HOGAN. I think it is important——

Senator MULLIN. It is exactly what they are going to teach. It is exactly what it is. Ma'am. Ms. Morman. I disagree. First, it is important that we teach Jesus, and Jesus is what we teach, but the reality is——

Senator MULLIN. Which one is better—do you think this is——

The CHAIR. Could she answer the question, please.

Senator MULLIN. I don't want reality. I am asking the question which one is better?

[Laughter.]

Senator MULLIN. That is exactly—that is exactly what it is.

Voice. Add it on tape.

Senator MULLIN. Misspoke. What I am saying is, is which one is which, which? Which one is better to be taught, Mr. Chairman? Is it this or is it—or is it the Jesus—

The CHAIR. Is your question directed to me on this moment?

Senator MULLIN. Well, you keep interrupting me saying that—they are not asking the question.

The CHAIR. Want to ask them the question?

Senator MULLIN. I really——

Senator CASSIDY. No, no. It is his question. He gets to dictate it.

Senator MULLIN. Which——

The CHAIR. Not dictate it, ask the question.

Senator MULLIN. Which one?

The CHAIR. Talking to Ms. Morman, right?

Senator MULLIN. Yes.

Ms. MORMAN. As I stated, Jesus is always first.

Senator MULLIN. Absolutely. I agree with that. Let me end with this, because I still have more time because the Chairman kept interrupting me. I am going to close with two quotes. Okay. The first is from John Adams says, morality and virtue are the foundation of a republic and necessary for society to be free.

The second one is from our socialist communist Joseph Stalin, that says education is a weapon whose effect depends on who hands it is in and whom it is aimed. We got to be careful what we are trying to do here. With that, I yield back.

The CHAIR. Senator Baldwin.

Senator BALDWIN. Thank you, Mr. Chairman. Thank you to all of our witnesses for appearing today. From the high cost of care to persistent and widespread shortages of care, the lack of access to affordable childcare is straining the finances of families in every corner of my state. But I also hear from Wisconsin business owners who report that access to childcare remains a primary barrier to hiring and retaining the employees that they need.

I think Wisconsin has done well at using Federal investments to connect businesses with childcare needed for their workers, and I am glad to have the opportunity to share a little bit of that story at today's hearing. However, I am concerned about the ability of families and businesses in Wisconsin to continue to utilize these types of partnerships when the available funding runs out.

I am also really concerned about our ability to provide meaningful investment to address that childcare crisis under the constraints of the debt limit deal that is being debated right now in the House and will ultimately come to the Senate. Ms. Hogan, Wisconsin used Federal dollars from our COVID-19 response to create an innovative program that helps businesses purchase childcare slots for the benefit of their employees.

This program, called the Partner Up Program, has also pioneered an innovative true cost of care model, which I know has been referred to already, that allows participating childcare providers to be paid what it actually costs to provide care to children, making it an attractive program for businesses and childcare programs alike.

But I am concerned, as I said, when the Federal dollars run out, that innovative programs like this, both in Wisconsin and nationwide, will end. So, tell me, are we at risk right now of losing the momentum of addressing the childcare crisis if we fail to make up for the shortfall? What do you see?

Ms. HOGAN. I would say the short answer is yes, though we trust the parents and businesses who really need this investment will continue to push for the investments that are needed. But it is unfortunate that the funding is ending because it is—what you describe is such a great example of how a Federal, state, business, parent partnership can really work. And there are other examples, your neighbor in Michigan.

There are great examples of these pieces coming together to really meet the needs. And it really proves the point of what happens when the Federal Government makes these investments and states can respond to those needs in ways that are responsive to what is happening on the ground.

Senator BALDWIN. Great. I have a question for you, Ms. Morman. As you well know, family childcare providers provide indispensable services to families across the country, and I am concerned about the fact that my state, Wisconsin, lost nearly 25 percent of its family childcare providers in recent years.

That is a dramatic drop. I have heard from Wisconsinites about the initial cost to become licensed, that it can be very daunting for would be family care providers. And at the same time, I know that families and childcare providers share a strong interest that these homes meet rigorous care and safety standards. Startup grants, like those that were included in the Child Care for Working Families Act, really helped family childcare providers meet licensing standards and offset these initial costs without sacrificing safety or quality.

In your role as the head of an association of in-home family childcares, I ask you to talk about the importance of these startup grants. I am trying to think of an example that everyone could relate to.

Say, you want to get in the business, but you don't have a fence around your backyard and the children are going to be playing out there. That cost of just putting in the fence, which you need for safety, might be daunting in terms of overcoming that and making something work.

Tell me a little bit about startup grants, in addition, of course, to reasonable reimbursement rates, to help recruit and retain more family childcare providers.

Ms. MORMAN. Yes, ma'am. More children spend time in home based childcare settings than any other childcare setting. Family childcare educators disproportionately care for infants and toddlers and children from low-income families, families of color, as well as families living in rural communities.

Therefore, it is critical to ensure home based childcare providers have access to higher reimbursement rates and resources to start-up their childcare programs to meet health, safety, and quality standards. When I started my program, I had to make modifications to my home and purchase furniture and materials for the childcare program. I used my savings, since I didn't have income from childcare yet.

Steps to reduce barriers to licensing include providing startup grants and providing technical assistance from trusted advisers and coaches on topics like stages of child development, implementing a curriculum, and running a childcare business. Family childcare providers also faced housing insecurity at an alarming rate.

According to a standard rapid survey, over one-quarter of home-based providers were worried about being evicted from their homes.

The CHAIR. Ms. Morman, time has expired. Thank you very.

Senator BALDWIN. Yes. Thank you.

The CHAIR. Senator Cassidy.

Senator CASSIDY. I defer to Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman. Thank you, Ranking Member. I am glad we are talking about childcare here this morning. I don't view childcare as a threat to me as a parent, about whether or not we are losing our values. As a parent, I want to know what is going on in my childcare facility. I want to know what is going on in my kid's school. I think that is incumbent upon

me as that parent then to actively engage in that. But I want to have some choices. I want to have some options.

In my state right now, 61 percent, 61 percent of Alaskans live in what they call a childcare desert. They have nothing. So, when we are looking for workers from everything from slope workers to teachers to doctors, I am having—I am having workforce issues in other spaces because we don't have access to childcare.

The community of Valdez, the terminus of the Alaska pipeline, got a great little hospital there. They are trying to get some providers. They got some nurses that are lined up to come and they find out that the only licensed childcare facility in all of Valdez has closed down and there is no plan for it.

The Coast Guard says, if we don't have childcare there in Valdez, we are not so sure about the viability of Valdez as a Coast Guard community. Childcare is not only a workforce issue, it is a military readiness issue. I had a sit down with the head of our childcare coalitions and I brought in the base commander from Joint Base Elmendorf Richardson, because he is telling me that the No. 1 challenge he has got right now when it comes to readiness is the availability of childcare.

We talked about, is it what childcare providers are being paid? And we found out that in the military, at least on JBER, they have got flexibility to pay their childcare providers more and they still can't get the people that they needed. I asked a simple question, what more can we do? If it is not the pay, what is it?

I was told, until you—until you allow child care providers to think that this is a career and not just a job where I am going to go get minimum wage and then hopefully I am going to get something better from there—our reality is child care is an imperative in so many of our communities, our states, and we have got to do more to address it.

This weekend in our state's largest newspaper article about childcare in Alaska, 250 people on the wait list in a facility in Palmer at the childcare facility just up the road from where I used to live there in Anchorage. What children—what families are being charged for one kid, \$1,700, you tell me how a family who is a teacher and a firefighter, is finding \$1,700 dollars for their one kid.

It is not only childcare deserts, it is the issue of affordability. I am told that on average in Alaska, families pay \$982 per month for childcare. But again, that varies. I am looking at this and I am saying, there is a role here. There is a role for us. Last Congress, Senator Tim Scott introduced the Child Care and Development Block Grant Reauthorization.

I co-sponsored that because I thought it was a good way to actually help assist childcare providers and families in their ability to be able to choose childcare without us here in the Federal Government micromanaging things. Senator Murray has a different approach to it, but I am looking at this and suggesting that we have a role here.

We have a role. I perhaps might not have ever envisioned that at the Federal level it was incumbent upon us to weigh in here when it comes to childcare and access to childcare, but it is impact-

ing our military security. It is impacting our economic security when you cannot get people to be able to return to work because there is no childcare for them.

If anybody wants to comment on Senator Scott's reauthorization of the childcare development block grant, I am happy to hear that because I have taken my full 5 minutes, apparently. Go ahead, somebody. Ms. Hogan, you are picked on.

Ms. HOGAN. Well, what I really—I just, there so much—it is wonderful to hear you talk about the role, and I just want to appreciate the opportunities to have bipartisan agreement to build on what we have already done to ensure that there is childcare and early learning access. I especially want to lift up what you talked about in terms of this really not being a minimum wage job.

The compensation needs to be commensurate with their incredible skills and value that goes into this. This is a difficult job. And the Senator from Oklahoma I know isn't here, but this question of regulations, when we make a—when we make it harder for an early childhood educator to do their job, when we reduce ratios and we reduce group sizes, one of the things that we need to talk about when we do that is we make it harder to recruit and retain early childhood educators.

We actually reduce the supply when what we are trying to do is increase it. And that comes back to this question of the ways in which compensation really matters most. If we don't fix that, we are going to keep struggling with this challenge.

The CHAIR. Thank you very much.

Senator Kaine.

Senator KAINE. Thank you, Mr. Chair, and thanks to the witnesses. I think there is a consensus, not in unity, but a consensus that we have got to do something about this and a lot of debate about what is the right way to do it. You know, the reality in Virginia—so I am a parent of three kids. One is an early childhood educator in a private pre-K program, long standing private pre-K program in Minneapolis.

I travel all around the state, talk to people at military bases, and rural Floyd County, and metropolitan Richmond, Hampton Roads, and whether I am in a rural part of Virginia or in a really metropolitan part of Virginia, I hear the same story over and over again, that we can't pay our folks what they are worth. If we did pay them what they were worth, a whole lot of our parents couldn't afford it.

Then from parents, I can't find affordable childcare and I would like to be in the workforce, but I am not because of the inability to find high quality, affordable childcare. At the same time as our unemployment rate is near the lowest it has been in 60 years and every employer in the state is telling me we can't hire people. We have got a massive reserve army of super talented people who would like to be in the workforce, and they say they are not for one reason, they can't find high quality, affordable childcare.

Now Ms. Morman, my kids in Richmond did early childhood experience, some home based family childcare, some the Virginia Pre-school Initiative. Two programs in church basements that were

church run programs, and I support all of it, and I supported all of it when I was Governor.

I guess you wouldn't be here today with us if you thought what we were trying to do was dictate a one size fits all style, one like Government run program, correct? You wouldn't come and testify to a Committee if that was what was up? In fact, you were talking about the value of the funding that you receive during COVID. The first set of funding was part of the CARES Act, which was bipartisan, Democrats and Republicans together said we would better help out childcare providers during this tough time.

Then we did more in the American Rescue Plan, and that was just Democratic votes, only Democratic votes. But in the American Rescue plan, we didn't exclude family based care—we didn't exclude family based care run by faith filled people. We said, we need you.

We want to support you. And the proposal that Senator Murray and I have is to do that. It is not to do a one size fits all. It is to have a program that would support high quality, but high quality delivered in a million different ways, including programs just like yours.

You were candid, and I want to dig in a little more because I thought you were candid on the salary issue. You are paying \$12 bucks. The state says you can get some additional resources, training if you can go to \$17. But if you went to \$17, how would that affect the parents who are coming to you?

Ms. MORMAN. If I went to \$17, I would have to increase my rates.

Senator KAINE. A number of your parents, families couldn't afford it, right?

Ms. MORMAN. I would lose them.

Senator KAINE. Right. So, this is the gap I am hearing everywhere. My families struggle to afford this. My providers are worth a lot more than I paid them. But if I paid them that, then these families would be in a jam, and you wouldn't be able to provide services to them. And that is the gap that I think we have to find an answer for.

I appreciate you are kind of just stating it so clearly in terms of how it affects you, because I hear this all over the place. I want to thank you too, as I am just continuing, this work that you did during COVID to call all of these childcare providers in the family settings to say if you were running a daycare center that had 50, 60, 70 kids, you might be more aware of these resources out there.

But like the place where my son Nat went, first in life, there are four kids there. Marie Williams, I doubt, would have known about Federal funding available to help her over this tough time. What did you learn as you were reaching out to these 400 providers during this tough time that you might want to share with us?

Ms. MORMAN. The money was crucial. It helped them to continue to be able to operate and serve the children that they had in care. Without those phone calls, providers would have lost out because it was a deadline. There were no extensions. You had to act, and you had to act then. And many providers were not aware because

they were working. They didn't have time to check emails or to see what was going on. They were working, caring for the children that were in care.

Senator Kaine. Just to put an exclamation point on the value of the work that you did, this was also during a time where because early phases of COVID, you don't exactly know—you were having to grapple with social distancing issues that you might not have thought about. Three-year-olds aren't the greatest social distancers in the world or so I have noticed.

Second, you probably had a whole lot of parents who were facing issues at their jobs, and even as they were struggling to pay what you would charge them, now if their jobs are in jeopardy or businesses are closed down and things like that, they had even more needs.

But you were able to not easily kind of stretch because of this Federal assistance, stretch the fabric over the holes in the garment to kind of keep plugging along. That is what our assistance enabled you to do, correct?

Ms. Morman. Definitely. Without it—and some providers did not make it because they weren't able to continue. Financially, they just couldn't afford to continue to run their business.

Senator Kaine. Well, thanks for being a resource for others. I yield back to the Chair.

The Chair. Thank you.

Senator Cassidy.

Senator Cassidy. I defer to Senator Marshall.

Senator Marshall. Right. Thank you, Senator Cassidy and Chairman. Certainly, agree with everybody here that childcare is a significant problem. It is nothing new in rural America. It has now flooded over to urban America. I think I have shared before this Committee, the toughest part of my marriage, I remember, is working 36-hour shifts as a resident.

My wife, the nurse, working 12-hour shifts with two preschool kids. Running a hospital, running a medical practice, childcare was always a major issue, of course, for nurses. We have had, gosh, the big roundtable at Kansas State University three or 4 years ago trying to bring in the best minds and what we could do or not do.

Beyond that, I think I did a dozen roundtables this last week, and at every one of those roundtables, urban and rural America, this issue was brought up. I think what is interesting is each community has their own way to solve it, and it is so hard for me to sit here and say, this is one size that is going to work for everybody.

Even just hearing everybody's ideas up here, it is next to impossible to figure out what would work best. Probably the best solution I have seen is Salina, Kansas took their YMCA and did a co-op there.

They had an underutilized resource during the day, and different businesses—we are going to pay for a share, like five spots, seven spots, ten spots, whether they use them or not, so when you are running this co-op, you would at least have a fixed income.



That was a very unique idea. I want to talk about the 45U tax credit, though. I hope that some of you are familiar with this, but I think it is an opportunity for small businesses, but it is very tight what you can use it for or not use it for. But by expanding the 45F tax credit, I think gives more flexibility to those people, those small businesses. Ms. Lukas, are you familiar with 45F at all?

Ms. LUKAS. Not really, I am sorry to say.

Senator MARSHALL. Ms. Larin, re you familiar with it?

Ms. LARIN. Yes. GAO looked at use of the childcare tax credit by employers a few years ago and we found the take up rate was very low, and there are a number of reasons for that low usage. I think for one thing, it is—employers don't—aren't really aware of the tax credit, and it remains very expensive to provide childcare to employees, but it is an option that is available to employers that is underutilized at this time.

Senator MARSHALL. Right. What would you do to expand it to make it more user friendly? Any thoughts?

Ms. LARIN. We didn't make any recommendations around that. When we did the work, we were really looking at the use of the credit and challenges to using it.

Senator MARSHALL. Right. Anybody else on the panel familiar with 45F? Okay. All right. Thank you. I yield back.

The CHAIR. Thank you.

Senator Smith.

Senator SMITH. Thank you very much, Chair Sanders. And thanks to all of you for being here today. I have been listening to this conversation, and I am really struck as I think about what this sounds like at home in Minnesota, because at home in Minnesota, I can tell you that childcare, access and affordability is a huge issue. And it is not just an issue in the blue parts of the state. It is an issue everywhere.

In fact, I think most Minnesotans don't really see this as a political issue at all. You know, in small towns and rural places, I hear from farmers and small businesspeople and mayors and parents that childcare is just not working for them. And that is what we have all been talking about.

I think this—as Senator Kaine said, there is understanding of that issue. I think the question is, what do we do about it? I want to just like focus in first on what we have done about it, because I want to dispel any myths that might exist about whether or not in the work that Congress did, Congress took action to shore up the childcare system because it was collapsing.

If we hadn't done that, my understanding from talking to people in Minnesota is that this teetering on the edge of a cliff childcare system would be off the cliff and there would—we would be even a much different situation.

That is what I am hearing at home. Just to give you an example, 96 percent of childcare providers in Minnesota said that receiving the grant was helpful in keeping their program open and operating. 81 percent of people said that was a very helpful. Majority said that it helped them to retain staff.

It made a difference. It made a real difference. 8,000 childcare providers were able to keep their businesses afloat. I can tell you, I think this is probably pretty similar around the country. In rural parts of the state, that is more often than not, family childcare providers who are most at risk of having to close up because of the situation.

Let me just go first to you, Ms. Groginsky, talking about what you have seen in New Mexico. Your home state has been very effective in utilizing the childcare stabilization grants. And could you just talk a bit more about how you—like sort of, how you were able to use those dollars to shore up the systemic position, New Mexico providers and families, for a better system?

Ms. GROGINSKY. Thank you, Senator Smith. We put together a formula that made sure that we based it on licensed capacity, but we also wanted to incentivize infant toddler care and higher quality care and give more to centers and family childcare homes located in what we call high vulnerability index communities.

We acted quickly with that. We, similarly, as a state, we called every provider to make sure they knew about the opportunity, and we thought that was very important, especially in our rural communities.

Broadband access is very limited, so we know that phone calls, text messages were going to be critical. I feel good that we reached almost all of our providers. We directly talked to them, and they knew that the money was available.

Senator SMITH. You said also in your testimony that flexibility was so important because if you agree, as I do, that one size does not fit all, that means that individual providers are going to have different needs.

Some—a small family provider in the midst of that pandemic needed to make some physical improvements to their space so that they were able to stay open, right. And the ability for individuals to be able to make their own decisions without the Federal Government saying, you must do this—

Ms. GROGINSKY. That is exactly right. They were able to make choices about how they spent it with a list. Most people did invest in salaries, but they did things like improve their outdoor learning environments. They made things more safe and healthy. They put filters in their houses or in their childcare centers. So overall, again, they were much stronger by the end of the stabilization.

Senator SMITH. That continues to reap benefits, even though the fundamental market failure—I mean, I would say we have a market failure here. There is the supply and the demand, how much it costs and how much people are able to pay, is completely mismatched.

Those are essentially the problems that we are working to solve, that Senator Murray and I and others, and Senator Warren and I have been working to try to resolve. Not by saying you must have a childcare system that is exactly this way, but by actually putting power in the hands of parents to make decisions about what that looks like.

Miss—I am about to run out of time, so I am going to switch gears because I want to ask Ms. Morman something that I think is really important for the Committee to have on our minds. This actually isn't part of the jurisdiction of this Committee, Senator Sanders, but it is really important.

During the pandemic, the Department of Agriculture issued a waiver that allowed us to extend flexibility to provide through the Child and Adult Care Food Program, so home-based providers could be reimbursed for the food that they provided in their systems. Ms. Morman, could you just—I know you are a home-based provider.

Could you talk briefly—and that program is going to expire if we don't take action. Could you talk just briefly about what your experiences were with that program and whether you think that there are things we should keep in mind as we look at whether it can be extended?

Ms. MORMAN. Yes, ma'am. I participated in the childcare—Child and Adult Care Food Program, which is an important program and source of funding for childcare community. However, major reforms are needed. Depending on where family childcare educators live or their own income, we are assigned to a tier.

Tier one or tier two. In tier two, the already modest partial reimbursement rate is about half of the rate for tier one. Tearing only applies to family childcare. It does not apply to centers or Head Start programs.

In the 20 years since tiering was introduced, the number of family childcare homes participating in the CACFP has decreased by 46 percent. Thanks to Congressional leadership when the pandemic struck, the USDA had the flexibility to temporarily move all family childcare programs to a tier one. We also received an additional \$0.10 per meal or SNAP reimbursement.

This was a lifeline as meals and childcare programs are vital sources of nutrition for children, children in my program for 10 to 14 hours per day, and I serve two meals and one snack, and a dinner for children who stay longer.

I share your concern about the end of the waiver, which expires June 30th. The cost of food has increased significantly. The CACFP reimbursement only partially covers the cost of food, leaving us to regularly pay out of pocket to feed children.

Senator SMITH. Thank you, Ms. Morman. I know I have gone over time. I appreciated you bringing our attention to that. Thank you, Mr. Chair.

The CHAIR. I am sorry to always have to interrupt you, but it is their fault.

[Laughter.]

Senator SMITH. It was my fault. I asked a question. I knew was going to take more than 8 seconds.

The CHAIR. Senator Cassidy.

Senator CASSIDY. First, Senator Budd.

Senator BUDD. Thank you, Senator Cassidy. Thank you, Chair. And again, I thank the panel, the witnesses, for being here today.

I believe that parents should be empowered to make the best decisions for their family's childcare needs. And there really shouldn't be a one size fits all solution.

I am concerned that proposals from my colleagues across the aisle, from the Democrats on this Committee, which would stifle parental choice by sweeping Government intervention to essentially take over the childcare system in our Country.

Ms. Lukas, can you go into more detail about something that you and Senator Tuberville chatted about earlier? Can you go into more detail on why childcare should not function like a K through 12 school?

Ms. LUKAS. Well, there are so many reasons, but I think that the—that when you look at the youngest kids, we know that they have special needs. They need loving care. Their people have a variety of different preferences.

Many parents want a home-based care and something that is a more loving and environment that reflects their values. As we move toward more toward basically just extending down our K-through-12 public schools, I think we are going to lose a lot of that, and especially as we have seen with our K through 12 public schools, all this controversy and parents? kind of waking up during COVID to recognizing that what was being taught isn't what they wanted to be taught.

The tremendous lack of learning that is taking place in K through 12, rising violence in K through 12 education. I think there is just a lot to be concerned with. Plus, school closures. There is a lot of failures in COVID that I think brought people to question what's going on in our K through 12 public schools.

Senator BUDD. Thank you. So how can policymakers support parents who would prefer to have one parent or maybe an extended family member stay home with the child?

Ms. LUKAS. I think as we are talking about this, there is so many great things that are going on at the state level, but I think that should give us humility. Like why does this money need to pass through the Federal Government rather than having states and their own programs?

A lot of states are doing great work and enacting very interesting programs to help those who need childcare, but without make it harder for people to keep a parent at home.

I do worry, as we talk about all this money going to support one kind of childcare arrangement, and that is paying someone else to care for your child, that we are effectively discouraging or disincentivizing, not only stay at home parents, but grandparent and other kind of community-based relationships.

I think we should be supporting parents through tax credits, through tax deductions, lower tax rates, direct subsidies, but not making it conditional on paying somebody else to care for your kids.

Senator BUDD. Thank you very much. I yield back.

The CHAIR. Senator Hassan.

Senator HASSAN. Well, thank you, Mr. Chairman and Ranking Member Cassidy for this hearing. Thanks to our witnesses for being here today. This is obviously a critical issue for all of us, for our constituents, for our families, and most importantly, for our kids. So, to Ms. Hogan, I wanted to start with a question to you.

Unfortunately, many young children missed out on formative years of learning and socializing with peers due to the pandemic. A recent survey by the American Speech Language Hearing Association found that a large majority of speech language pathologists are reporting more young children who have delayed language or diagnosed language disorders and behavioral difficulties.

Some of those students may require professional early intervention services, but parents and early childhood educators have an important role to play here as well. So, Ms. Hogan, what steps can we take to ensure that childcare staff receive the training necessary to support the healthy development of young children and their learning recovery?

Ms. HOGAN. Thank you so much for the question. And it is true, we also are hearing that from early childhood educators every day, that they are seeing a lot of challenges that kids are bringing to bear and making sure, again, we have talked about how difficult it is for families to access childcare.

This is particularly true for families who have children with disabilities and families who need nontraditional hours. So really making sure that educators—it speaks to this question of the complexity in early learning and making sure that early childhood educators have access to gaining those skills and competencies they need.

We have seen, again, states really go out of their way to make those investments in apprenticeships and scholarships and access to training and professional development that really supports early childhood educators and understanding across all settings how to support kids and their families.

Senator HASSAN. Well, thanks. I really appreciate that, because it is true, when you have a child who needs either a different approach or more complex understanding of development, it is really important for early childhood educators to get those supports and that training. Secretary Groginsky, I wanted to ask you a question.

Along with Senator Young, I have introduced the bipartisan After Hours Child Care Act, which would expand access to childcare for Americans who work nontraditional hours. That third shift—sometimes that second shift, right. Lack of access to childcare during these nontraditional hours hits families in rural areas especially hard.

I know Senator Smith touched on this in a question, but Secretary, how are you increasing access to childcare in rural areas and for families with nontraditional work schedules in your state?

Ms. GROGINSKY. [Technical problems]—Senator Hassan, the ways that we are doing it is really through all of these three mechanisms, making sure that we are paying for the true cost of care, expanding eligibility for families up to that 400 percent of poverty, and really investing in the workforce.

We know that our childcare programs need to stay open longer, and especially in our rural communities. We have seen children die because their families did not have access to childcare, and they had to leave their baby or their toddler with somebody so they could go to work in one of those evening jobs.

Investing in childcare is about improving child well-being overall. So, all three of the things that we are doing in New Mexico are making a difference.

Senator HASSAN. Well, thank you for your work. And thank you, Mr. Chair. That is all I have.

The CHAIR. Thank you.

Senator Cassidy.

Senator CASSIDY. Senator Braun.

Senator BRAUN. Thank you, Mr. Chairman and Ranking Member. I like these discussions because I come from the real world before I got here and how you actually try to fix these things. I remember the gentle memories of when our kids were raised, it just wasn't this complicated.

We had plenty of local providers. Some of them, I wondered how they made it through the day with the pandemonium that seemed to be part of the process. Everything needs room for improvement. We are talking about putting more responsibility possibly on the shoulders of the Federal Government.

One of the reasons I ran is because if you are good at finance and you know the numbers, you kind of look a little into the future, and I don't see a good business plan for this place to take on more responsibility. I am doing this as a problem solver, not really doing it in a political way.

Senator Sanders and I had discussions. I think he and I have been the loudest Senators on reforming health care. That is a broken system—that one side wants more Government. We consider it maybe, Okay. It is not okay when it costs that much. Childcare, because I visit all of our 92 counties, a lot has to do with workforce there. You want more people to come into the workforce, you are going to have to have childcare. And it worked years ago. It is just not working now.

My thinking is, unless you come up with real solutions, they will generally get to this forum and then you are stuck with more top down in already kind of bloated system that doesn't really look warm and fuzzy in terms of the finance part of it, in the long term. My question is, I will start with Ms. Groginsky, you have done something in a state. I think that is probably where a lot of the solutions are going to get done sustainably and paid for over time.

Do you think this should be something that we consider here on top of whatever we have been doing that looks like we are getting into financial chaos, and I don't know what we have been knocking it out of the park on.

You seem to have results. Can this be done in the bailiwick of states as opposed to trying to find solutions here? And where do you think it would be best done?

Ms. GROGINSKY. Thank you, Senator Braun. I think we can't, the states can't do it without a significant Federal investment. I think that is what we saw—and a Federal investment that had the flexibility that we need—

Senator BRAUN. Right there—that, you made a point there. Would you be willing to borrow the money from future generations to do it? Because back home and businesses and anything else, you are finding out through the force of having to live within your means, the solutions that really work. Would you really want more here if we are borrowing the money to do it? Because that is what you would be saying along with wanting to help.

Ms. GROGINSKY. Thank you, Senator Braun. Yes, absolutely. The benefits will pay off. The return on investment is clear. And in New Mexico, over 70 percent of the voters said we want to have a Constitutional right to early childhood education, overwhelmingly. I think nationwide is the same case.

We need to make that partnership between state and Federal and local so that parents have the choice they need to go to work, invest in their children's future, and that will return to us in dividends that we can't even imagine.

Senator BRAUN. What that will do is pile on to our \$31 trillion in debt. And we are wrestling with this right now between two sides that I don't think are really taking it seriously. One side wants it \$20 trillion out there in 10 years, more.

That heavy load of interest, I can tell you, is not going to be good for what you want are for the other things, Social Security and Medicare, long term. But I understand your opinion is that there wouldn't be the wherewithal. I do disagree with that—

Ms. GROGINSKY. Without losing, as Ms. Hogan said, \$1.2—\$122 billion in lost revenue right now. So that is something that we need to think about when we make these choices.

Senator BRAUN. But anything we are trying to make up on lost revenue, we are borrowing the money to do it. Ms. Larin, where are you at on this issue? Clearly, people come here because they want money for things. If we were doing it responsibly, like we do everywhere else, it would be there.

But you would be making tough decisions of trading off what the best use of that money would be. Can states do this on their own? And what do you think, if they got to look here, are you willing to borrow the money to do it?

Ms. LARIN. Yes. I mean, I think you raise an important point about states making decisions and the current system, the CCDF program, does allow states a fair amount of flexibility in how they use the funds.

That is part of the reason that we don't know how all of the current spending is being spent, and we won't know that for a few years. And it is because different states are doing different things with that money. I think that is important, having the flexibility at the state level—I am sorry, I think I missed the other—

Senator BRAUN. Well, you I think you made your point. I don't want to be gaveled by the Chairman for going over my time, but I will put this out there. Unless all of us as citizens, all of us that

want to solve problems, if we don't start doing some of that in ways that are resourceful and maybe from the bottom up, I do think we are going to run into issues of how we pay for it here over time. Food for thought. Thank you.

The CHAIR. Thank you.

Senator Lujàn.

Senator LUJÀN. Thank you, Mr. Chairman. I want to come back to a point that Chair Sanders brought to our attention as well, and that was on the inherent conflict that exists in childcare.

One area I hope that we all agree is that the wages that early childhood educators make is very, very low. I hope that we take a moment to understand what the impact on the system is but on those kids, especially some that may benefit from a curriculum, that social learning, and those that won't.

What that means into future years of prosperity in community and across the country. Now, what is incredible about this conflict is it boils down to subsidy rates. Most states use market rates, as was pointed out by our secretary earlier, to calculate their subsidy rate and market rates report what providers are charging for childcare, which is typically only what parents can afford.

As was pointed out, artificially low. These low market rates keep wages low, revenues low, and supply low. Now, New Mexico became the first state in the Nation, along with D.C., to use this alternative methodology to set rates. I appreciate that. Now, Secretary Groginsky, what kinds of factors went into the new methodology?

Ms. GROGINSKY. Thank you, Senator Lujàn. Really importantly was how much are we going to pay our early childhood staff? So, we set a floor initially at \$12.10. We have now set that floor to \$15 an hour. But we are also looking at things that state laws require, like paid sick leave. So, we put that into it. We put benefits.

We make sure that there is enough staffing so that educators have time out of the classroom to plan for their children's learning and development. So, all of those things are modeled into the cost model.

Then we determine a rate, and we determine what that cost, and then based on our revenues and our sources, we set a rate that will be comparable and competitive. Senator Lujàn. Now, Secretary, did using that methodology, the new cost model for it, help to expand access for families, for kids?

Ms. GROGINSKY. Senator, it did. We have seen that we now have over almost 2,000 more license capacity than when we ? pre-pandemic, and so we know that it was through this rate setting that was using a cost model that allowed providers to breathe easier, to attract and recruit staff, and fully staff their classrooms.

Senator LUJÀN. Now, New Mexico was able to make childcare accessible for nearly all families by increasing income eligibility, providing a path forward for these young people to be able to get access to these programs predominantly at no cost. I always appreciate when folks remark on our budgets, that they are a reflection of values.



I hope that more and more people value access to these programs for our kids. Because I can attest that getting access to these programs, I wouldn't be here if it wasn't for them. I think that is one show of success when we measure access to these programs and what it means as well.

Now, while Federal emergency funds temporarily allowed this, there needs to be more flexibility in these Federal programs. I appreciate everyone raising that here as well. Now, Secretary, yes or no, should Congress make CCDBG funds more flexible by allowing states to expand eligibility beyond 85 percent of state median income, and especially in low-income states?

Ms. GROGINSKY. Yes.

Senator LUJÁN. Currently, the Federal funds do not allow state grantees to use funds for facility renovation or construction. This limits supply, reducing access for not just choice for families, but especially for the kids. However, the Federal emergency funds allowed for facility investments. So, my question to you is, yes or no, should Congress make the CCDBG funds more flexible by allowing facility renovation and construction?

Ms. GROGINSKY. Yes, as long as there is increased funding.

Senator LUJÁN. Head Start, pre-K, and childcare programs have a profound return on investment, as has been pointed out today. Now, Secretary, based on what you have seen in New Mexico, what is the return on investment for early childhood education programs?

Ms. GROGINSKY. Yes, a few years ago, our Legislative Finance Committee did a study that showed our pre-K program produced a \$6 to every \$1 invested return. And we know now, with these kind of investments in childcare, we are going to see similar returns across the birth to five system.

Senator LUJÁN. Yes or no, would you argue that the state's return on investment for early childhood education programs has increased after these Federal investments created historic access and quality improvements in New Mexico?

Ms. GROGINSKY. Absolutely.

Senator LUJÁN. Thanks for that, Mr. Chairman. I yield back.

The CHAIR. Thank you very much.

Senator Cassidy.

Senator CASSIDY. Thank you all. Senator Markwayne had to leave. He finished—he asked that I submit some articles to the record on his behalf.

The CHAIR. Without objection.

[The following information can be found on page 67 through 102 in Additional Material:]

Senator CASSIDY. Now, he brought up something in which—very uncomfortable, very uncomfortable about how children were being judged by the color of their skin, at least implicitly, and not by the content of their character. A couple of things he asked to submit shows that was not a one off.

It also, I just want to comment on this. I will be very quick. But it is also introducing the young 1-to 4-year-olds to the concept of

transgenderism, with multiple things in there to kind of promote the eye kind of aspect.

Ms. Hogan, this is your organization. Are parents informed—do you—does your organization recommend to those using this material that they inform the parents beforehand the content of the material?

Ms. HOGAN. I will just add that, I mean, our research—NAEYC, and again, I am not looking what you are looking at, but our resources have been used by hundreds of thousands—

Senator CASSIDY. But that is not my question. I understand that. But my question is, do you recommend that your—that the people using your material tell the parents the content of the material that their children will be—their 1-to 4-year-olds will be exposed to?

Ms. HOGAN. The resources that—the resources that are for early childhood educators to help ensure that kids are—

Senator CASSIDY. But that is—you are kind of speaking past my question, so I am going to have to assume—

Ms. HOGAN. They are all done in partnership with families.

Senator CASSIDY. You do recommend that the parents are informed that their child will be discussing transgenderism in their—

Ms. HOGAN. We trust early childhood educators to partner with—

Senator CASSIDY. But there is no formal recommendation. And the reason I say that, and I think I can assume that because you are kind of—I don't mean to accuse, but you are kind of ducking the answer.

The reason I raised that is that we start off—he who pays the piper, picks the tune, and we start off saying, we are going to have this program in which, oh, my gosh, faith based, this is Mormon, my gosh, you are going to a statue in heaven, in which faith-based organizations there is positive things.

Ms. Groginsky, you have obviously spread it around. But I have learned that once the Federal Government gets this kind of financial hooks in, it begins dictating. Good example is the adoption agencies, which formally anyone, they can make their own decisions, and now if you are a Catholic agency and you don't want to adopt out to a same sex couple, you get the wrath of the Federal Government.

That begins to evolve over time, and I think we have to recognize that trend. I think that would give pause if we are going to make the Federal role of financing so overweening.

Ms. Morman, again, I have never seen a witness better prepared than you. I mean, I just want to compliment you right off the bat. But one thing you raise is that it is hard for you to compete with \$17 per hour wage. I hear the same thing from Medicaid providers. I hear the same thing from hospitals.

I hear the same thing from nursing homes. Frankly, I hear the same thing from fast food outlets. So, if we specifically targeted childcare as we are going to give you a bump so that everybody can

pay at least \$15 or \$17 or whatever, inevitably you would pull from all these other worthy organizations. Is that fair to them?

Ms. MORMAN. The need still does not change. The workers need childcare. Childcare needs other educators, and we need each other. So together, we have got to do something.

Senator CASSIDY. I accept that. I accept that. But accept my role where I have the home health agency on Medicaid reimbursement, which is fixed, and the struggle that owner has when she cannot pay her employees or attract them. I think that is something for us to recognize here.

A little bit you are squeezing the tube of toothpaste. Ms. Larin, again, excellent presentation. I enjoyed what you had to share. And it made clear that the dollars that went out to agents went out to childcare agencies. In some case, you could have had a childcare facility that had no kids whatsoever, but because everybody was afraid to send their child, but they still got the check, correct?

Ms. LARIN. Yes. In the early days of the pandemic, that was the goal of these programs, was to stabilize the industry and keep the childcare centers from going out of business when there were no children.

Senator CASSIDY. Even when there were no children.

Ms. LARIN. Correct.

Senator CASSIDY. I think that is important to recognize that this was a short-term thing. And the reason that there was an encouragement or permission of waiver of co-pays is that we are thinking that parents may lose their jobs because the pandemic shut everything down, so you wanted them to be able to afford, should they lose their job or have to take a lower paying one.

I think it is important to know the context of all this. In my remaining seconds, Ms. Lukas, you said something very good about allowing the dollar to follow the parent and the child. I will note, in New York State, I am told that there are 30,000 unfilled childcare slots. By the way, it has been asserted several times that people cannot go to work because they cannot afford childcare. That is actually an assertion.

There is no data. It may be true, but there is no data. And the fact that New York has 30,000 unfilled, like I would take your child, but I can't take your child, you don't want to send your child to me, suggest that may be true. Any comment on that? Because I thought your point, it should follow the parent, was very good.

Ms. LUKAS. Yes, I do think that there is—that your parents know best, and they have a better sense of what options are and they are going to look for value that makes sense for them. When I look at the Head Start program, I notice how much more expensive each hour of Head Start is. And this is the one Federal directly managed Federal program.

Yet it costs almost in some cases significantly more per hour. And some—I think compared to some states, nearly twice as much. And the Obama administration had actually looked at trying to loosen Head Start so that parents could—you know, that Head Start would be required to provide more.

But I think it would be better to give those parents better options so they don't have to go to Head Start, which provides relatively few hours, and instead could take their business elsewhere to other providers who will meet their needs and the flexibility that they need.

Senator CASSIDY. Thank you.

The CHAIR. Senator Murray.

Senator MURRAY. Oh, thank you very much, Mr. Chairman, for having this hearing, and for all of our panelists. We have a childcare crisis. We can skip around words and pretend that curriculum is the problem or something else.

We have a childcare crisis, and we actually had a childcare crisis before COVID, but it was a silent crisis because parents did not talk about it, because they were worried when they went to get a job that if they said, I don't know what I am going to do with my kids, they wouldn't get that job.

But the pandemic actually opened up this conversation and allowed us to see the reality in this country where we aren't taking childcare as a serious crisis. And we did make considerable investments at that time with the American Rescue Plan and really helped some of that stabilize. But we are about to—I mean, it hasn't gone away, and it has gotten worse.

I will tell you, everywhere I go in my state, people talk about the fact that they do want to go get that job, but they cannot because there are 200th on a waiting list. Or they say to me, yes, there is a slot open, New York, but I can't afford it.

It is half my salary, or I will have to work part time, which why am I working part time? That—this doesn't make any sense—this childcare system doesn't make any sense. And to boil it down to a discussion about curriculum or masks is ludicrous. We have a childcare crisis, and we need to deal with it as a country.

I will tell you, I am concerned that the stabilization funds that end in June are going to make it even worse, and that is a reality we have to face, and we need to decide what we are going to do about it.

We are going to have to decide how—what we do about the costs. Senator Kaine talked about it. There is a dilemma between raising your prices so that you can pay your childcare workers so you can open up more slots, but then parents can't afford it. That is exactly why Senator Kaine and I and others have introduced childcare legislation and it really goes after that.

To diminish this to a conversation about Government run—I want to put that to rest right now. And, Ms. Hogan, let me ask you, we keep hearing this one size fits all, Government run. That is not how this works. That is how it is never going to work, and it is how it will not work.

I would like you, Ms. Hogan, to just talk about how we put this together so that it is not a one size fits all. Talk about the state, Federal partnership and put this to rest for us.

Ms. HOGAN. Yes, I mean, I think of Federal funding is not a Federal takeover, and all of the proposals build on what we know works, and they support flexibility. They support and trust educa-

tor autonomy to decide the curriculum and the supports that work for them. So, these aren't real about what is happening on the ground.

What we know is really happening on the ground is that, to your point, people cannot find or afford childcare, and educators cannot stay in jobs that they love because they can't make what they need to make to be valued and stay.

I think what we have heard today too is parents want different things at different times. Sometimes different things in the same day. And so, you can't—they need to be able to have those options available for them.

Childcare isn't something that you can just like turn on and off when families want it. It has got to exist in order for families to take advantage of it where and when they want it, in a mixed delivery system that works. We also, faith-based programs are incredibly important to NAEYC and to our entire system.

I think 15 percent of parents use them and it is incredibly important to be able to actually look at what the proposals offer in terms of investing in family childcare, center based, faith-based programs, centers, and schools, and really have this system that provides for true family choice, which is not what families have right now.

Senator MURRAY. Ms. Groginsky, can you add to that? I mean, I don't think in New Mexico that you put out a one size fits all demanded curriculum, told people they had to do it this way or leave. Tell me how that works.

Ms. GROGINSKY. Yes. Thank you, Senator Murray. Such a great question. It is quite the opposite. We made the conditions so that they could work with families and develop the programs that families want.

Expanding eligibility for families was key to our success. Families now have more choice. Providers now have more revenues. They can pay their staff better. But it is all in partnership. Everything in our regulations is you have to make sure families are involved. Families know what is happening.

It is quite the opposite of a one size fits all, what has happened in childcare in this country. We need more Federal investment, though, to make it stick and to make it work for families, and businesses, and fuel our economy.

Senator MURRAY. Well, exactly. I think it is really important as a parent, I know every parent looks around what is the best childcare facility I can go to, what reflects my values, knowing that this is part of what we have to do today. That choice is critically important and is inherent in how our childcare proposal is put together, so I really appreciate those responses. Thank you.

The CHAIR. Senator Murray, thank you, and thank you for all the work you have done and are doing on childcare. Senator Cassidy, do you have a brief closing statement—?

Senator CASSIDY. I do not.

The CHAIR. Okay. Let me just thank all of the witnesses and just—I will just say this, this discussion and how we deal with childcare is a real reflection on our National priorities. We talk about our love for children.

The future of America is our children, but we don't put that into effect when we pay childcare workers \$12 an hour, when we charge parents rates that are unaffordable, when we don't have enough slots available for working families.

I don't think it is too much to ask that in the richest country in the history of the world, all of our children, no matter where they live, no matter what their background is, get the quality childcare, early childhood education they need in order to flourish in life. I don't think that is a radical socialistic, if you like, statement. I think that is something that the vast majority of the American people believe in.

I think it is time we got our priorities right. And if we get our priorities right, we put children at the top of the list. We reform childcare. Federal Government has an enormously important role to play. Let me thank all of the witnesses for your testimony, for being here today. We appreciate it very much.

This is the end of our hearing. For any Senators who wish to ask additional questions, questions for the record will be due in 10 business days, June 14th at 5.00 p.m.. Finally, as anonymous consent and to the record, one statement from stakeholders outlining their childcare priorities. So, ordered.

[The following information can be found on page 66 in Additional Material:]

The CHAIR. The Committee stands adjourned.

#### ADDITIONAL MATERIAL

BIPARTISAN POLICY CENTER,  
May 31, 2023.

Hon. BERNIE SANDERS, Chairman,  
Hon. BILL CASSIDY, M.D., Ranking Member,  
*Senate Committee on Health, Education, Labor, and Pensions,*  
*428 Senate Dirksen Office Building,*  
*Washington, DC 20510.*

DEAR CHAIRMAN SANDERS AND RANKING MEMBER CASSIDY:

On behalf of the Bipartisan Policy Center's (BPC) Early Childhood Initiative (ECI), I submit this letter for the record regarding the Senate Committee on Health, Education, Labor, and Pensions hearing, "Solving the Child Care Crisis: Meeting the Needs of Working Families and Child Care Workers," scheduled to be held on May 31, 2023.

The pandemic shined a national spotlight on the systemic shortcomings of our Federal approach to supporting child care for America's working families. A workforce plagued by low compensation, underemployment, deteriorating facilities, and overwork, our child care providers responded to the crisis by showing up for work when it was considered unsafe for many other professions to do so. They cared for one of the most vulnerable populations and risked their own safety and well-being to ensure our first responders were able to combat COVID knowing their children were safe and cared for; bringing attention to the vital role of child care in our National economy. As the Nation emerged from isolation and returned to the office in droves, the child care sector responded again, continuing to fill the vital role of caregiver and guardian of our Nation's future.

Throughout the pandemic, Congress echoed the national sentiment that for our economy to recover and to maintain a stable and thriving workforce, families needed a reliable child care system. Congress responded to the need with several relief packages to support children, families, and providers alike which were largely suc-

cessful.<sup>1</sup> However, the support that came in the form of supplemental funding and targeted waiving of regulations were short-lived. Long-term, sustainable solutions are required to maintain the momentum and successes achieved. BPC urges this body to continue its long bipartisan history of tackling our Nation's child care needs by

### Child Care Gap Economic Impact

A lack of access to formal child care can have a significant economic impact on the Nation. In BPC's 2021 report "Child Care in 35 States: What We Know and Don't Know," we examined the supply of child care compared to the potential need and provided the first known estimate of the actual gap in care for children under age six.<sup>2</sup> BPC found that over <sup>3</sup> 4 million children with all available parents in the workforce do not have access to a formal child care slot. This means a 10-year, economic loss across just 35 states estimated between \$143 and \$217 billion.<sup>3</sup>

### Child Care and Development Block Grant

The Child Care and Development Block Grant (CCDBG) is the leading Federal program established to help working families access child care services. Funded by both mandatory and discretionary resources, CCDBG currently serves more than 1.3 million children each month.<sup>4</sup> The program has been chronically underfunded since its inception, limiting the program's overall efficacy.

Despite critical congressional interventions during the pandemic to help the child care workforce and keep programs open, a national shortage of child care workers and safe facilities persists. Without Federal reforms that focus on increasing the supply of child care, parents, especially those in rural and low-income areas, will be denied access to the child care that they need.

BPC urges this body to consider the following CCDBG recommendations:

- Broaden the definition of "direct services" to include facilities infrastructure to ensure supply side stability.
- Broaden Federal requirements beyond market rate studies to include the use of cost modeling tools. *Cost modeling* helps develop creative investment strategies that simultaneously address staff compensation and child care affordability.
- Define mixed delivery to include a combination of programs offered through child care centers, family child care homes, Head Start programs, and public and private schools.
- Increase income eligibility up to 150 percent of state median income (SMI) with priority to first serve families at 85 percent of SMI.
- Require data collection to track success and impact of state-led workforce investments.

### Child Care Facilities

The *demand for child care* is not decreasing, and children need and deserve quality facilities. Yet, there is a national shortage of safe, healthy child care facilities and a critical need to invest in child care infrastructure. Child care businesses simply do not have the capital to invest in facilities. Without a Federal investment, parents, especially those in rural parts of the country, will be denied access they need and facilities meeting only the minimum health and safety standards for those who can obtain access to care. In 2014, for example, the U.S. Department of Health and Human Services Office of the Inspector General (HHSOIG) investigated 227 facilities across 10 states and found that 96 percent of facilities receiving CCDBG funding had one or more potentially hazardous conditions, such as broken glass, unlocked gates, water damage, or chemicals within reach of young children.<sup>5</sup>

<sup>1</sup> <https://bipartisanpolicy.org/explainer/child-care-programs-crisis/> reauthorizing the Child Care and Development Block Grant (CCDBG), prioritizing the deteriorating state of child care infrastructure, increasing supports for the child care workforce including registered apprenticeships, and ensuring equitable child care for tribal communities.

<sup>2</sup> <https://bipartisanpolicy.org/report/child-care-gap/>

<sup>3</sup> <https://bipartisanpolicy.org/download/?file=/wp-content/uploads/2021/11/BPC-Economic-Impact-Report-R01-1.pdf>

<sup>4</sup> <https://www.acf.hhs.gov/oc/fact-sheet>

<sup>5</sup> <https://oig.hhs.gov/oas/child-care/>

The child care business model operates within thin profit margins, which makes it difficult to prioritize facilities investments without requiring cuts to other critical operating expenses. Moreover, CCDBG dollars cannot be used to construct or renovate facilities. BPC urges the committee to establish a competitive grant program funded at a minimum of \$10 billion for states to fund construction, renovation, business development, and technical assistance to child care providers.

### Child Care Registered Apprenticeships

With a workforce that is predominately female (92 percent), poorly paid, and with few benefits, child care is struggling to compete for workers in this tight labor market.<sup>6</sup> Many child care programs are not operating at full capacity because they simply do not have the staff. The importance of addressing the workforce problems cannot be overstated.

Maintaining the workforce has been a longstanding challenge in the child care field. Costs associated with obtaining a degree are high and historically low pay make the child care profession unattractive to highly skilled teachers. With a median income of \$27,490 per year in 2021<sup>7</sup>, many child care workers qualify for public benefits. Moreover, individuals in similar industries such as elementary teachers are often eligible for benefits that child care educators are not. Registered apprenticeships (RAs) are one way to support the child care workforce and increase knowledge, skills, and wages across the industry.

Apprenticeship programs, like those within the Workforce Innovation Opportunity Act (WIOA), combine on-the-job training, classroom instruction, and mentorship to produce skilled workers. These programs have existed for decades, helping workers in advanced manufacturing, construction, and agricultural industries. However, child care programs lack the capital necessary to establish and maintain RA programs.

When RA programs do exist to support the child care workforce, employees receive wage bumps as a reward for increasing their skills and knowledge. Upon completion of an RA program, child care apprentices receive a credential, such as a Child Development Associate (CDA)—giving these apprentices a competitive advantage in the workforce.

As the Committee prioritizes its work in the 118th Congress, BPC urges it to consider the following policy recommendations:

- Authorize use of WIOA funds for startup costs for states to develop and accelerate RAs as part of an early childhood career pathway.
- Require states to include child care RAs as part of their workforce funding.
- Direct HHS to include RAs as a career pathway in the 2025–2027 Child Care and Development Fund Plan preprint.

### Tribal Child Care

Accessing and affording quality child care is a challenge for most American families, but the challenges are greater for American Indian and Alaska Native (AI/AN) parents due to high poverty rates, limited job opportunities, and lack of proximity to any type of child care programs.<sup>8</sup> AI/AN children eligible for subsidies receive them at less than half the rate of the national average,<sup>9</sup> with just 6 percent of those eligible receiving subsidies.<sup>10</sup>

Insufficient funding for tribal child care restricts opportunities for AI/AN families with 53 percent of AI/AN parents indicating in a BPC survey that child care responsibilities impacted their ability to work over the past month.<sup>11</sup> Improvements to current Federal programs through better data, less red tape, and increased transparency could help to improve access to child care for AI/AN families.

<sup>6</sup> <https://bipartisanpolicy.org/blog/characteristics-of-the-child-care-workforce/>

<sup>7</sup> <https://www.bls.gov/oooh/personal-care-and-service/childcare-workers.htm>

<sup>8</sup> <https://bipartisanpolicy.org/report/righting-a-wrong-advancing-equity-in-child-care-funding-for-american-indian-alaska-native-families/>

<sup>9</sup> <https://bipartisanpolicy.org/blog/accessing-child-care-subsidies/>

<sup>10</sup> <https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/CloserLookAtLatinoAccess.pdf>

<sup>11</sup> <https://bipartisanpolicy.org/blog/findings-from-bpcs-survey-of-american-indian-alaska-native-parents/>



Therefore, BPC urges this Committee to consider the following policy recommendations:

- Set CCDBG funding levels for tribes based on the number of AI/AN children rather than an arbitrary, flat percentage of Federal funding.
- Authorize a pilot program within CCDBG to allow tribes to provide services to AI/AN children living off the reservation and outside of the current service area.
- Authorize tribes to access FBI fingerprinting to meet CCDBG background check requirements while ensuring a timely hiring process.
- Examine the extent to which HHS and the BIA coordinate oversight of CCDBG funds transferred under P.L. 102-477 plans to support child care services and quality improvement by conducting oversight hearings.
- Conduct oversight hearings to examine the U.S. Census Bureau's work with tribes and other Federal agencies to ensure more accurate data is collected. At a minimum, include the Department(s) of HHS, Education, Agriculture, Labor, and Interior (Bureau of Indian Affairs). Data includes items such as number of children by age, location (on/off tribal lands), employment status of parents, access to child care, and cost of care.

BPC appreciates the continued bipartisan dedication to child care and hopes you will consider us a resource as this Committee works toward improving our systems to help children and families. If you have any questions, please contact BPC Early Childhood Initiative Associate Director Brittany Walsh at [bwalsh@bipartisanpolicy.org](mailto:bwalsh@bipartisanpolicy.org).

Sincerely,

LINDA K. SMITH,  
*Director,*  
*Bipartisan Policy Center, Early Childhood Initiative.*

## Tate and the Pink Coat: Exploring Gender and Enacting Anti-Bias Principles

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Resources / Publications / Young Children / March 2019 / Tate and the Pink Coat: Exploring Gender and Enacting Anti-Bias Principles

JANICE KROEGER, ABIGAIL E. RECKER, ALEXANDRA C. GUNN

Mittens and boots fly as 3-year-olds bundle up to adventure out into the winter snow. Tate, ready to go in the middle of the line, stands with no coat and bare arms. When Ms. Tiana, one of his teachers, approaches, Tate quietly shares that he did not have a coat he could wear to school that morning. She assures him that there are plenty of extra coats he can choose from for the day.

“Wow, this looks beautiful, and it’s so fuzzy!” Tate says. He glows as he shows off the bright pink coat he’s found in the box of extra outdoor clothing. It is a puffy coat complete with a faux fur leopard lining.

“No, no, that’s a girl coat; I’m sure we have another you can use,” Ms. Diane, another teacher, says. As she digs back into the box, Tate’s face fills with embarrassment and shame. The only “boy” coat in the collection is dark blue and several sizes too small. When Tate tries it on, his discomfort is evident. “This one’s too tight,” he says. Seeing this interaction, Ms. Tiana steps in and assures Tate that he is welcome to wear

Even when materials are specifically chosen (or created) for their neutrality or representational ambiguity, children bring their own expectations, assumptions, experiences, and memories to their play. One way that teachers may begin broadening children's perspectives is by incorporating more open-ended materials into classroom spaces. Fabrics of various colors and textures are an exciting alternative to premade tutus or firefighter jackets—and (like an unpainted dollhouse) they challenge children to engage in more creative play. Children can use fabrics to transform into any character and apply them to any dramatic play context, which can help reduce play fraught with gender expectations.

Stocking the classroom with found materials and loose parts (such as pinecones, cardboard boxes and tubes, wire, buttons, twine, and gears) can be another imaginative and inexpensive way to encourage play that isn't limited by traditional understandings of gender. Creating a gender-neutral makerspace with natural materials, for example, can inspire children to create sculptures, make books, piece together collages, or construct whatever they imagine. They may also create props of their own liking with these materials to enhance storylines they have created. These new materials and spaces can be presented as formal activities or as enticing provocations. When children see new opportunities for play and exploration that do not carry signals about gender, they may feel more welcome to engage and to collaborate with children they might not otherwise play with, breaking down gender barriers.

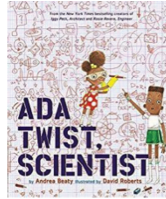
## Selecting books and images

Thoughtfully choosing children's books is another way to contradict stereotypical gender roles. By incorporating and discussing books that depict characters whose gender identities and expressions are multifaceted, fluid and/or ambiguous, teachers can help children expand their understanding of what it means to be male, female, neither, or both. Sharing books that model positive reactions to gender exploration and nontraditional play in the classroom sends a message to the community of learners and advances the anti-bias principle of transformation for all (Gunn 2003; Sullivan 2016).

### Supporting Explorations of Gender with Children's Books

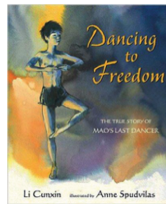
These books help children develop an expansive, inclusive understanding of gender for ages preschool to third grade.

**Ada Twist, Scientist**



By: Andrea Beaty, Illustrated By: David Roberts  
 A young scientist constantly questions the world around her. Her determination and love of science show that anyone can make discoveries.

**Dancing to Freedom: The True Story of Mao's Last Dancer**



By: Li Cunxin, Illustrated by: Anne Spudvilas  
 This book tells the life story of Li Cunxin. As a young boy from a poor family in China, he dreamed of becoming a dancer. He was selected from millions to dance at the Beijing Dance Academy, where his career began.

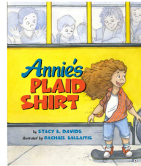
**The Bat Boy & His Violin**



By: Gavin Curtis, Illustrated by: E.B. Lewis

Reginald's love of playing his violin puts him at odds with his father, the manager of a national baseball team. However, as the team struggles to win in the segregated South, the music Reginald brings transforms their team spirit to save their season, making him the best bat boy a team could have.

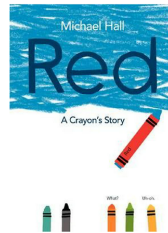
#### **Annie's Plaid Shirt**



By: Stacy B. Davids, Illustrated by: Rachael Balsaitis

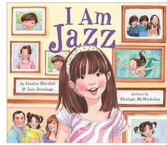
Annie loves her plaid shirt and wears it all the time. When she has to dress up for her uncle's wedding, she and her mom negotiate the clothing she is happiest in. Annie shares her feelings and her family understands her and lets her be herself.

#### **Red: A Crayon's Story**

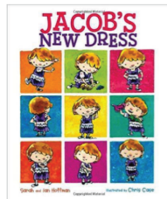


By: Michael Hall

When a color in a box of crayons is mislabeled, it goes through an identity crisis and must learn how to be true to who it is on the inside

**I Am Jazz**

By: Jessica Herthel & Jazz Jennings, Illustrated by: Shelagh McNicholas  
 Jazz Jennings' autobiographical picture book explains for young readers what it means to be transgender in simplified and appropriate language.

**Jacob's New Dress**

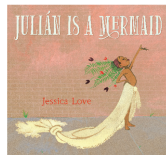
By: Susan Hoffman, Illustrated by: Ian Hoffman  
 Jacob loves to wear dresses. Not everyone at school thinks Jacob should be allowed to wear "girls' clothes," but with the support and help of the teacher Jacob finds acceptance.

**I Dissent: Ruth Bader Ginsburg Makes Her Mark**



By: Debbie Levy, Illustrated by: Elizabeth Baddeley  
 Supreme Court Justice Ruth Bader Ginsburg shows children what it means to fight for what you believe in, even if it means disagreeing with others around you.

### **Julián is a Mermaid**



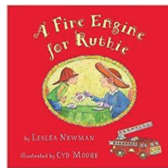
By: Jessica Love  
 The colorful and powerful illustrations in this book tell the story of Julián. He is a young boy who loves mermaids more than anything else. When he expresses this love to his abuela, she begins to understand Julián in a new way and offers her own wonderful props for mermaid dress-ups.

### **The Paper Bag Princess**



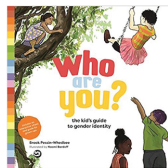
By: Robert Munsch, Illustrated by: Michael Martchenko  
Gender roles are reversed in this fairytale twist when the princess saves the day for a helpless prince.

#### **A Fire Engine for Ruthie**



By: Leslea Newman, Illustrated by: Cyd Moore  
Ruthie loves her fire truck. Even though Nana wants her to play with dolls and dress-up clothes, Ruthie learns how to share what she loves with her Nana.

#### **Who Are You? The Kid's Guide to Gender Identity**

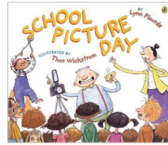




By: Brook Pessin-Whedbee, Illustrated by: Naomi Bardoff

This book provides children with a straightforward introduction to the concepts of gender identity, gender expression, and personal interests. Terminology within these topics is simplified with supporting illustrations and examples.

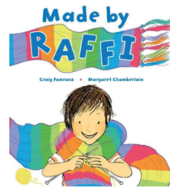
### **School Picture Day**



By: Lynn Plourde, Illustrated by: Thor Wickstrom

School picture day is almost ruined when the photographer's camera stops working. Young Josephine steps in to save the day. She uses her love of taking things apart to solve a problem that no one else can.

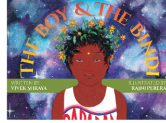
### **Made by Raffi**



By: Craig Pomranz, Illustrated by: Margaret Chamberlain

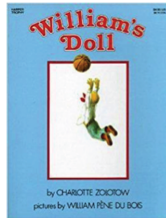
Raffi discovers a passion and talent for knitting. Although at first many don't understand why a boy would love such a hobby, they soon appreciate and celebrate his creativity.

### **The Boy & the Bindi**



By: Vivek Shraya, Illustrated by: Rajni Perera  
 When a young boy becomes fascinated with his mother's bindi, he learns about his culture and is blessed by his mother with a bindi all his own.

### **William's Doll**



By: Charlotte Zolotow, Illustrated by: William Pene Du Bois  
 More than anything else, William wants a doll to play with. Although his friends and father say that playing with a doll makes William a "sissy," Grandma helps everyone understand William's feelings and make his wish come true.

In addition to literature, images depicting diverse gender expressions and roles people take around the world can be a valuable classroom resource. Teachers can display photographs or illustrations that show clothing, occupations, and lifestyles around the globe that contrast with Western societies' traditional gender roles and expressions. For example, a teacher might display pictures of men and women in flowing fabrics or skirts (such as kilts or various types of sarongs, which are common in many parts of the world) to support male children who might enjoy trying on all of the different types of clothing in

## Focus On Ethics: Gender Expression and Identity

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Resources / Publications / Young Children / November 2019 / Focus On Ethics: Gender Expression and Identity

STEPHANIE FEENEY, NANCY K. FREEMAN, KATIE SCHAFFER

We are pleased to have guest editor Katie Schaffer's help in addressing this sensitive and timely issue. Katie brings extensive knowledge and insight regarding gender issues to this column.

### The case

Four-year-old Michael usually comes to school in jeans and a T-shirt but always goes to the dress-up area as soon as he arrives and puts on a dress or skirt.

On the day his mother was volunteering in the classroom, he walked in and immediately put on a ballerina skirt and sparkly shoes. She firmly told him to take them off and instead put on the firefighter's hat and boots, try on the cowboy hat, or do "something that boys do." Michael complied with his mother's demand but soon left the dramatic play area.

When the children went outside to play, Michael's mother told Ana, Michael's teacher, that he consistently plays female roles at home and shows little interest in toys and activities typically associated with boys. She and her husband were very concerned about his behavior, and she asked Ana not to allow Michael to play with any "girl stuff" at school.

Ana also has observed that Michael strongly prefers playing with girls and chooses activities that are stereotypically feminine, like having tea parties and wearing dress-up clothes that have lots of ribbons and sequins. He also frequently tells the other children that he is really a girl and that he wants to be called "Michelle."

**Gender Justice in Early Childhood.** This website focuses specifically on young children and offers resources and links to help educators consider their language, teaching practices, and programs from a gender justice perspective. [www.genderjusticeinearlychildhood.com](http://www.genderjusticeinearlychildhood.com)

## Children's books

***The Boy & the Bindi***, by Vivek Shraya, illus. by Rajni Perera (2016). (Ages 4–8) A 5 year-old South Asian boy is fascinated with his mother's bindi, the colored dot commonly worn in the middle of Hindu women's foreheads. He wants to have one of his own. His mother agrees and teaches him about its cultural significance.

***Elena's Serenade***, by Campbell Gleeson (2014). (Ages 3–8) A young Mexican girl admires her father's glassblowing and wants to follow in his footsteps. However, pointing to her size and gender, he disapproves of her aspirations. She disguises herself as a boy to learn the craft and ultimately changes her father's views. Told in both English and Spanish, the story explores the limiting nature of gender roles and the power of children to challenge adult thinking.

***Introducing Teddy***, by Jessica Walton, illus. by Dougal MacPherson (2016). (Ages 3–6) Errol and his teddy bear, Thomas, are best friends who do everything together. One day, Thomas tells Errol, "In my heart, I've always known that I'm a girl teddy, not a boy teddy." Errol replies, "I don't care if you're a girl teddy or a boy teddy! What matters is that you are my friend."

***Julián Is a Mermaid***, by Jessica Love (2018). (Ages 4–8) Inspired by women he sees on the subway who are colorfully dressed as mermaids, Julián dresses up like a mermaid when he gets home. He worries about how his grandmother will respond, but she celebrates his transformation.

***My Princess Boy***, by Cheryl Kilodavis, illus. by Suzanne DeSimone (2009). (Ages 4–8) This story is told from the perspective of the mother of a 4-year-old boy who likes to wear dresses and enjoys things that typically appeal to girls.

***Sparkle Boy***, by Lesléa Newman, illus. by María Mola (2017). (Ages 4–8) Casey loves blocks, puzzles, and his dump truck, but he also wants to try out the shimmer skirt, glittery nails, and bracelets his sister and his grandmother wear. The adults in his life support his choices, but he worries when older boys tease him.

## From Teacher to Equity Activist

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Resources / Blog / From Teacher to Equity Activist

MEGAN PAMELA RUTH MADISON  
02/26/2020

*In this edited and adapted excerpt from *Each and Every Child: Teaching Preschool with an Equity Lens*, activist, scholar, educator, and former Governing Board member Megan Madison reflects on her journey towards activism and offers ideas for other early childhood professionals on how they can become equity and social justice advocates fighting for all young children.*

### What were your early days in early childhood education like? What was your role? What was your classroom like?

I worked with young children as a babysitter in middle school and then in high school in my church's nursery school. So as a college student, working as an assistant in a Waldorf elementary school seemed like the perfect part-time job. After I graduated, I moved to Chicago and became a preschool teacher at the Carole Robertson Center for Learning (CRCL) while working on my master's degree in early childhood education at night. The school was founded with a social justice mission and is firmly rooted in the community. My colleagues taught me that joy and play and community are possible. They taught me that with a little love, roses can grow even from concrete.

## Why did you start thinking about social justice issues in early childhood education?

An essay by Charles Bruner talks about the low status and compensation of early childhood educators as a social justice issue. It was like a lightbulb went on! I felt like “Yes, this is the problem! It is so hard for us to do what’s right on behalf of the children and families we love when we are struggling to make ends meet ourselves.” Educators’ well-being is connected. We can’t achieve thriving children, families, and communities on the backs of struggling educators. In the words of Robin Wall Kimmerer, “All flourishing is mutual.”

That was a pivotal moment for me in starting to understand that these social inequities are systemic in nature, that they have to do with policies and practices beyond any one individual. I remember thinking, there was someone, somewhere, at some level of government who decided that I should be paid \$40,000 and my coteacher should only make half of that—even though we had the same job description. It didn’t seem fair, and it also didn’t seem like it was in the best interest of children and families.

## What did learning about anti-bias education mean to you?

Learning about anti-bias education allowed me to bring together my passion for social justice and my love of early childhood curriculum and pedagogy. Before I heard of anti-bias education, I had never seen examples of activism that involved teachers or young children. I thought that being an activist was something that had to happen outside of school hours, in my free time, and I thought, “Well, that’s never going to happen because as a teacher . . . I have no free time.” Anti-bias education allowed me to see my teaching as activism.

Can you talk about your progression toward thinking of yourself as an activist and advocate for social justice in early childhood education?



At the end of *Anti-Bias Education for Young Children and Ourselves*, Louise Derman-Sparks and Julie Olsen Edwards (2010) write,

"Anti-bias education work has its own contribution to make, but it is not enough. If we want to see the full vision of anti-bias education come to fruition, then we must work to address a wide range of social and economic justice issues that affect children, their families, and us as their advocates." (159)

This really resonates with me. It's so clear that if we are to achieve NAEYC's vision of all children thriving and living in a society dedicated to ensuring they reach their full potential, we need to participate in large social change movements, from Black Lives Matter to Close the Camps to Me Too.

I still wrestle with the titles of activist and advocate, in part because I see the work I do as an integral part of my professional responsibilities as an early childhood educator and my spiritual responsibilities as a human being. The NAEYC Code of Ethical Conduct (2016) states that, “above all, we shall not harm children” (8). We know that white supremacy, the patriarchy, heteronormativity, ableism, settler colonialism, the gender binary, and any other system that inequitably distributes power, resources, and privilege to one group at the expense of another harms children. All children. We therefore have an ethical responsibility to play our part in dismantling these systems.

## **What are your thoughts for preschool teachers reading this? What are some doable ways preschool teachers can become activists?**

Start by finding a trusted friend or colleague to have an honest conversation about what keeps you up at night. Talk to them about what’s in your heart, what your struggles are, and what your passions are. Sometimes talking it out with another person can really help us clarify what we care about and why. Once you have a little bit more clarity, you’ll be ready to find and join a group of other people who care about that same issue.

*All social change happens when groups of people organize together to issue a demand in a collective voice.*

There’s a big myth out there that change happens when one person, all by herself, stands up for what’s right. Usually when that happens, that one person gets fired. All social change happens when groups of people organize together to issue a demand in a collective voice. The good news is that it isn’t hard to find other changemakers these days. We’re living in a movement moment. If you look, I’m pretty sure you can find your people. They’re out there, waiting for you to bring your unique story, gifts, and energy to the movement.



## What do you want early childhood teachers to pay attention to when they look at NAEYC's position statement on equity?

Pay attention to your feelings as you read through it. What surprises you? Scares you? Excites you? What makes you angry? What makes you sad? The beautiful thing about emotions is that they are all right! There's no such thing as a wrong feeling. And every emotion is sending us a message about ourselves, where we are, and what we need. Once we know what we need, that can help us figure out our next step.

## Do you have any final thoughts you'd like to share?

There is no such thing as neutral or apolitical teaching. Every choice we make in the classroom either reinforces or resists existing systems of privilege, power, and oppression in our society: who we call on during circle time, what read-alouds we choose, how we greet a family member. That reality can feel overwhelming, but I think it can also feel empowering. It means that every single day, we have thousands of opportunities to make our society fairer, safer, more sustainable, and more loving. It means that the work we do really matters.

Whoever is reading this, I hope you know that you are not alone in this work. You are a part of a larger movement of educators, caregivers, and young people all working together to build a world rooted in racial, economic, and social justice. From the bottom of my heart, thank you for the work you do every single day. It really matters.



Interested in more concrete strategies and tips for implementing NAEYC's position statement on *Advancing Equity in Early Childhood Education*? Order a copy of *Each and Every Child: Teaching Preschool with an Equity Lens* from NAEYC's online store!

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Bruner, C. 2008. "Improving Conditions and Status for Early Childhood Educators." In *Rethinking Early Childhood Education*, ed. A. Pelo, 201. Milwaukee, WA: Rethinking Schools.

Derman-Sparks, L. & J.O. Edwards. 2010. *Anti-Bias Education for Young Children and Ourselves*. Washington, DC: NAEYC.

**Audience:** Administrator (director or principal), Faculty, Family

**Age:** Early Primary, Infant/Toddler, Kindergarten, Preschool

**Topics:** Other Topics, Equity, Anti Bias, Public Policy and Advocacy

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**MEGAN PAMELA RUTH MADISON**

Megan Pamela Ruth Madison is an early childhood scholar, activist, and practitioner based in New York City. She holds a master's degree in early childhood education from Dominican University and a bachelor's in studies in religion from the University of Michigan. Currently, she is pursuing her doctorate at Heller School for Social Policy and Management at Brandeis University. Her research examines the impact of "color blind" policymaking on racial inequities in the field of early childhood education. Megan works part-time as a trainer for the Center for Racial Justice in Education, the Human Root, and the New York Early Childhood Professional Development Institute. In this role, she facilitates workshops for teachers and families on race, gender, and sexuality. She recently completed a term as the first student representative on the NAEYC National Governing Board after several years serving as a cofacilitator of the association's Diversity and Equity Interest Forum. Megan also serves on the Board of Directors for Jews for Racial and Economic Justice.

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## Gender Identity and Expression in the Early Childhood Classroom: Influences on Development Within Sociocultural Contexts (Voices)

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Resources / Publications / Young Children / July 2016 / Gender Identity and Expression in the Early Childhood Classroom: Influences on Development Within Sociocultural Contexts (Voices)

JAMIE SOLOMON

**Thoughts on the Article | Barbara Henderson, *Voices* coeditor**

Gender is an element of identity that young children are working hard to understand. It is also a topic that early childhood teachers are not always sure how best to address.

It's not surprising, then, that Jamie Solomon's article is the third teacher research study *Voices of Practitioners* has published that focuses directly on gender, joining articles from Daitsman (2011) and Ortiz, Ferrell, Anderson, Cain, Fluty, Sturzenbecker, & Matlock (2014). Jamie Solomon's teacher research demonstrates how pedagogy that takes a critical stance on gender stereotyping is a social justice issue because the performance of femininity still maps directly onto disparities in opportunity within our society.

Further, she suggests how the male/female gender binary remains a default perspective and suggests how a more inclusive view of the gender spectrum can enhance and inform our practice and worldview. Her work interprets instances that arose naturally in her teaching, and it displays how teacher research is simultaneously a study of our professional and our personal selves.

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During the past 10 years of teaching in the early childhood field, I have observed young children as they develop ideas about gender identity. I soon came to understand gender expression as a larger social justice issue, realizing how external influences were already at work inside the preschool classroom, impacting children's interactions and choices for play and exploration.

This matter became a great priority in my professional life, leading me to look for ways to advocate for change. Some of this eagerness stemmed from my own frustrations about gender inequity and how, as a woman, I have felt limited, misunderstood, and pressured by societal constructs. These personal experiences inspired me to help further discussions about gender development within the early childhood field so that, one day, young children might grow up feeling less encumbered by unfair social expectations and rules.

Teaching preschool for six years at a progressive school, I was able to engage in ongoing learning opportunities, including observation and reflection. The school's emergent curriculum approach required me to pay close attention to the children's play in order to build the curriculum and create environments based on their evolving interests.

Early one semester, while on a nature field trip, I noticed great enthusiasm coming from a small group that consisted mostly of girls. They attempted to "make a campfire" using sticks and logs. After observing several other similar play scenarios and listening to their discussions, I began building a curriculum based on the children's evolving interests. I started by offering opportunities to encourage this inquiry—for example, through drawing activities and providing tools to more closely explore the properties of wood. Several weeks later, I was gratified to see that among those most deeply engaged in our emerging curricular focus on wood, fire, and camping, the majority continued to be girls. The girls' behavior and interests involved characteristics historically categorized as masculine: joyfully getting dirty, doing hard physical work (in this case with hand tools), and being motivated by a perceived sense of danger acted out in their play—for example, pretending that a fire might erupt at any moment.

These exciting observations prompted me to investigate how a particular curriculum might encourage and support children to behave outside of society's gender constructs. My understanding of gender influences built over time; each year I noticed the power and presence of these influences in the classroom.

These questions guided my study:

- How can I offer a curriculum that provides children with more opportunities for acting outside of traditional gender roles?
- How can I encourage and support children who wish to behave outside of traditional gender roles?
- How can I foster increasingly flexible thinking about gender among 4- and 5-year-old children?

The following study highlights excerpts not only from our major emergent project on camping and firemaking, but also from examples drawn from all of my teaching experiences that spring semester.

## Literature review

Young children are continually making sense of their world, assimilating novel information and modifying their theories along the way. Most influences in the lives of young children—both human and environmental—reinforce existing stereotypes (Ramsey 2004).

Without prominent caring adults helping them consider perspectives that challenge the status quo, children, left to their own devices, tend to develop notions that conform with stereotypes (Ramsey 2004). If children are regularly exposed to images, actions, people, and words that counter stereotypes—for example through books, photographs, stories, and role models—they are likely to modify and expand on their narrow theories (Brill & Pepper 2008).

Thus, educators of young children should offer their student different perspectives, including those that counter society's confined constructs, to allow children access to a range of roles, expressions, and identities (Valente 2011). Without such efforts, we stymie young children's development, keeping them from realizing the extent of their potential.

During this teacher research project, I found many examples of girls crossing traditional gender role boundaries but only a few examples involving boys. Some researchers believe this phenomenon, a common finding in gender studies, results from our male-dominated culture, in which being male or having male characteristics is associated with power, opportunity, and prestige (Daitsman 2011).

Many young boys demonstrate awareness of these desirable qualities and perhaps worry about losing such advantages if they were to cross gender lines. Accordingly, educators must take an active role in providing both boys and girls counternarratives, and helping children question the status quo. Forman and Fyfe (2012) show faith in our human capacity to evolve, describing our understandings of the world as malleable. They write, "We hold that knowledge is gradually constructed by becoming each other's student, by taking an inquiry stance toward each other's constructs, and by sincere attempts to assimilate or reconcile each other's initial perspective" (247).

My goal is that this research will prompt educators to work on softening the system of gender rules that surrounds and governs our children. As Brown and Jones (2001) explain, "Changes in attitudes will not be achieved until certain fundamental dichotomies, which currently regulate aspects of classroom life, have been shifted" (143).

## Methods



This study took place at a progressive San Francisco Bay Area preschool offering a full-day, year-round program. The school serves 2 1/2 - to 5 1/2-year olds. I conducted the study in my classroom of twenty-one 4- and 5-year-olds.

The children were from diverse backgrounds racially, culturally, and socioeconomically and represented a wide range of family compositions. While all 21 children in my class were observed during the research process, particular children and groups of children became more visible in the data for various reasons. Some children stood out to me as particularly conforming or nonconforming to traditional gender roles, as compared to their peers. Alternatively, I also focused on cases where I felt I had witnessed a child break from their typical role or gender expression. I was the lead teacher and worked alongside and collaborated with two coteachers.

During the spring semester when this study was conducted, the children spent most of the morning hours in unstructured play time with the choice of working indoors or outdoors. We also spent at least one hour of every morning engaged in more structured activities, including circle time. The afternoons also included choices for indoor and outdoor play. Weekly field trips had long been integral to the school's program, so my class left the campus each Wednesday to embark on a local adventure together.

Beginning this study in the Spring, I benefited from having established relationships with the children over the first five months of the school year. By the time I began this teacher research, I had met with their parents during fall conferences and spent countless hours observing the children, connecting with them, learning their idiosyncrasies, and building trust. In fact, I had already come to know many of these children the year prior when preschoolers from various classrooms intermingled while playing in our shared yard.

My data sources included field notes and reflective notes, video and photos, and weekly journaling. The field notes generally consisted of my observations, which were recorded during natural discussions and spontaneous events. After leaving the classroom I revisited the field notes to fill in contextual holes or other missing information. Fully detailed, my field notes offered vivid samples that I could use to effectively recall experiences for analysis. I believe in many cases I reproduced conversations accurately. At other times, I captured more of the flow of an event. Excerpts from my field notes, in the upcoming Findings section, reflect this range of detail.

My analysis uses a theoretical lens suggested by Rogoff (2003), which holds that human thinking and behavior should be understood within its particular sociocultural context, that is to say an environment greatly influences those who live and learn within it and vice versa. Thus, the data is viewed in consideration of situational factors such as structured versus unstructured play, children's varied personalities, and larger societal influences like the media. My analysis also includes self-reflection, as I continually questioned my views on gender, knowing that my data had been gathered through my personal feminist lens.



The data collected—notes and images capturing young children’s expressions, behavior, and interactions—was examined for evidence of gendered thinking and possible influences that caused it. After first organizing my data chronologically, I proceeded to go through it, jotting down one to five words to describe each data sample. Moving slowly, I regularly returned to previous samples, making comparisons between records and reevaluating the descriptions I was making. As new words or “codes” came to mind, I again returned to previous data samples to determine whether this concept was visible throughout the data. Thus, the process continued, moving forward and backward to compare, reevaluate, confirm new patterns, and then review.

Next, I studied my list of codes and pulled those that seemed most encompassing to serve as overarching themes. The three themes that resulted, in relation to gender, were (1) influences of materials and teacher expectations; (2) children’s desire and search for power; and (3) expressions and behavior illustrating children’s state of mind and development. In the following section I explore these themes, illustrating each with supporting data excerpts and my analysis of them.

## Findings

### Influences of materials and teacher expectations

Many factors influence children’s learning experiences in the early childhood classroom. This first theme examines how the available materials—whether closed or open-ended—might guide the children’s work and interactions with one another.

I primarily focus on the props and tools that I, the teacher, provided the children, the intention behind the materials offered, and my expectations on how they might be used. Of course other compounding factors should be considered here as well. For example, how our school’s philosophy plays out in our classroom, the physical environment, and the emergent curriculum topics we teachers have chosen. Such factors combine to create a stage upon which the children and teachers act.

Data collected on two different days revealed contrasting behavior among the children. The first excerpt focuses on two girls exploring new materials inspired by our emergent unit on wood, camping, and fire. During this play they assume less conventional female roles.

In the second sample, the subjects of my observation include three boys whom I observed handling baby dolls—props available throughout the year in our classroom—in a manner congruent with stereotypical gender norms.

Also included in this excerpt is a girl who was seeking to interact with me while I watched the boys. The first data sample stood out to me during analysis and I have included it for the reader because it caused me to consider how some curricular materials might offer children opportunities for acting outside of traditional gender roles. In contrast, the second sample made me think more deeply about the types of materials that we typically offer children (e.g., baby dolls), how many of these play props have strong associations with only one gender, and how open-ended materials might be less limiting for a child's self-expression and learning. (See "Field Notes, February 12, 2014.")

When the children approached the camping activity table, I gave very little instruction. Instead I explained I had seen them working with wood recently, and I wanted to give them more time and tools for their investigation. Whenever I share such observations about children's work and express curiosity, it seems to validate their interests and encourage their exploration. The group readily experimented. The activity was approachable, open-ended, and afforded a safe place to try out new ideas, actions, and roles.

The girls appeared empowered and stayed with their work for as long as possible. Their verbal expressions resembled those I had heard more often from boys in my classroom. For instance, Caitlyn and Stella deepened their voices noticeably as they loudly delighted in each discovery, saying, "OHhh" and "WHOA!" Apparently, this natural wood paired with carpentry tools served as entry vehicles into the vigorous roles that the girls assumed.

The logs were like those they had been gathering on our field trip when they tried to make fire, while the hand tools suggested new ways to transform the wood. Something about this scenario obviously captivated them, as the girls' interest in working with wood and dramatic play related to campfires and camping continued over the next several months.

In organizing this activity, I had expected more boys to be drawn to the wood and hand tools. On reflection, I see these expectations were based on my own gender-biased assumptions. Instead, this activity attracted more girls, providing them the opportunity to further explore an interest outside of traditional female roles. Such traditional roles are reinforced when girls role-play motherhood, princesses, or female characters commonly found in popular movies and other media—activities far more common in my classroom than these girls' work with wood.

On a separate occasion, much later in the school year, I found myself drawn to a group of three boys working in the dramatic play area—Robby, Peter, and Mason—during unstructured play time. I noticed that they had picked up the baby dolls, and I was intrigued, as I hadn't seen them use the dolls before. They had also brought over a roll of tape.

Perching on a nearby stepstool, I grabbed my camera, a notepad and pen, and began recording. Meanwhile, I was slightly distracted by Ella standing next to me, as she simultaneously began sharing her future plans for motherhood. (See "Field Notes, April 11, 2014"—the following dialogues are presented side by side, as they took place.)

These data samples stood out to me because of the coincidence of these two concurrent stereotypical portrayals of gender roles. While observing the group, I had perceived Ella's dialogue as disruptive, unrelated to what I was in the process of capturing. In the moment, I was not fully focused on her thoughts and did not consider them significant to the situation. When I later reflected, however, I realized that Ella had noticed I was observing this group of boys and their rough play with the dolls. Looking to connect with me, she offered her perspective on babies and caregiving.

Upon reflection, the boys' behavior reminded me of teacher researcher Aaron Neimark's description of his preschool boys playing what he called "basketball babies" (2012). Through his studies, Neimark (2012) noticed how young children often use objects in silly ways that diverge from the expected or intended use—for instance, pretending that basketballs were babies—and that this sense of creativity and comedy is an important component of peer culture.

While there seemed to be an element of humor as the boys played with the baby dolls during my observation, I further wondered about possible gender-related influences that may have caused them to interact with the props in this way. Though connecting the babies to plates and flying them around was a creative idea—a divergent one from how I had expected children to use dolls—I felt that their gender role expressions guided their actions more than simple imagination. The girls in my class didn't play with the dolls often, but when they did, their play was typically nurturing and gentle. I wondered if the boys had a tacit understanding that playing with dolls in a school setting is only acceptable if it is clearly distinct from the typical female version of such play (Brown & Jones 2001).

I find myself caught between a feminist perspective and that of the progressive teacher I sought to be: one who embraces each child's unique interpretation of an activity or idea (Brown & Jones 2001). The gender roles that children assume, as defined by our culture, affect their play, from determining their interests to deciding how to play and how to

make use of props (Meier & Henderson 2007). The data samples in this section suggest that the type of materials offered to children may provoke them to assume roles that are more or less stereotypical and could thereby influence their social interactions and learning. For instance, because baby dolls are socially constructed as feminine toys, they are less accessible for young boys.

With an understood purpose for caregiving role-play, young girls can feel comfortable behaving in line with their stereotypical gender role while playing with dolls. Boys, on the other hand, are perhaps implicitly excluded from using these toys, lest they should act outside of their traditional gender role. If they do use such materials, I have observed that their play usually deviates from the expected purpose. As a result, I find such gendered toys to be limiting for both young girls and boys. In contrast, materials that are less gendered and more open-ended—for example, natural materials such as sticks, pinecones, shells—encourage more creativity, stimulate imagination and allow for endless interpretations. Accordingly, open-ended materials are more likely to further children’s cognitive, physical and artistic development (NAEYC, n.d.).

## Children’s desire and search for power

This second theme explores the human desire for control and power. I noticed that the children sought and expressed power, for example, using it to exclude or include others, to influence a situation in their favor, or to feel strong. As with the first theme, the key data samples occurred on different days. I chose examples that involved one child across two similar events: first in a position of subordination and then in a place of power. The first event took place at school and the second on a field trip.

Both events occurred during structured playtime and both observations involved a group of three children—two had already established their play when a third approached and tried to join in. As teacher researcher Chris Taaffee (2012) found, such triangulated situations often prove challenging for the third child. The excerpts from the two field notes (See “Field Notes, February 24, 2014” and “Field Notes, April 9, 2014”) demonstrate complex desires for power and how children learn approaches for exercising control.

In the field notes from February 24, Violet used her knowledge of gender constructs and her understanding of her friend Cora’s somewhat conforming gender expression to control the situation. Violet did not offer Cora any role, like a sister or mom role, other than a monster. She knew that playing the monster is a less conventional option for a girl, and thus, a choice that Cora would probably not accept. Cora seemed to be penalized here for acting within her predictable gender role, which I found thoughtprovoking, as acting

within one's gender role is frequently considered desirable and conducive to acceptance. Yet in this case, Cora's preference to express female gender conventionally gave Violet an easy way to exclude Cora.

More than a month later, on April 9, I was fascinated to see Cora try a similar tactic with Lillian. This time, however, the interaction played out quite differently. Lillian readily seized the opportunity to become the monster, and I was pleased and surprised that Cora and Eddie were completely open to her involvement. While Violet's intentions in the first scenario seemed clear to me, I was uncertain about Cora's motivation. I had observed that unlike Cora, Lillian assumed nonconforming roles on a regular basis. If Cora really didn't want Lillian to join the pair, she would have had to make a different kind of proposal.

Both scenarios demonstrate the complexity of young children's interpersonal relationships within the sociocultural contexts influencing their lives. I and many other teachers have observed countless interactions involving a small group of children trying to protect their harmonious play from outsiders who could potentially disrupt the often fragile unity of young friendships (Neimark 2012; Taaffe 2012). I have witnessed children employ various strategies to exclude others and now realize how frequently they use their understanding of gender and culture to successfully block others from the play and determine who is permitted membership to the group (Brown & Jones 2001).

Like Cora, some children can be understood as behaving from within a dynamic process that includes learning from peers and the media, experimenting with ideas, and making sense of gender roles and relationships.

## Expressions and behavior illustrating child's state of mind and development

I have noticed that around the age of 4, children can become resolute in their thinking and uncompromising on their theories about the world, as they try to organize experiences and concepts into neat, often dichotomous categories. The following data sample typifies the kind of shortsighted perspectives children might adopt. Left unchallenged, these early views may be reinforced and become more permanent convictions. (See "Field Notes, February 25, 2014.")

Addie has two younger brothers, one of whom is a very active 3-year-old and, according to Addie, "causes a lot of problems." I thus attributed Addie's concern mostly to her experiences at home. Still, I wondered about her belief that boys don't like her. Where did

this conviction come from? Teddy quickly disavowed Addie's notion, and I noted how eager he was not to be implicated in an unfair assumption made about his gender.

In an effort to counter such gender stereotyping, my coteachers and I began implementing activities to acquaint children across genders, such as coed lunch seating arrangements and partnered projects. We also began performing childauthored plays in which crossgender roles were common (Paley [1984] 2014).

## Discussion and implications

I began this study wondering how I might offer young children more opportunities to act outside of traditional gender roles. In the end, I realized that the children were working through complex ideas about the world. Our curriculum on fire and camping had encouraged some girls to step outside of gender roles, but it didn't have a widening effect on all children—no single approach would. My findings showed that we needed a broader approach to advance children's ideas about identity.

Accordingly, I selected the following strategies to modify my practice and undertake future teacher research:

- nurture flexible thinking across all situations
- find opportunities for children to step outside their comfort zones in regard to activities, peer relationships, and personal challenges
- foster advocacy skills in oneself and others

If people have the capacity to consider unconventional ideas and bend their thinking, our interactions with one another might look very different and be healthier for individual identity development. Furthermore, I realized that exploring and understanding gender identity shouldn't be concentrated on the experiences of a select few, such as the girls who were so interested in the camping project. Rather, my goal should be to expand everyone's mind, thereby making more room for children to express themselves individually across the identity spectrum.

While this research provides insight into the processes of children's identity development, my findings are based upon one study I conducted independently over a spring semester. My feminist lens and personal perspectives influence all areas of my study—from gathering data to analyzing for interpretations, and deriving conclusions.

However, such subjectivity is inherent in teacher research and considered an advantage of the methodology, as it offers an honest insider's perspective of a practitioner in action (Meier & Henderson 2007).

## Conclusion

According to Meier and Henderson (2007), "Since early childhood is the foundation for young children's views and experiences with getting along with one another, and with understanding and taking a stance toward the world of relationships, a focus in teacher research on social justice will deepen our character/social curriculum" (178). I began this research project to take action on a social justice issue, but, over the four months of this study, most of my work focused on first making sense of what I was seeing. I ended up generating more questions than answers. Yet, it was this process of questioning that helped me to deduce some useful ideas for how best to continue identity work with young children.

I hope this study encourages other early childhood teachers to question gender issues that they might have otherwise accepted at face value. Looking critically at gender can allow teachers to have broader perceptions and interpretations of daily classroom events, thereby allowing children more space as they develop their gender identities.

My data shows the complexity of this topic, including compounding factors, influences, and considerations. It also demonstrates how pervasive socialized ideas about gender roles and expression are in our lives. While my findings need to be considered within the study's limitations, I feel that I have successfully achieved a personal goal of sharing my feminist thinking with a larger audience within the field of early childhood education.

Accordingly, this study gives voice to an important issue, and its value lies in my efforts to question the world, ease rigid thinking, and counter oppressive constructs (Valente 2011). Hopefully my teacher research "charges and challenges us to renew our commitment to an active, inclusive feminist struggle" (hooks 1994, 74).

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### **Field Notes: Gender Identity and Expression in the Early Childhood Classroom**

**Field Notes | February 12, 2014**

While on a field trip, a co-ed group of children worked together gathering sticks to build a fire. Several of the girls led the effort, directing others to gather more grass, sticks, and small logs. Meanwhile, the group discussed their theories about stoking a fire. Several days later, I observed many of the same children using trowels to chip away at bark while trying to “make fire” in the school garden. Thus, I decided to offer the class different types of wood, child-safe saws, and sandpaper during small group time in the classroom and see who was interested. I stayed close by to ensure that the tools were used in a safe manner. Four children, Stella, Caitlyn, Anna, and Robby, joined the activity when I invited them over, and I was pleased to see the three girls in this group so enthusiastic to use the tools and experiment with the wood.

Photos capture the children’s intensity and concentration and, thus, their interest in the activity. Stella and Caitlyn focused intently on the wood as they worked solidly for over 35 minutes and stopped only because they were asked to clean up for lunch. Before leaving the table, Stella exclaimed, “I’ve never done anything so serious!”

#### **Field Notes | April 11, 2014**

Robby (R), Peter (P) and Mason (M) gather around a small table in the dramatic play area, while I, teacher Jamie (J), watch. Mason watches with interest while Peter and Robby play with the two baby dolls, which they have brought over.

**R:** *Rip the head off.*

**P:** *No—you do it.*

**J:** *Pause and think, you guys. [They all look up and over, now realizing that I’m watching.]*

**P:** *We’re not actually strong enough. Shiiiiing! [P pokes a stick into the doll’s eye.]*

**R:** *Watch this. [R bangs the plate on the baby and then proceeds to tape the baby to the plate. P follows his lead. The two boys fly the babies around the room, having connected them to the plastic plates, which seemed to serve as the dolls’ wings.]*

#### **Field notes | April 11, 2014**

Ella (E) leans in close to me (J), ostensibly wanting to chat, as she so often does. She shares the following idea with me, while I try my hardest to focus on the group of boys. After a couple of minutes, I realize how similarly meaningful Ella’s monologue is to my study on gender.



*E: I'm gonna be a mommy when I grow up.*

*J: Oh yeah? [I raise my eyebrows, hoping that my response won't provoke her too much, as I try to return my focus to the other children.]*

*E: I'm gonna have one baby, because it's hard to carry 120, 120, and 120 babies!*

*J: [I smile]*

#### **Field Notes | February 24, 2014**

Ella and Violet, 4 and 5 years old, respectively, are playing house. It's clear that they want to maintain their harmonious two-person play, as Violet tells Cora, "I just want to play with Ella right now."

Usually, I would have respected the wish of two children to play alone, but because Violet and Ella spend the majority of their time playing together, without the inclusion of others, I decided to push and see if they could find a way to include Cora. "Can you think of a way for Cora to play?" I ask.

Violet offers, "She can be the monster."

Cora immediately rejects the offer; she wants to be the baby. But, according to Violet, there are no babies in this game and the only possible role is that of a monster. Cora resigns herself to finding a different playmate, and Violet and Ella continue their game, uninterrupted.

#### **Field Notes | April 9, 2014**

Cora and Eddie are playing together while on our field trip in a wooded park. They walk closely side-by-side, talking quietly, every so often looking behind. Lillian follows after them and no matter how many times they change course, she remains several feet behind them, yet not really making her intentions known. Finally Eddie bursts out, "You can't play!" and Cora adds, "Stop following us!"

I move closer, intending to ask Cora and Eddie to tell Lillian their feelings in a kinder way. As soon as Cora sees that I've noticed the conflict, she quickly offers Lillian an alternative: "You can be the monster."

Lillian smiles and begins contorting her face and body to assume the role. Cora adds, "And you can chase us!" Lillian shows them she's ready by creeping forward just as Cora and Eddie take off in the opposite direction, screaming happily!

**Field Notes | February 25, 2014**

Four-year-old Addie (A) approaches me (J) and shows me a jewel she is carrying in a special container. Her classmate Teddy (T) is playing nearby. I ask about it, and Addie explains why she is keeping her jewel in the container:

**A:** . . . the boys might break it. [A looks down at jewel while talking]

**J:** The boys might break it? What makes you think that?

**A:** Because boys don't like jewels. [A continues to look down; T looks up from work and toward A]

**J:** Is there a reason why you think boys don't like jewels?

**A:** Because they don't like me. [Looking down]

**T:** I like you. [Said seriously and honestly]

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*Voices of Practitioners: Teacher Research in Early Childhood Education*, the online journal of the National Association for the Education of Young Children, has been published since 2004.

*Voices* editor Gail Perry passed away in the summer of 2015, and her presence, expertise in teacher research, and deep knowledge of early childhood education are sorely missed. Starting with this issue, a *Voices of Practitioners* article will be published in each issue of *Young Children* as well as online.

*Voices of Practitioners* is a vehicle for dissemination of early childhood teachers' systematic study of an aspect of their own classroom practice. Deeply involved in the daily lives of children and their families, teachers provide a critical insider perspective on life in their classrooms through communication of their investigations, the results, and their reflections.

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Photographs: courtesy of the author

**Audience:** *Teacher*

**Age:** *Kindergarten, Preschool*

**Topics:** *Other Topics, Equity, Anti Bias, Gender, Research, Teacher Research, YC, Voices of Practitioners*

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**JAMIE SOLOMON**

Jamie Solomon, MA, worked in the early childhood field for over 10 years, teaching at the preschool and college levels in San Francisco. Her teacher research projects have focused on gender development and emergent curriculum. Jamie has recently relocated to Southeastern Michigan.

## CHAPTER 17

## The Power of Science

Using Inquiry Thinking to Enhance Learning  
in a Dual Language Preschool Classroom

Leanne M. Evans

The follow are examples of children's books that reinforce the concepts of *alike* and *different* and provide visuals, real-life examples, and many opportunities to use the language of science.

Books to Spark Inquiry About the Concepts of *Alike* and *Different*

*All the Colors We Are: The Story of How We Get Our Skin Color/Todos los colores de nuestra piel: La historia de por qué tenemos diferentes colores de piel*, by Katie Kissinger, photos by Chris Bohnhoff. 2014.

*Be Who You Are*, by Todd Parr. 2016.

*Beautifully Different*, by Peg Button, illus. by Elizabeth Bibza. 2021.

*Bee or Wasp* (Spotting Differences: Blastoff! Readers Level 1), Kirsten Chang. 2019.

*Caimán o cocodrilo/Alligator or Crocodile* (similares pero no iguales/Animal Look-alikes), by Rob Ryndak and Alberto Jimenez. 2015.

*Different? Same!* by Heather Tekavec, illus. by Pippa Curnick. 2017.

*Every Family is Different: Even Animal Families!* by Constance O'Connor and Natalia, illus. by Lucy Poley. 2019.

*Every Shade of Smile: Kids books About Race, Diversity & Inclusion for Baby, Toddlers & Preschoolers*, by Nicole Gray. 2022.

*Frog or Toad* (Spotting Differences: Blastoff! Readers Level 1), by Kirsten Chang. 2020.

*Hedgehog or Porcupine* (Spotting Differences: Blastoff! Readers Level 1), by Christina Leaf. 2020.

*Houses and Homes* (Around the World series), by Ann Morris, photos by Ken Heyman. 1995.

*I'm Like You, You're Like Me/Yo soy como tú, tú eres como yo: A Book About Understanding and Appreciating Each other/Un libro para entendernos y apreciarnos* (English and Spanish Edition), by Cindy Gainer. 2016.

*It's Okay to Be Different*, by Todd Parr. 2009.

*Our Skin: A First Conversation About Race*, by Megan Madison and Jessica Ralli, illus. by Isabel Roxas. 2021.

*Same and Different* (National Geographic Little Kids Look and Learn series), by National Geographic Kids. 2012.

*Same, Same but Different*, by Jenny Sue Kostecki-Shaw. 2011.

*The Skin You Live In*, by Michael Tyler, illus. by David Lee Csicsko. 2013.

*We're Different, We're the Same (and We're All Wonderful)* (Sesame Street), by Bobbie Kates, illus. by Joe Mathieu. 2017.

*What We Wear: Dressing Up around the World* (Global Fund for Children series), by Maya Ajmera, Elise Hofer Derstine, and Cynthia Pon. 2012.

*What's the Difference: Being Different is Amazing*, by Doyin Richards. 2022.



United States Government Accountability Office

Testimony  
Before the Committee on Health,  
Education, Labor, and Pensions, U.S.  
Senate

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For Release on Delivery  
Expected at 10 a.m. ET  
Wednesday, May 31, 2023

## CHILD CARE

### Observations on States' Use of COVID-19 Pandemic-Related Funding

Statement of Kathryn Larin, Director, Education,  
Workforce, and Income Security Issues



Highlights of GAO-23-106833, a testimony before the Committee on Health, Education, Labor, and Pensions, U.S. Senate.

**Why GAO Did This Study**

The federal government has long invested in child care as a key support for workers to help them become self-sufficient. Child care subsidies funded by CCDF help some low-income families afford child care so parents can work, attend school, or participate in job training. Appropriations for child care through CCDF during the COVID-19 pandemic totaled more than \$52 billion. This represented a concerted effort to stabilize the sector and to ensure that low-income families would continue to have access to affordable child care. States were also given new flexibilities in how they administer CCDF programs. These efforts to support child care providers and families are ongoing, as these funds have not yet expired.

This statement is primarily based on GAO's October 2021 and March 2023 reports on CCDF, including child care during the COVID-19 pandemic. It addresses (1) how states used federal COVID-19 relief child care funds and flexibilities, and (2) past and continuing challenges states faced spending these funds.

For our prior work, GAO (1) surveyed state CCDF administrators in 50 states and the District of Columbia and asked about their uses of supplemental child care funds and flexibilities in 2020, and (2) interviewed the state child care administrators in seven selected states—California, Colorado, Connecticut, Georgia, Michigan, New Mexico, and Texas—in September and October 2022. These states were selected to represent varying state program attributes like geographic region and population size.

View GAO-23-106833. For more information, contact Kathryn Larin at (202) 512-7215 or [larink@gao.gov](mailto:larink@gao.gov).

May 31, 2023

**CHILD CARE**

**Observations on States' Use of COVID-19 Pandemic-Related Funding**

**What GAO Found**

The Child Care and Development Fund (CCDF) is the largest federal child care program, providing grants to states to improve the affordability, availability, and quality of child care. For fiscal years 2020 and 2021, CCDF was appropriated substantially more than fiscal year 2019 CCDF allocations to help states prevent, prepare for, and respond to the pandemic (see table). Each new funding source came with its own rules and deadlines for states to obligate and spend funds. States were also provided additional programmatic flexibilities.

Act	Appropriation to CCDF (billions)	Estimated total spending as of April 2023 (billions)	Spending deadline
Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020)	\$3.5	\$3.3	Sept. 30, 2023
Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA)	\$10.0	\$8.0	Sept. 30, 2023
American Rescue Plan Act of 2021 (ARPA)	child care stabilization funds \$24.0 supplemental CCDF funds \$15.0	\$19.9 \$3.3	Sept. 30, 2023 Sept. 30, 2024
<b>Total</b>	<b>\$52.5 billion</b>	<b>\$34.5 billion</b>	

Source: Pub. L. No. 116-136, div. B, tit. VIII, 134 Stat. 281, 507 (2020); Pub. L. No. 117-201, div. M, 134 Stat. 1182, 1914, and Pub. L. No. 117-2, §§ 2201, 2202, 135 Stat. 4, 31, Department of Health and Human Services (HHS) documents, and GAO interviews with HHS officials. | GAO-23-106833

States used supplemental funding and temporary flexibilities in various ways, but data on the full extent of their use and impact is not yet available. In October 2021, GAO reported that data from its national survey of state CCDF administrators showed states used the funds and flexibilities in 2020 to, for example, help essential workers pay for care and pay care providers based on enrollment, not attendance. According to HHS officials, as of April 2023, states spent an estimated \$34.5 billion of the \$52.5 billion in supplemental COVID-19 relief funds. Due to states still having time to expend the funds and lags in data reporting, a full accounting will likely not be available until 2025 or 2026.

State child care administrators GAO interviewed in the fall of 2022 said they faced challenges managing supplemental pandemic funding as they adapted to meet the needs of child care providers and families during the pandemic. They reported facing remaining uncertainty about the impact of the funds' expiration on providers and families who may continue to face long-standing challenges like a workforce shortage and a lack of child care supply. Several of the administrators and child care experts GAO interviewed said that provider payment rates often are not sufficient to cover the high cost of providing quality care, leading to fewer providers accepting subsidies and fewer places for families to use them. As such, addressing these and other key challenges would require a sustained effort.

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May 31, 2023

Chairman Sanders, Ranking Member Cassidy, and Members of the Committee:

Thank you for inviting me here today to discuss our work on states' use of federal COVID-19 supplemental child care funds. The federal government has long invested in child care as a key support for workers to help them become self-sufficient. Child care subsidies help some low-income families afford child care so parents can work, attend school, or participate in job training. The Child Care and Development Fund (CCDF) is the largest federal child care program, providing grants to states to improve the affordability, availability, and quality of child care. Appropriations for child care through CCDF during the COVID-19 pandemic totaled more than \$52 billion, representing a concerted effort to stabilize the sector and to ensure that low-income families would continue to have access to affordable child care. This influx of funds also allowed states to invest in quality improvements that benefit all children – including those who do not receive subsidies. States were also given temporary flexibilities in how they administer CCDF programs.

These efforts to support child care providers and families are ongoing, as some of these funds do not expire until September 2023 and others expire in September 2024. My statement today discusses (1) states' use of federal COVID-19 relief child care funds and flexibilities, and (2) the past and continuing challenges states have faced in spending these funds.

This statement is primarily based on two recent prior reports on CCDF. For our October 2021 report, we surveyed state CCDF administrators in 50 states and the District of Columbia and asked about their uses of supplemental child care funds and flexibilities in 2020. For our March 2023 report, we interviewed state child care administrators in seven selected states in September and October 2022.<sup>1</sup> The work upon which this statement is based was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to

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<sup>1</sup>For our prior work see GAO, *COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response*, [GAO-22-105051](#) (Washington D.C.: Oct. 27, 2021); *Child Care: Subsidy Eligibility and Use in Fiscal Year 2019 and State Program Changes during the Pandemic*, [GAO-23-106073](#) (Washington, D.C.: Mar. 29, 2023).



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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.

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## Background

CCDF is the primary source of federal funding to help low-income families pay for child care. The Department of Health and Human Services (HHS) Office of Child Care administers the CCDF at the federal level and provides guidance and technical assistance to states on how to operate their subsidy programs. Under CCDF, states have substantial flexibility to establish their own eligibility criteria that determine which low-income working families will receive subsidies to help them pay for child care. On average, 1.43 million of the estimated 8.7 million children eligible for child care subsidies in their states received them from CCDF funds in a given month in fiscal year 2019.<sup>2</sup> The gap between the number of low-income working families whose children could benefit from child care subsidies, and the number who actually receive subsidies, is long-standing.

As we reported in March 2023, nearly all state child care administrators and child care experts we interviewed in 2022 said that the pandemic placed unprecedented strain on child care providers and working families.<sup>3</sup> Child care providers faced temporary and permanent closures. According to one report, nearly 16,000 child care centers and licensed family child care programs closed permanently between December 2019 and March 2021.<sup>4</sup> Many child care workers left the sector for higher paying jobs, leading to worker shortages as demand for child care started to increase. Providers were also tasked with updating their policies and programs to reflect constantly changing health and safety requirements and paying for personal protective equipment once they were able to re-open. Meanwhile, parents who lost their jobs as businesses suspended their operations or closed needed child care support while they searched for new jobs or sought educational activities to enhance their employment

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<sup>2</sup>A total of 2 million children were served on average each month through all federal and state funding streams.

<sup>3</sup>We interviewed the state child care administrators in September and October 2022 in seven selected states: California, Colorado, Connecticut, Georgia, Michigan, New Mexico, and Texas. See [GAO-23-106073](#).

<sup>4</sup>Child Care Aware of America, *Demanding Change: Repairing our Child Care System* (Arlington, VA: Feb. 2022).

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prospects. Finding and paying for child care became more of a struggle for these parents.

Data from mid-2022 shows the child care sector recovering, although at this point it is not yet known whether employment has returned to pre-pandemic levels. Employment in the child care industry dropped 35 percent in April 2020 compared to early 2020, according to a recent HHS analysis.<sup>5</sup> After this initial decline, employment steadily increased and reached 92 percent of February 2020 levels by November 2022. As a result, on average, child care providers had more than 1.5 fewer employees in June 2022 than in January 2020, with impacts for both providers and families.

In 2020 and 2021, Congress appropriated more than \$52 billion in Coronavirus Aid, Relief, and Economic Security (CARES) Act and other COVID-19 supplemental funds for CCDF to help states prevent, prepare for, and respond to the COVID-19 pandemic (see table 1). This was a large-scale increase in CCDF funds; in fiscal year 2019, CCDF allocations were \$8.1 billion.<sup>6</sup>

Each supplemental funding source had specific spending rules and deadlines for states to obligate and spend funds. States were also provided flexibilities in how they could use their CCDF funds. For example, according to HHS, states were allowed to waive family co-payments for all families using child care subsidies, which is generally not allowable.<sup>7</sup>

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<sup>5</sup>Crouse, G., Ghertner, R., and Chien, N. *The Impact of the COVID-19 Pandemic on the Child Care Industry and Workforce*. (Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, January 2023).

<sup>6</sup>Additional sources of federal funding for child care subsidies include Temporary Assistance for Needy Families and the Social Services Block Grant. The federal government and states spent an estimated total of \$11.1 billion to subsidize child care through these programs in fiscal year 2019, according to HHS.

<sup>7</sup>Waiving co-payments for all families generally is not allowable under CCDF, but was allowed temporarily for states with a CCDF waiver or using Coronavirus Response and Relief Supplemental Appropriations Act, 2021 funds, according to HHS officials. See [https://www.acf.hhs.gov/sites/default/files/documents/occ/summary\\_of\\_waiver\\_approvals.pdf](https://www.acf.hhs.gov/sites/default/files/documents/occ/summary_of_waiver_approvals.pdf) for additional information on approved waivers.

**Table 1: Coronavirus Supplemental Appropriations to the Child Care and Development Fund (CCDF) in Fiscal Years 2020 and 2021**

Act		Appropriation to CCDF (in USD)	Obligation deadline	Spending deadline
Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020)		3.5 billion	Sept. 30, 2022	Sept. 30, 2023
Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) <sup>a</sup>		10.0 billion	Sept. 30, 2022	Sept. 30, 2023
American Rescue Plan Act of 2021 (ARPA)	child care stabilization funds	24.0 billion	Sept. 30, 2022	Sept. 30, 2023
	supplemental CCDF funds	15.0 billion	Sept. 30, 2023	Sept. 30, 2024
<b>Total</b>		<b>52.5 billion</b>		

Source: Pub. L. No. 116-136, div. E, tit. VIII, 134 Stat. 281, 557 (2020); Pub. L. No. 116-260, div. M, 134 Stat. 1162, 1914, and Pub. L. No. 117-2, §§ 2201, 2202, 135 Stat. 4, 31; Department of Health and Human Services documents. I/GAO-23-108633

<sup>a</sup>CRRSA is Division M of the Consolidated Appropriations Act, 2021.

### States Used COVID-19 Child Care Funds and Flexibilities in Different Ways, but Complete Data Are Not Yet Available

#### States Used Available Flexibilities When Spending COVID-19 Supplemental Child Care Funds

As we reported in October 2021, states reported using a variety of strategies to support child care providers and families in 2020, including helping essential workers pay for care and paying child care providers based on enrollment rather than attendance, according to states' response to our national survey.<sup>8</sup> In a more recent study, HHS officials

<sup>8</sup>We surveyed state CCDF administrators in 50 states and the District of Columbia and asked about their uses of supplemental child care funds and flexibilities in 2020. Our survey was administered between January and March 2021 and asked states to report on four points in time: March 31, June 30, September 30, and December 31, 2020. All but one state responded to our survey. For additional information, see [GAO-22-105051](#).

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reported states' use of similar strategies.<sup>9</sup> When asked about how they used CCDF CARES Act funds or planned to use Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) funds, states most commonly noted that they provided assistance to child care providers experiencing temporary closures or decreased enrollment and to child care providers not previously receiving CCDF funding (see table 2). More than half of states used funds to provide child care assistance to essential workers regardless of income. Based on preliminary data, HHS has noted that compared to 2019, the average monthly number of children served in 2020 with CCDF funded subsidies increased modestly.<sup>10</sup> HHS officials attribute the fiscal year 2020 increase in the number of children who received subsidies to states' use of CARES Act funding and flexibilities to serve the children of essential workers who were not previously eligible, among other reasons.

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<sup>9</sup>The HHS Office of Planning, Research and Evaluation issued a report in July 2022 that provided information about how states changed their CCDF policies in response to the COVID-19 pandemic from the declaration of the public health emergency on January 31, 2020 to March 1, 2021. The information was based on administrative data from states and territories. According to this report, for some portion of the pandemic's first year, 35 states waived co-payments for all families and 18 waived income eligibility thresholds for essential workers, changes that HHS officials we interviewed said were possible only because of the supplemental funds and the flexibility provided to states. For more information, see Department of Health and Human Services, *Appendix to the 2020 CCDF Policies Database Book of Tables: Child Care Subsidy Policies in Response to the COVID-19 Pandemic From January 2020 to March 2021*, OPRE Report 2022-152 (Washington, D.C.: July 2022).

<sup>10</sup>The most recent CCDF eligibility data are from fiscal year 2019. While fiscal year 2020 eligibility data are not yet available, HHS published preliminary 2020 subsidy receipt data in May 2022 that showed an increase in the average number of children provided subsidies funded only through CCDF to an estimated 1.49 million children in an average month.

**Table 2: State Uses or Planned Uses of CCDF CARES Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Funds, March through December 2020**

Uses of CARES Act and CRRSA funds	Number of states that reported using CARES Act funds	Number of states that planned to use CRRSA funds
Provide assistance to child care providers experiencing temporary closures or decreased enrollment due to COVID-19	46	46
Provide assistance to child care providers not receiving Child Care and Development Fund funding as of March 1, 2020	42	42
Provide child care assistance to essential workers regardless of income	29	15
Pay two child care providers for the same child for the same time period <sup>8</sup>	24	11
Support child care resource and referral agencies	14	19
Support family child care network(s) as a means to increase supply of home-based child care providers	8	13

Source: GAO survey of state Child Care and Development Fund (CCDF) administrators, 2021. | GAO-23-106833

Notes: We surveyed state CCDF administrators in 50 states and the District of Columbia and asked about their uses of supplemental child care funds and flexibilities in 2020. The CRRSA was enacted in December 2020, a few weeks before our survey was deployed. The American Rescue Plan Act of 2021, which also appropriated supplemental funding for CCDF, was enacted in March 2021, after our survey had been sent to state child care administrators. Our 2021 survey asked states to report on four points in time: March 31, June 30, September 30, and December 31, 2020. All but one state responded to our survey. CRRSA is Division M of the Consolidated Appropriations Act, 2021.

<sup>8</sup>OCC guidance states that CARES and CRRSA funds can be used to pay two providers for the same child should one of the providers be temporarily closed due to COVID-19.

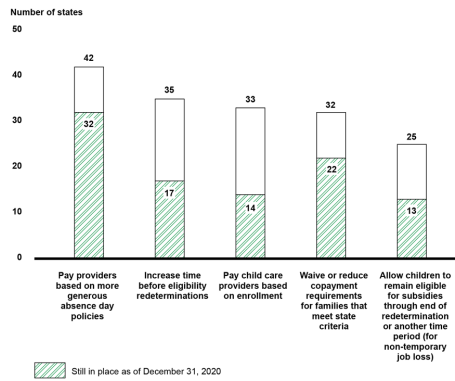
When asked about flexibilities they used, states most commonly opted to pay providers based on more generous absence day policies (see fig. 1).<sup>11</sup> In its preliminary fiscal year 2020 data, HHS officials attributed states' increase in the average monthly CCDF subsidy amount to child care providers, in part, to this more generous policy.<sup>12</sup> As we recently reported in March 2023, state child care administrators we interviewed in 2022 also said that paying subsidies to providers based on enrollment kept some providers from closing during periods of fluctuating or low attendance. One state administrator said this change incentivized additional providers to join the state subsidy program, as subsidies became a reliable source of income for child care providers during volatile

<sup>11</sup>More generous absence day policies were used during the pandemic to allow providers to continue receiving CCDF payments if their programs closed or children were absent, as a way to help support child care businesses during times of low attendance.

<sup>12</sup>In fiscal year 2019, providers were paid \$504 per month, on average nationally, for each child in their care who received a subsidy, according to HHS data. HHS's preliminary fiscal year 2020 data reflect an increase to \$556 per month, on average nationally for each child.

times. We also found that 32 states waived or reduced family co-payments at the start of the pandemic, but over time fewer states continued this flexibility. For example, only 22 still had this change in effect in December 2020.

**Figure 1: Federal Child Care Flexibilities States Most Commonly Used During COVID-19, March through December 2020**



Source: GAO survey of state Child Care and Development Fund (CCDF) administrators, 2021. | GAO-23-106833

Note: This figure shows federal child care flexibilities implemented due to COVID-19 by at least 50 percent of states. All but one state responded to our survey.

**Data about Supplemental CCDF Use and Effects after March 2021 Are Not Yet Available**

We have previously reported on states' use of the supplemental CCDF funds early in the pandemic, but data on the full extent of their use and impact is not yet available because states have not spent or obligated all the funding.<sup>13</sup> HHS added questions related to states' use of COVID-19 supplemental child care funding to the CCDF forms states are required to

<sup>13</sup>GAO-22-105051.

submit to HHS. Specifically, states submit CCDF financial reports reflecting their uses of the funds to HHS by 30 days after the end of each quarter. In addition, HHS receives information from states on their use of American Rescue Plan Act of 2021 (ARPA) child care stabilization funds on a new reporting form specific to that funding stream. HHS's Office of Child Care also conducts regular interviews with states to track their progress in spending COVID-19 supplemental child care funding, according to HHS officials. States continue to submit reports on their spending at the end of each year as funds are spent.

As of April 2023, HHS reported that states have spent \$34.5 billion of the \$52.5 billion in COVID-19 supplemental child care funds (see table 3). While recent annual obligation data are not yet available, HHS officials report that all state child care administrators stated that they met the September 30, 2022 obligation deadline for CARES, CRRSA, and ARPA stabilization funds.

**Table 3: Coronavirus Supplemental Appropriations to the Child Care and Development Fund (CCDF) in Fiscal Years 2020 and 2021 and Total Spending as of April 2023**

Act	Appropriation to CCDF (in USD)	Estimated total spending as of April 2023 (in USD)	Spending deadline
Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020)	3.5 billion	3.3 billion	Sept. 30, 2023
Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) <sup>a</sup>	10.0 billion	8.0 billion	Sept. 30, 2023
American Rescue Plan Act of 2021 (ARPA)			
child care stabilization funds	24.0 billion	\$19.9 billion	Sept. 30, 2023
supplemental CCDF funds	15.0 billion	\$3.3 billion	Sept. 30, 2024
<b>Total</b>	<b>52.5 billion</b>	<b>34.5 billion</b>	

Source: Pub. L. No. 116-136, div. B, tit. VIII, 134 Stat. 281, 557 (2020); Pub. L. No. 116-260, div. M, 134 Stat. 1182, 1614; and Pub. L. No. 117-2, §§ 2201, 2202, 135 Stat. 4, 51; Department of Health and Human Services (HHS) documents, and GAO interviews with HHS officials, 1 GAO-23-108833

<sup>a</sup>CRRSA is Division M of the Consolidated Appropriations Act, 2021.

<sup>b</sup>Totals are estimated as they are subject to change during the fiscal year.

According to HHS officials, states report quarterly financial data that include expenditures and other financial information by each COVID-19 supplemental funding source. HHS does not aggregate or publish these quarterly data and instead publishes these data on an annual basis.

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which officials said provides a more reliable accounting. According to HHS, states make significant adjustments to their reports during the year, including changing which funding source is claimed for certain obligations, where allowable and appropriate, leaving quarterly reports potentially misleading or inaccurate. HHS reported that a significant lag in finalizing and publishing data exists due to the process of reviewing submissions, following-up with states on missing or inconsistent data, and aggregating, clearing, and publishing the results. The agency has published comprehensive fiscal year 2020 financial data and anticipates publishing fiscal year 2021 data in the fall of 2023, which will include obligation and liquidation amounts for each source of COVID-19 supplemental child care funding as of September 30, 2021. As a result, a full accounting of how supplemental COVID-19 funds were spent will likely be available in 2025 or 2026.

Similarly, data on the number of children eligible for and who received child care subsidies is typically available years after the end of the fiscal year. The most recent HHS information about the number of children eligible for and who received child care subsidies is from fiscal year 2019, prior to the appropriation of supplemental funds. HHS produces eligibility estimates using a microsimulation model that takes time to update every year, resulting in 2-year lag.<sup>14</sup> Therefore, a fuller picture on the use and impact of pandemic-related child care spending may not emerge until 2026.

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<sup>14</sup>There generally is a 2-year time lag between the collection of Census data that HHS uses to create its eligibility estimates and when it releases these data, according to HHS officials. HHS produces the eligibility estimates using the Transfer Income Model (TRIM), a microsimulation model developed and maintained by the Urban Institute under a contract with HHS. This model is based on the Annual Social and Economic Supplement of the Current Population Survey. TRIM compares family income and work status data, among other factors, from the Current Population Survey against CCDF requirements in order to generate estimates of the number of children and families eligible for subsidies. The baseline TRIM microsimulation takes time to produce in part because it analyzes changes in subsidy eligibility requirements in each state, as well as changes in requirements for other transfer programs and income imputations, among other factors. HHS has not finalized fiscal year 2020 subsidy receipt data, but preliminary data are available.



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### State Child Care Administrators Cited Challenges Spending COVID-19 Funding and Reported Facing Continued Uncertainty

As the public health emergency unfolded, states were tasked with quickly deciding how to assist vulnerable families and child care providers, sometimes before guidance on the use of federal funds was available. State child care administrators we interviewed in 2022 said that they faced both short-term and ongoing challenges as they adapted their subsidy programs to meet the time-sensitive needs of families and child care providers during different phases of the pandemic. They specifically cited challenges to managing the influx of funding and making decisions that reflected its time-limited nature. State administrators are still in the process of spending these funds, but noted they are facing uncertainty about how the pandemic funds' expiration will affect both child care providers and families.

- **Managing influx of funding.** While child care administrators we interviewed in 2022 said that they were grateful for the additional financial support for their subsidy program, all seven expressed challenges related to managing and distributing a large influx of funding during a compressed time frame to address families' and providers' real-time needs. For example, one state administrator discussed the challenge of quickly designing and implementing changes to the state program's IT system to account for changes made to their payment processes.
- **Time-limited nature of funding.** Amid this stress, state child care administrators tried to make sustainable choices and think strategically about how to use the funds. All seven state administrators we interviewed expressed concerns about the time-limited and one-time nature of the financial support they received during the pandemic. As a result, in some instances, states decided to use funds for one-time purposes rather than to address long-standing challenges. For example, one administrator explained that the state opted to pay one-time signing or retention bonuses rather than to raise wages to address long-standing child care worker recruitment and retention challenges.
- **Remaining uncertainty for states, families, and providers.** State administrators said uncertainty about future funding levels was a concern. In particular, several state child care administrators expressed concern about reverting to restrictive, pre-pandemic income eligibility limits for families and lower rates of payment to providers that do not reflect providers' true cost of delivering quality care. Three state administrators said they were concerned that without additional action they may need to expel families from the program when COVID-19 relief funds expire.

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As we reported in March 2023, child care providers and low-income families have faced long-standing challenges. A pre-pandemic 2018 analysis found that more than half of Americans—51 percent—lived in neighborhoods classified as child care deserts, areas with more than three young children for every licensed child care slot.<sup>15</sup> Even when high-quality child care is available, many families struggle to pay for the cost of this care, with some who receive subsidies paying more than 7 percent of their income, HHS's benchmark for what may be considered affordable, on co-payments.<sup>16</sup> At the same time, several of the state child care administrators and experts we interviewed said that provider payment rates often are not sufficient to cover the high cost of providing quality care, leading to fewer providers accepting subsidies and fewer places for families to use them. As such, addressing these and other key challenges would require a sustained effort.

We currently have work underway examining whether and how states used pandemic child care funding to implement potential long-term strategies to help families and child care providers. As part of this work, we plan to further examine challenges states faced spending these funds. We plan to issue a report on the results of this work in early 2024.

Chairman Sanders, Ranking Member Cassidy, and Members of the Committee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

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#### GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact Kathryn A. Larin, Director, Education, Workforce, and Income Security Issues at (202) 512-7215 or [larink@gao.gov](mailto:larink@gao.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 Danielle Giese (Assistant Director), Jessica Mausner (Analyst in Charge), MacKenzie Cooper, Lauren Mosteller, and Kelly Snow. In addition, key support was provided by Sherri Doughty,

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<sup>15</sup>R. Malik, K. Hamm, et al., *America's Child Care Deserts in 2018*, (Washington, D.C.: Center for American Progress, December 2018).

<sup>16</sup>Child Care and Development Fund Program, 81 Fed. Reg. 67,438, 67,515 (Sept. 30, 2016). In fiscal year 2019, in five states, families on average paid more than 7 percent of their income on their co-payment when using a child care subsidy, according to HHS data. When excluding families with \$0 co-payments, families in 14 states, on average, paid more than 7 percent of their income on their co-payment.

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[Whereupon, at 12:07 p.m., the hearing was adjourned.]

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