

**SUPPORTING CHILDREN, WORKERS
AND FAMILIES BY STRENGTHENING
AMERICA'S CHILD CARE SECTOR**

HEARING
OF THE
**COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS**
UNITED STATES SENATE
ONE HUNDRED SEVENTEENTH CONGRESS
FIRST SESSION
ON
EXAMINING SUPPORTING CHILDREN, WORKERS AND FAMILIES BY
STRENGTHENING AMERICA'S CHILD CARE SECTOR

APRIL 27, 2021

Printed for the use of the Committee on Health, Education, Labor, and Pensions



Available via the World Wide Web: <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

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Tuesday, April 27, 2021

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 216, Hart Senate Office Building, Hon. Patty Murray, Chair of the Committee, presiding.

Present: Senators Murray [presiding], Casey, Baldwin, Kaine, Hassan, Smith, Rosen, Lujan, Hickenlooper, Burr, Collins, Cassidy, Braun, and Scott.

OPENING STATEMENT OF SENATOR MURRAY

The CHAIR. Good morning. The Senate Health, Education, Labor, and Pensions Committee will please come to order. Today we are holding a hearing on our Nation's childcare crisis. Ranking Member Burr and I will each have an opening statement and then we will introduce today's witnesses. After the witnesses give their testimony, Senators will each have five minutes for a round of questions. And before we begin, as always, I want to work through the COVID-19 safety protocols in place.

We will follow the advice of the Attending Physician and the Sergeant-at-Arms in conducting this hearing. We are all very grateful to our Clerks and everyone who has worked hard to get this set up and to help everyone stay healthy and safe. Committee Members are seated at least six feet apart and some Senators are participating by video conference. And while we are unable to have the hearing fully open to the public or media for in-person attendance yet, live video is available on our Committee website at help.senate.gov. And if you are in need of accommodations, including closed captioning, you can reach out to the Committee or the Office of Congressional Accessibility Services.

I would also like to thank Senator Burr for working with me in a bipartisan way to hold this HELP Committee's first childcare hearing in years. This is long overdue. I know this issue is important to Senator Burr and every Member of this Committee given its impact on so many families and workers. I look forward to more conversations about what this Committee and the Senate can do to address the childcare needs of millions of families. We are here today for people like Patty Lou. She is a mother from South Seattle that I spoke with last week. Early last year, Patty got her dream

job. Then the pandemic hit, her childcare provider closed, and her employer laid her off because she had to work fewer hours in order to care for her kids. Unfortunately, her story is not unique, not even close. Dasja Reed is here today as a witness to share her own story of childcare challenges.

Millions of parents have lost hours, wages, and jobs during this pandemic because they cannot get quality, affordable, accessible childcare. Studies show that childcare was the primary reason people left the workforce during this pandemic. This problem has been worse for working moms. Nearly half were forced to take unpaid leave to care for their children, and one in 10 quit their jobs due to this pandemic, a majority of whom cited childcare as the reason. And the numbers are even worse for women who are paid low income, women who work part time jobs, and women of color. And at the same time, this pandemic has highlighted how important childcare is to build an economy that works for working families.

It has also devastated the childcare sector by jeopardizing childcare for 4.5 million children, closing more than 20,000 childcare centers and forcing one fifth of childcare workers out of work. This loss has been deeply damaging to the families who rely on these providers, childcare workers, the vast majority of whom are women, and businesses who are losing employees who can't find or afford childcare. It is especially hard on communities of color as half of childcare businesses are minority owned and nearly half of childcare workers are women of color. I have been speaking with childcare providers throughout this pandemic about the support that they need to keep their doors open, and it is clear that COVID-19 has made things harder. But make no mistake, childcare was in crisis before this pandemic.

One mom in Washington State spoke about reaching out to 20 to 30 childcare providers over 5 years, switching providers three different times and driving 45 minutes both ways to get childcare for her daughter so she could go to work. And for many families, even that is not an option. Over half of our country lives in a childcare desert or a community with an undersupply of licensed childcare options. And for families with low incomes, families of color, and rural families, childcare is even less available. In Washington State, there are over 50,000 children under age five across Benton, Columbia, Franklin, Grant, Kittitas, Walla Walla, and Yakima counties. But even before the pandemic, childcare was only available for less than half of those kids. And even if families have a childcare provider within reach, it is often far too expensive. In DC and 29 states, childcare costs more than in-state college tuition, including in Washington State, where the average yearly cost for childcare is nearly \$15,000. For families with low incomes, childcare costs over a third of their income.

While families are paying too much of their incomes for childcare, childcare workers are being paid far too little. These workers are doing the incredibly important job of caring for and educating children, so parents are able to go to work and provide for their families, but only making, on average, \$11.00 an hour and they rarely have any benefits. We talk about crumbling infrastructure when it comes to roads and bridges, but we have never really had childcare infrastructure in the first place in this country,

which has cost our Nation \$57 billion in lost revenue, productivity, and wages each year. It costs parents who have to forego careers and job opportunities or struggle to put food on the table because they can't afford the childcare they need to find a job.

It especially costs parents of children with disabilities and women of color who are much more likely to be unable to look for a higher paying job because they can't find or afford childcare. And it costs our children who miss out on high quality, early education that can help them grow and thrive. With costs so high, we cannot afford inaction. This issue is personal to me. I know what it is like to have a sick child and have to talk with your husband or partner about who will miss work to watch the kids. I know what it is like to work at an early education program. Early childhood programs are part of what I first—what got me into politics in the first place, to save a co-op preschool program that helped families like mine. It is why I worked in a bipartisan way to secure the biggest ever increase in Federal childcare funding in 2018.

It is why during COVID I fought to secure over \$50 billion in funding for childcare to make sure our childcare sector can survive the pandemic, keep hundreds of thousands of providers who serve millions of children from closure, and help almost 1 million families across the country afford quality childcare. And it is why I am continuing to fight to pass my Child Care for Working Families Act, which will ensure childcare is affordable for working families. It will expand access to preschool programs for all three- and four-year-olds and improve the supply and quality of care for all children and increase compensation and provide training for childcare workers. This legislation will jumpstart our economy by creating 770,000 new childcare jobs, helping 1.6 million parents, primarily mothers, go back to work and lifting 1 million families out of poverty. Because the reality is, childcare is a critical part of our infrastructure.

We have 21.5 million workers who have a child under the age of six. They need the basics to be able to do their jobs. And the basic does mean bridges and roads, but they absolutely also mean childcare. Ask any mom, ask any parent, ask Dasja Reed or Patty Lou and they will tell you, a road won't do you much good if you can't find safe childcare for your kid. If we are going to rebuild from this crisis stronger and fairer, if we are going to build an economy that truly works for working families, we can't do it without childcare for every working family. With that, I will recognize Ranking Member Burr for his opening remarks.

OPENING STATEMENT OF SENATOR BURR

Senator BURR. Well, good morning, Chair Murray. I thank you for working with me on this hearing. I am glad that we are coming together today in a bipartisan effort to discuss the crucial role childcare plays in our economy. Bottom line, Americans can't wait in the can't work if they don't have safe, reliable care for their family. I hope, rather than partisan reconciliation processes, that you and I can listen to each other's ideas and work together on meaningful solutions in legislative form that stabilizes and strengthens childcare and respects and honors parent choice in the care of their young children.

I remain committed to seeking workable bipartisan solutions on childcare. Beginning with my partnership on this Committee with Senator Mikulski, we passed significant health and safety reforms to the Child Care and Development Block Grant program in 2014, a program that had gone almost two decades without reauthorization. And for the last few Congresses, Senator King and I have been working on the Pack Act, a bipartisan, bicameral proposal to make childcare more affordable for families. I look forward to hearing the experiences from our witnesses today, and I thank you for being here to offer us ideas for building a better childcare program that works for parents, children, providers, and employers.

I want to first highlight and think childcare providers is the one education sector that has never abandoned working parents and their kids during COVID. Childcare understood, even in a pandemic, many jobs can't be done remotely and that parents have to have a safe and reliable place to leave their children so they can work. To maintain stable employment or participate in an education or training program, parents with young children absolutely have to have childcare. Breakdowns in childcare result in parents leaving work early, being late to work, missing a shift or a full day of work, and being distracted while at work. This leads not just to workers missing out on income and promotions, but incredibly lost productivity for employers. While COVID stay at home orders forced Americans to work from home, nurses, EMT, firefighters, grocery store clerks, and all other essential workers had to be on time each day and every day and not distracted. Childcare understood this.

Throughout the entire pandemic, childcare stayed opened to care for the children of other essential workers. For almost a year before schools and their unions even got around to figuring out childcare implementation, they implemented numerous enhanced health and safety protocols that by and large, even in the absence of vaccines, kept children safe and staff safe. And when K through 12 closed its doors to students, childcare, in addition to caring for children birth to five, opened up for the school-aged children who needed a safe and supportive place to do their online learning. A key lesson learned from COVID-19 is that K through 12 has a great deal to learn from the childcare industry. Staying open during the pandemic has come at a huge financial cost to providers. Even before the pandemic, providers operated on a razor thin margin. Additional staff and supplies to implement health and safety protocols on top of recurring fixed cost and in an environment of significantly reduced enrollment, ensured that everyday childcare remained open. It was operating well into the red.

In the last year, in three different bills, Congress has provided approximately \$50 billion in emergency childcare funding to stabilize providers financially so that as parents return to work, childcare is available to them. As of today, we have limited to no insight from HHS as to how states plan to use the majority of these dollars and what effect these dollars are having on providers being open and parents being able to find and afford reliable care that meets their needs. As we look to build a stronger childcare sector for the future, I think understanding how this incredible influx of new dollars is being used is absolutely crucial to policymakers.

We also need to understand how the flexibilities given to states to support both parents and providers during the pandemic might best be continued on an ongoing basis. We need to continue to allow states to more quickly respond to the unique needs that they see on the ground rather than waiting for a national emergency or the hopes of a reauthorization happening on time. Most critical, however, is that we understand what parents—that we understand parents' wants and needs for childcare going forward. I cannot say enough, parents' choice and flexibility are paramount. Nothing is more personal than the choice a parent makes of who will take care of their infant, toddler, or four-year-old. Because children develop on different timelines, parents may prefer one type of provider for one child and another type of provider for another child. And we need options for parents to meet their schedules.

One size fits all does not work in child care. Parents, not Government, know their children best. Whatever we do in childcare policy, we must respect and support parents' choices. Additionally, it is essential we understand any unintended consequences of good meaning, but poorly thought through, through policy ideas that may drive up childcare cost and make it more difficult for providers to operate and enter the field or make it even harder to attract and retain a qualified workforce. There is just one example of potential unintended consequences is a poorly designed universal kindergarten program.

Pushing four-year-olds out of developmentally supportive community childcare programs and into an already poorly performing K through 12 system runs the risk of disrespecting the wants of parents, significantly driving up the cost of already expensive infant and toddler care, and setting young children back in their social, emotional, and academic growth. We presently have a rich and diverse mix delivery system for childcare and early education in this country. Centers, family—child care homes, for profit, nonprofit, religious, large, small.

As we look to improve access, affordability, and quality in childcare and stabilizing better support of a labor intensive, thin margin industry, we must do so in ways that build up the things we have right, respecting parents' choices in the care of their young children through a rich and diverse mix delivery system. I hope today is a start and not the end of a bipartisan conversation on how to make childcare better for America's working families.

I look forward to working with our witnesses, with Chair Murray, and more importantly, all the Committee Members on an issue critical for working parents and for their children. I thank the Chair. I thank our witnesses. I yield back.

The CHAIR. Thank you very much, Senator Burr. And thank you to all of our witnesses for being here today. I will join with Senator Burr to introduce our witnesses. And I will start with Dr. Myra Jones-Taylor. Dr. Jones-Taylor is the Chief Policy Officer at the ZERO TO THREE, where she works to promote policies supporting healthy child development for infants and toddlers, and the former commissioner of early childhood for Connecticut, where she led the state agency responsible for early care and education, home visiting, early intervention, and childcare licensing. Welcome, Dr.

Jones-Taylor. Thank you for joining us today. And I will turn it over to Senator Burr to introduce Susan Gale Perry.

Senator BURR. Thank you, Madam Chair. I am pleased to welcome Susan Gale Perry to our hearing today. Ms. Perry is the Chief Deputy Secretary for Opportunity and Well-being at the North Carolina Department of Health and Human Services. Susan provides leadership, senior leadership to North Carolina DHHS, which has 17,000 employees, an annual budget of \$20 billion, serving as home to Medicaid, public and mental health, state operated hospitals, economic, adult, child welfare services, and early childhood education.

Susan has a full plate. Susan has several decades of experience leading complex early childhood and human services systems at the local, state, and national level. She previously served as Executive Director for the Delaware Office of Early Learning, Founding Executive for the North Carolina Early Childhood Foundation, Senior Director of the North Carolina Smart Start, and Deputy Executive Director at Child Care Aware of America. Susan, welcome. I look forward to your testimony.

The CHAIR. Thank you. Ms. Perry, welcome. We are very glad to have you with us today. Next, I would like to introduce Dasja Reed. Ms. Reed is a single mother with a two-year-old son from New Orleans, Louisiana, who understands personally why today's topic is so important. Ms. Reed was forced to leave her job during the pandemic due to the closure of her son's childcare program last March.

Welcome, Ms. Reed, and thank you for joining us today to speak about your experience. Next, I would like to introduce Ms. Khadija Louis Khan. Ms. Khan has served as Executive Director of Beautiful Beginnings Child Care Center in Providence, Rhode Island, for over two decades. Welcome to you as well, Ms. Khan. Thank you for joining us. We will now begin our testimony. And Dr. Jones-Taylor, we will begin with you. You may begin your opening statement.

STATEMENT OF MYRA JONES-TAYLOR, CHIEF POLICY OFFICER, ZERO TO THREE, WASHINGTON, DC

Dr. JONES-TAYLOR. Thank you. Good morning, Chair Murray, Ranking Member Burr, and other distinguished Members of the Senate Committee on Health, Education, Labor, and Pensions. My name is Myra Jones-Taylor, and I am the Chief Policy Officer at ZERO TO THREE, the leading national nonprofit that has worked for more than four decades to ensure that babies, toddlers, and their families have the resources and support they need to thrive. I am incredibly grateful to be here testifying before the Committee today about the long-standing childcare challenges this country has faced and the impact of those challenges on families, early childhood professionals, and the healthy development of young children.

It is especially good to be back here. Senator Burr, I remember testifying many years ago after the reauthorization of CCDBG with you and Senator Mikulski. So, thank you for having me back. After the past year, we have all been acutely aware of COVID-19's impact on childcare, but childcare before the pandemic was already in crisis, summarized by one word unaffordable. Unaffordable for families where cost was often a barrier to finding care, and neigh-

borhoods determine the quality and range of care available. Over half of Americans live in childcare deserts with too few licensed places for the young children who live there.

Before the pandemic, we heard stories like that of two parents whose income was just over the limit to receive the subsidy through CCDBG, and the cheapest quality care they were able to find cost one and a half times their monthly rent. And so instead they had to put their infant in care with unsafe childcare ratios, stacked child ratios in order to be able to support their families and work. Unaffordable for early childhood educators, where wages average less than \$12 an hour and many must turn to public assistance, and inequities abound. Within a workforce disproportionately made up of women of color, those women are paid less than the average, making \$0.78 cents less than their white counterparts per hour.

Dedicated early childhood educators often are forced to leave the profession they love. One such educator told us she left because even with a master's degree and 10 years of experience, she made less than \$30,000 a year, and her monthly take home pay equaled the cost of her own two children's care. Unaffordable for our children, whose brain development is shaped by the relationships they form from families—the relationships they form. And too many young children, especially from families from low incomes and children of color, lack consistent access to quality care that facilitates early learning.

Finally, it is unaffordable for our economy, which loses \$57 billion dollars a year in lost wages, work productivity, economic activity, and tax revenue because of insufficient childcare. Women disproportionately bear the brunt of our Nation's childcare crisis and drops in their workforce participation could have long term effects on our economy. The situation arises because it is simply impossible for the free market to ensure all families that need it have access to quality childcare, that compensates providers as the professional or educators they are.

Our investments are nowhere near what they need to be to support a stable, robust system. Parents can't afford to pay more, and childcare providers can't afford to be paid in less. Yet in almost every state, childcare subsidies are too low for families to choose high quality care or for providers to pay their staff competitively and invest in quality. The CCDBG assists only one in seven eligible children, and we know the eligibility levels are far lower than the actual need, especially when you consider that only 4.2 percent of babies and families with low and moderate income who could also really use the support, actually receive subsidies. As a Nation, we have a long way to go. COVID-19 simply exposed the system's fragility.

Both providers and families have been on a never-ending rollercoaster this past year, with providers struggling to stay afloat and parents grappling with childcare closures and their own shifting needs. This upheaval has affected the current supply and challenges the ability to build for the future. Funds provided for COVID relief, particularly the \$50 billion since December 2020, which we are so grateful, will stabilize the industry for providers and families and even lay some critical foundations. But whether

we build a strong childcare system all of us need depends on the direction of our national policy, what we do today.

We need comprehensive action from Congressional leaders to shape a stronger, more resilient future for childcare funding as a public good. And this system should ensure that all children can receive high quality care that supports their healthy development, families have options for high quality settings that best meet their needs and the needs of their children, all families who need help paying for childcare have the financial support they need, and early childhood professionals receive the support, resources, and care compensation they need to provide high quality care.

Beyond the macroeconomic impacts of COVID-19 on the childcare system and the economy, I think it is also critical to raise the trauma of the pandemic has left in its wake. Recent research has shown not only heightened mental health concerns for children and families, but also a doubling in places, tripling of rates of depression among childcare providers and elevated levels of stress, especially among providers of color. Fortunately, there is now solid data showing that early childhood mental health consultation is not only effective in supporting children, parents, and providers, but it is also very cost efficient. The evidence is clear.

It is past time to invest in childcare as the public good we know it is and build a stronger, more equitable system for current and future generations. We all benefit when we give our children the best possible start in life. I thank you for the opportunity to testify today and I look forward to your questions. Thank you.

[The prepared statement of Dr. Jones-Taylor follows:]

PREPARED STATEMENT OF MYRA JONES-TAYLOR

Good morning Chair Murray, Ranking Member Burr, and other distinguished Members of the Senate Committee on Health, Education, Labor, and Pensions.

My name is Myra Jones-Taylor and I am the Chief Policy Officer at ZERO TO THREE, the leading national nonprofit working to ensure that babies, toddlers and their families have the resources and support they need to thrive. For more than four decades, ZERO TO THREE has worked to translate the science of early childhood development into resources, tools, and responsive policies for millions of parents, professionals and policymakers.

I am incredibly grateful for the opportunity to testify before the Committee today about the longstanding child care challenges this country has faced and the impact of those challenges on families, early childhood professionals, and the healthy development of the children together they both nurture and care for. In addition to highlighting the structural challenges that have existed in the child care system, both pre-COVID and during the ongoing pandemic crisis—I look forward to sharing our vision for the stronger, more equitable, and more resilient child care system that this Committee can play a key role in shaping for current and future generations.

The Status Quo of Child Care in the U.S.

Much attention over the past year has been focused, justifiably, on the devastating impact the COVID-19 pandemic has had on the child care sector. While this is a critically important story, that I will touch on in more detail later in my testimony, the narrative around the pandemic obscures the fact that for far too many families, children and early educators, child care was already in a crisis state long before March of last year. As we work together to apply the lessons learned in the pandemic and build a stronger, more resilient child care system for the future, we have to clearly understand these long-standing challenges.

If I had to summarize our child care status quo prior to the pandemic in one word it would be “unaffordable.”

Our child care status quo was unaffordable for families. Even for those who were fortunate enough to find care in their communities that met their needs and those

of their children, the cost of care is too often an insurmountable barrier to access. One family who shared their story with us talked about beginning their child care search during the early stages of pregnancy—and contacting more than 30 providers who did not take infants or had waiting lists up to 2 years. Another family, making just over the limit to receive a subsidy through CCDBG shared that the cheapest care they were able to find cost 1.5 times their monthly rent, and that they had to put their infant in care with unsafe staff-child ratios in order to be able to work to support their family financially. According to research by the Center for American Progress, over half of Americans live in communities considered child care deserts—where there are more than three times as many children under 5 as there are licensed child care slots.¹ Center-based care for infants and toddlers costs more than in-state tuition and fees at a public four-year college in 30 states and the District of Columbia²—and those costs hit families earlier in the careers, who frequently earn less money and fewer savings built up.

Our child care status quo was unaffordable for the early education professionals who make up the child care workforce—a workforce that is disproportionately made up of women of color. One early educator who shared her story with us told us that even with a master’s degree and 10 years of experience, she made less than \$30,000 a year—eventually having to leave a job she loved when the cost of her own two children’s care equaled her monthly take-home pay. She reflected that when she was in high school, she was told she could be anything she wanted to be, and that it was a shame in the richest country in the world, she couldn’t be the two things she wanted to be the most at the same time—a preschool teacher and a mother. On average, child care providers make less than \$12 per hour, and providers of color and those serving infants and toddlers make even less. As a country, we compensate our early educators so poorly that over half are enrolled in at least one of the EITC, Medicaid or CHIP, SNAP, or TANF.³

Our child care status quo was unaffordable for our children, whose development is being rapidly shaped in the earliest years of their lives. As infants and toddlers interact with their environments and caregivers during the earliest years, their brains are making more than one million neural connections every second—building a foundation for all future development and learning.⁴ The health of this foundation is shaped by the relationships children have with their caregivers, and given that 62 percent of mothers with children under three were in the workforce prior to the pandemic,⁵ the quality of child care environments plays a critical role in supporting this foundational brain development. High-quality care supports children’s early learning, cognitive and language development, social and emotional development, and later school achievement—but unfortunately our child care status quo leaves too many young children, especially for children from families with low-income and children of color, without consistent access to quality care.⁶

Finally, our child care status quo was unaffordable for our broader economy. When you add up wages, work productivity, economic activity and tax revenue lost due to insufficient access to child care it comes out to approximately \$57 billion each year.⁷ As conversations in Washington turn toward long-term investments and job creation, our leaders must consider the foundational importance of child care in ensuring those investments reach their maximum potential.

¹ Malik, R., Hamm, K., Schocet, L., Novoa, C., Workman, S., and Jessen-Howard, S. (2018). America’s Child Care Deserts in 2018. Center for American Progress. <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>.

² Child Care Aware of America. (2020). The US and the High Cost of Child Care. <https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>.

³ Center for the Study of Child Care Employment. (2018). Early Childhood Workforce Index 2018. <https://cscce.berkeley.edu/wp-content/uploads/2018/06/2018-Index-Executive-Summary.pdf>.

⁴ Harvard University Center on the Developing Child. In Brief: The Science of Early Childhood Development. <https://developingchild.harvard.edu/resources/inbrief-science-of-eed/>.

⁵ U.S. Bureau of Labor Statistics. (2019). Employment status of mothers with own children under 3 years old by single year of age of youngest child and marital status, 2017–2018 annual averages. <https://www.bls.gov/news.release/famee.t06.htm>.

⁶ National Research Council and Institute of Medicine. (2000). From neurons to neighborhoods: The science of early childhood development. J.P. Schonkoff and D.A. Phillips, Eds, Board on Children, Youth and Families; Commission on Behavioral and Social Sciences and Education. National Academy Press.

⁷ Ready Nation, Council for a Strong America. (2019). Want to Grow the Economy? Fix the Child Care Crisis. <https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>.

As we talk about these significant challenges that faced the child care sector even before the COVID–19 pandemic, it is important to focus on *why* our current system was so unaffordable for parents, early educators, children, and our broader economy. The answer to that question is not particularly complicated, but it does demand a stronger policy response than we have historically been willing to offer as a Nation.

Simply put, it is exceedingly difficult, if not impossible for the free market to ensure that all families who need it have access to quality child care that compensates providers like the professional early educators they are. As a simple, illustrative example, I ask you to consider the staffing needed to operate a typical infant classroom.

The Federal Government recommends, and the majority of states’ basic licensing standards reflect, that for children under 12 months, one trained adult should care for no more than 4 infants, and that 2 trained adults should always be present in a classroom of 6–8 infants.⁸ These staff-child ratio and recommendations not only serve to keep young children safe and healthy in care settings, but also facilitate increased opportunities for age-appropriate activities and responsive caregiving critical to supporting children’s healthy development.

At these low staff-child ratios, which again are critical for keeping children safe and supporting their healthy development, the existing child care system largely relies on private-paying parents to fully cover the cost of staffing, physical operating space, food and supplies, and insurance. Some states allow for higher staff-child ratios and increase ratios and group sizes after age one.⁹ And while providers can and do manage to survive on thin margins by subsidizing some of the added costs of serving infants by operating more classrooms for older children, who can be served with higher staff-child ratios, the underlying mathematical impossibility of keeping care affordable for families with infants and toddlers while ensuring fair compensation for providers remains the same.

The Federal Government does provide some support for the child care system, largely in the form of child care subsidies for families through the Child Care and Development Block Grant (CCDBG). And these supports can make a world of a difference for families who are fortunate enough to receive them. Unfortunately, even with a much needed, bipartisan increase in funding for the program in 2018—CCDBG falls far short of meeting the needs of even the limited population of children who are eligible. Just 1 in 7 federally-eligible children—those with incomes below the 85th percentile of their state’s median income—received a subsidy through CCDBG in 2017, the latest year for which data were available.¹⁰ Of the broader universe of low-and moderate-income families with infants and toddlers who could benefit from access to a subsidy if they were eligible, just 4.2 percent have access to them, according to the latest data from ZERO TO THREE’s State of Babies Yearbook.¹¹

It is also important to note that the value of child care subsidies is insufficient in almost every state to offer eligible families the opportunity to choose high quality care for their children, or to offer providers enough funding to pay their staff competitively and invest in quality. Just 4 states set their reimbursement rates for child care assistance at or above the 75th percentile of current market rates in 2019.¹² And those market rates do not even take in to account the actual costs of providing high quality care, including providing fair compensation to early educators.

Ultimately, before the pandemic, our child care system could be characterized as failing families, providers, children, and our broader economic infrastructure. The market has clearly failed in this case to create an adequate supply of affordable care for families or fair compensation for providers, and absent sufficient public support, this failure has forced parents and providers to subsidize the system with high costs and unlivable wages. While there was welcome, widespread acknowledgement from

⁸ Child Care.Gov. (2020). Ratios and Group Sizes.

⁹ Hains, D. and Neuenswander, A. (2021). The State of Child Care for Babies: The Need to do Better for our Youngest Children. <https://www.zerotothree.org/resources/3924-the-state-of-child-care-for-babies-the-need-to-do-better-for-our-youngest-children?utm-medium=email&utm-source=email-link&utm-content=resources-03162021&utm-campaign=policy-center>.

¹⁰ U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation. (2020). Estimates of child care eligibility and receipt for fiscal year 2017. <https://aspe.hhs.gov/system/files/pdf/264341/CY2017-Child-Care-Subsidy-Eligibility.pdf>.

¹¹ ZERO TO THREE. (2021). State of Babies Yearbook 2021. <https://stateofbabies.org/>.

¹² Schulman, K. (2019). Early Progress: State Child Care Assistance Policies 2019. National Women’s Law Center. <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2019/11/NWLC-State-Child-Care-Assistance-Policies-2019-final.pdf>.

members of both parties about the need to fix these challenges, even prior to the pandemic, it unfortunately took the COVID–19 crisis to throw into sharp relief just how fragile and vulnerable this status quo had left our child care sector.

Impact of COVID–19 on Child Care

The fragility of our child care system was brought into sharp focus at the onset of the COVID–19 pandemic last year, as many providers closed under public health orders at the onset of the pandemic, only to re-open in conditions that made the already razor-thin margins they operated under before untenable.

Higher costs due to the need to provide PPE for staff and lower ratios and group sizes to mitigate the spread, combined with reduced income from enrollments to drive many providers to closure. For those that remained open, or re-opened, they often did so at great personal sacrifice. The State of Babies Yearbook: 2021 shows a roller coaster of trends in parental use of care and preferences during the pandemic, adding to difficulties for providers to stabilize.¹³ A December survey from the National Association for the Education of Young Children reported that more than half of centers surveyed were losing money every day they remained open—and many providers accrued personal debt or drew down on their own personal savings to remain open to serve working families in their communities.¹⁴ By January of this year—more than 1 in 6 child care jobs had been lost, according to the Bureau of Labor Statistics, threatening efforts to support a strong economic recovery.¹⁵

The losses to the child care sector during the pandemic were felt across the broader economy—for no group more than women. A survey from the Chamber of Commerce released last December revealed that 6 percent of working parents had left the workforce entirely as of last October, with child care challenges being cited as the primary reason for doing so. Of those surveyed, women were nearly twice as likely as men to have declined a new job opportunity during the pandemic and more than four times as likely to have left the workforce altogether.¹⁶ While women’s workforce participation numbers overall have recovered slightly since their nadir in December, the critical fact remains that access to child care access is essential to ensuring parents can participate equally in the workforce.

Beyond the macro-level impacts of COVID–19 on the child care system and the economy, I think it is also critical to raise here, the traumatic individual impact the pandemic has had on individuals. The COVID–19 pandemic has heightened stress and mental health needs for young children, families, communities, and the child care providers who serve them, especially among people of color.¹⁷ Recent research has shown not only heightened mental health concerns for children and families, but also a doubling or tripling of rates of depression among child care providers and elevated stress levels, especially among child care providers of color.¹⁸ The stressors are from COVID–19 itself (e.g., illness, hospitalization, loss), economic impact (e.g., loss of jobs, loss of child care, uncertain viability of the child care industry), increased racism-motivated aggression (e.g., racist violence and rhetoric), and more. Previous research has shown that as either child/family stress or child care provider stress increases, so increases preschool and child care expulsions and other forms of exclusions, which have historically impacted all subgroups of young children yet also been very racially disproportionate.¹⁹

¹³ Id at xi.

¹⁴ National Association for the Education of Young Children. (2020). Am I Next? Sacrificing to Stay Open, Child Care Providers Face a Bleak Future Without Relief. <https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/naeyc-policy-crisis-coronavirus-december-survey-data.pdf>.

¹⁵ Bureau of Labor Statistics. (2021). The Employment Situation—January 2021. <https://www.bls.gov/news.release/archives/empsit-02052021.pdf>.

¹⁶ U.S. Chamber of Commerce. (2020). The Importance of Childcare to U.S. Families and Businesses. <https://www.uschamberfoundation.org/press-release/importance-childcare-us-families-and-businesses>.

¹⁷ Gilliam, W.S., Malik, A.A., Shafiq, M., Klotz, M., Reyes, C., Humphries, J.E., Murray, T., Elharake, J.A., Wilkinson, D., & Omer, S.B. (2021). COVID–19 transmission in US child care programs. *Pediatrics*, 147(1). doi: 10.1542/peds.2020–031971; e2020031971.

¹⁸ Shafiq, M., et al. (2021). *Mental health of child care providers during COVID–19*. Manuscript in preparation, Yale University.

¹⁹ Gilliam, W. and Shahar, G. (2006). Preschool and Child Care Expulsion and Suspension: Rates and Predictors in One State. <https://medicine.yale.edu/childstudy/zigler/publications/Gilliam%20and%20Shahar%20-percent202006%20Preschool%20and%20Child%20Care%20Expulsion%20and%20Suspension-percent20Rates%20and%20Predictors%20in%20One%20State-251491-5379-v3.pdf>.

Fortunately, there is now solid data showing that early childhood mental health consultation (ECMHC) is not only highly effective, but is also very cost efficient to sustain. Statewide random-controlled trials in both Connecticut (2016)²⁰ and Ohio (2021)²¹ have shown that ECMHC interventions can improve the mental health of young children in as little of 2–3 months of intervention, including not only the target children who promoted the request for mental health supports but also the bystander children in the classroom. Additional information suggests that ECMHC improves parent provider communication²² and provider stress levels and burnout,²³ areas of heightened concern, while also increasing overall equity of interactions in child care programs receiving this support.²⁴ Of course, long-term, sustained investments are needed to scale up access to early childhood mental health consultation to the broader range of programs that could benefit from it.

In the midst of highlighting the severe challenges the pandemic has posed for children, families, and providers, I do want to take a moment here to thank the Members of this Committee, and our broader Congressional leadership, for recognizing the critical role child care and responding boldly to address the worst of the COVID-inflected child care crisis, including by providing \$3.5 billion to the sector in the CARES Act, \$10 billion in the Coronavirus Relief and Relief Supplemental Appropriations Act (CRRSA), and \$39 billion in the American Rescue Plan. These funds have and will continue to provide much needed relief to providers who have either stayed open during the pandemic or been forced to close due to the crisis, as well as much needed relief to families who need help paying for and accessing care. These funds were much needed to stabilize the sector, children, and families from the worst impacts of the pandemic, including by supporting increased access to mental health supports for children feeling emotional distress from the pandemic. However, they were not designed to be, nor are they sufficient to make the long-term, lasting changes to the pre-pandemic status quo that failed too many parents, children, and providers.

What's Next for Child Care?

If the child care system could be categorized as resting on a faulty, unstable foundation prior to the pandemic, then COVID–19 was an earthquake that revealed its fragility and shattered that foundation. As we now work to rebuild and strengthen the child care sector as we hopefully come out of the pandemic and return to normal, it would be irresponsible and short-sighted for us to return to the pre-pandemic status quo for child care, which left too many parents, providers, and children behind. Instead, we must look to rebuild a stronger foundation for the child care system, acknowledging its role as an essential public good to maintain our economy, and built on principles of equity for parents and providers and designed around an understanding of the critical role child care plays in shaping children's development.

For far too long, we have allowed our fragile child care system to be subsidized on the backs of unaffordable high costs for parents, and unlivable, low wages for providers. For no other age group than our youngest children, during their years of most rapid brain development, do we expect most parents to take the lead in shouldering the full cost of education and care. Neither parents nor providers have the capacity to bear any additional burden for shouldering the weight of the system—it is past time for our policymakers to invest in child care as the public good it is.

In this moment, we need comprehensive action from our congressional leaders to shape a stronger, more resilient future for child care. Such a system should ensure

²⁰ Gilliam, W., Maupin, A., and Reyes, C. (2016). Early Childhood Mental Health Consultation: Results of a statewide Random-Controlled Evaluation. <https://pubmed.ncbi.nlm.nih.gov/27566116/>.

²¹ Reyes, C. and Gilliam, W. (2021) Addressing challenging behaviors in challenging environments: Findings from Ohio's early childhood mental health consultation system. <https://pubmed.ncbi.nlm.nih.gov/33762032/>.

²² Reyes, C.R., Gilliam, W.S., Grossman-Kahn, S., & Drucker, G. (2018). *Parent perspectives on exclusionary discipline practices in preschool. Report submitted to the New York City Department of Health & Mental Hygiene.* New Haven, CT: Yale Child Study Center, School of Medicine.

²³ Hepburn, K.S., Perry, D.F., Shivers, E.M., & Gilliam, W.S. (2013). Early childhood mental health consultation as an evidence-based practice: Where does it stand? *Zero to Three*, 33(5), 10–19.

²⁴ Spielberger, J., Burkhardt, T., Winje, C., Pacheco-Applegate, A., Gitlow, E., Carreon, E., Huang, L., Herriott, A., & Kakuyama-Villaber, R. (2021). Evaluation of the Illinois Model of Infant and Early Childhood Mental Health Consultation Pilot. Chicago, IL: Chapin Hall at the University of Chicago.

that all children can receive high-quality care that supports their healthy development. It should ensure families have access to their choice of high-quality care settings that best meets their needs and the needs of their children—including by proactively building a supply of quality care in communities where one doesn't exist. It should ensure that all families who need help paying for child care have the financial support they need to afford quality care—HHS sets 7 percent of family income as the Federal benchmark for affordable child care.²⁵ And it should ensure that early childhood professionals in all settings receive the support, resources, and fair compensation they need to both provide high quality care, including supporting providers' and children's mental health while avoiding exclusionary discipline practices that disproportionately affect Black children.

I wish I could tell you that this type of system could be done on the cheap through finding new efficiencies or tinkering around the edges. But I would be lying if I said that. Additional tax credits might help lower the cost of care for some families, but do nothing to create a greater supply of high-quality care. And in a system where cost is largely driven by low staff-child ratios that are needed to protect children's health and safety and support their development, there is no way to achieve cost savings through deregulation without especially harming infants and toddlers. While such an investment might be expensive, as I have already mentioned, the cost of doing nothing and returning to the status quo is unaffordable for our families, our educators and our economy. And importantly, the expense of supporting families' access to high quality early childhood opportunities can be more than recouped through the long term gains children and families make as a result of those investments. Economists have found the annual return on investment for high quality early childhood programs is as high as 13 percent over the course of a child's life;²⁶ and a recent report from the National Women's Law Center and Columbia University found that expanding access to affordable, high quality child care for all who need it would increase the lifetime earnings for women with two children by approximately \$94,000, with Black and Latina women benefiting the most.²⁷

The evidence is clear, it is past time we invest in child care as the public good we know it is, and build a stronger, more equitable system for current and future generations. We all benefit when we give our children the best possible start in life. I thank you for the opportunity to testify today and I look forward to taking your questions.

[SUMMARY STATEMENT OF MYRA JONES-TAYLOR]

- **Child care before the pandemic was already in crisis, summarized by one word: unaffordable—**

- For families, where cost was often a barrier to finding care and neighborhoods determined the level of care available. Over half of Americans live in “child care deserts” with too few regulated places for the number of young children living there.
- For early childhood educators, whose low wages mean many must turn to public assistance. Inequities abound, within a workforce disproportionately made up of women of color, those women are paid less than the average, as are infant-toddler teachers also are paid less, even with credentials similar to preschool teachers.
- For our children, whose brain development is shaped by their environment, regardless of what we as adults label it. Too many young children, especially from families with low-income and children of color, lack consistent access to quality care.
- For our economy, where wages, work productivity, economic activity and tax revenue lost due to insufficient access to child care adds up to about \$57 billion each year.

²⁵ Federal Register, Vol. 81, No. 190. (2016). <https://www.govinfo.gov/content/pkg/FR-2016-09-30/pdf/2016-22986.pdf>.

²⁶ Garcia, J.L., Heckman, J. Leaf, D.E., and Prados, M.J. (2019). Quantifying the Life-cycle benefits of an influential early childhood program. <https://heckmanequation.org/www.assets/2017/01/w23479.pdf>.

²⁷ Hartley, R., Chaudry, A., Boteach, M., Mitchell, E., and Menefee, K. (2021). National Women's Law Center and Columbia University Center on Poverty and Social Policy. A Lifetime's Worth of Benefits: The Effects of Affordable, High-quality Child Care on Family Income, the Gender Earnings Gap, and Women's Retirement Security. <https://nwlc.org/wp-content/uploads/2021/04/A-Lifetimes-Worth-of-Benefits-Compliant.pdf>.

- **Almost impossible for free market to ensure all families who need it have access to quality child care that compensates providers as the professional early educators they are.**
 - CCDBG falls far short of meeting the needs of even the limited population of children who are eligible, serving just 1 in 7.
 - The value of child care subsidies is insufficient in almost every state for families to choose high quality care, or for providers to pay their staff competitively and invest in quality.
- **COVID-19 exposed the system's fragility.**
 - Many providers closed at the pandemic's onset, re-opening in conditions making already razor-thin margins untenable.
 - A NAEYC survey found more than half of centers surveyed lost money every day, often accruing personal debt or drawing down personal savings to remain open.
 - Funds provided for COVID relief, particularly \$50 billion since December 2020, will stabilize the industry for providers and families, while helping build foundations for critical services such as early childhood mental health support.
- **What's next for child care? We need comprehensive action from congressional leaders to shape a stronger, more resilient future for child care funded as a public good. This system ensures:**
 - All children can receive high-quality care that supports their healthy development.
 - Families have options for high-quality care settings that best meet their needs and the needs of their children—including by proactively building a supply of quality care in communities where one doesn't exist.
 - All families who need help paying for child care have the financial support they need to afford quality care—HHS sets 7 percent of family income as the benchmark.
 - Early childhood professionals in all settings receive the support, resources, and fair compensation they need to provide high quality care.

The CHAIR. Thank you very much, Dr. Jones-Taylor.
We will turn to Ms. Perry.

STATEMENT OF SUSAN GALE PERRY, CHIEF DEPUTY SECRETARY, NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES, RALEIGH, NC

Ms. PERRY. Good morning and thank you, Chair Murray, Ranking Member Burr, and Members of the Committee for the opportunity to testify today. This pandemic has shined a spotlight on childcare's essential and at the same time blown apart the already weak foundation that has kept it standing. Yes, high quality, affordable childcare is the bedrock of our economy. It allows parents to go to work, employers to hire and retain workers, and children to receive nurturing care and education. That is essential not just for their success, but our Nation's success and well-being as well.

North Carolina's childcare programs are able to stay open throughout the pandemic because we took early and aggressive action to protect our school system. We provided guidance, access to childcare, health consultance, and delivered personal protective equipment. We established a hotline for essential workers in need of care, covered parents' subsidy co-pays, and set up an emergency childcare program for essential workers. We stabilized childcare businesses with operational grants and childcare subsidy and pre-K maintenance payments. And finally, we incentivized the workforce to remain on the job by offering bonus payments for staff, a

mental health hotline, and a vaccine outreach and appointment scheduling service.

More strategies are now underway thanks to significant Federal investment. We are grateful for the continued leadership and support of the President and Congress as a result of these efforts. I am proud to report that as of April, over 97 percent of childcare programs are open in our state and we have not lost capacity yet. Still, there is no doubt the pandemic has taken a significant toll on our childcare businesses. Vacancy rates have been as high as 80 percent in childcare. Providers report that they would not be able to operate for more than two months without the state's financial assistance. In the meantime, their staff are leaving for better paying retail jobs. These challenges, while exacerbated by COVID-19, are not new. For decades, parents, childcare providers, and policymakers have recognized the fiscal underpinning for our Nation's childcare system is flawed, resulting in high costs for families, programs that operate on the thinnest of margins, and poverty wages for childcare workers, more than 50 percent of whom are women of color in our state.

What can we do about it? I offer three things. First, we must give families the flexible, affordable, quality options they want and need. The reality is that work has been changing for some time and the childcare system has not shifted. To meet the changing needs, we can give families better options by rebuilding the supply of family childcare, helping programs adapt to the changing needs of working parents, promoting a mixed delivery system for pre-K, and supporting families that want to stay at home with their children. Second, we must fix childcare financing and prioritize the early childhood workforce while we do it. The childcare business model is broken. It operates on a payment system that unrealistically requires every state seat to be filled at all times and still doesn't work because the cost to produce the service exceeds most parents' ability to pay.

We can take steps to fix financing and build a strong workforce at the same time by expanding childcare subsidies and requiring states to pay at current market rates and establishing a dedicated funding stream for supply side investments tied to workforce education and compensation. Funding the demand side alone won't stabilize and sustain childcare. We need a dedicated funding stream that programs can count on and in return are held accountable for quality standards and better educated and compensated staff. Finally, we need to invest in the people and technology that support our childcare programs and workforce.

Building any kind of infrastructure takes many different roles. Building a bridge doesn't just take the steel and masonry contractors, it takes engineers, inspectors, and others. Services like childcare resource and referral programs who can connect families to care options, and health programs with business management support, and state data systems and technology solutions that hold our system accountable for outcomes are critical components of a healthy childcare system.

The stakes are just too high not to seize this moment to build stronger. Achievement gaps show up early as 18 months and persist throughout school. And the science is irrefutable that early ex-

periences lay the foundation for all future learning. It is time for our childcare policies and financing to catch up to the brain science and mounting evidence of what we know works for children, families, employers, and our Nation's economy and well-being. Thank you.

[The prepared statement of Ms. Perry follows:]

PREPARED STATEMENT OF SUSAN GALE PERRY



NC DEPARTMENT OF
HEALTH AND
HUMAN SERVICES
Office of the Secretary

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
SUSAN G. PERRY • Chief Deputy Secretary for Opportunity and Well-Being

United States Senate Committee on Health, Education, Labor and Pensions (HELP)

"Supporting Children, Workers, and Families by Strengthening America's Child Care Sector"

April 27, 2021

Testimony of

Susan Gale Perry

Chief Deputy Secretary for Opportunity and Well-Being
North Carolina Department of Health and Human Services

Chairwoman Murray, Ranking Member Burr and Members of the Committee, thank you for the opportunity to testify today on strengthening America's child care sector as we move through pandemic response and recovery to build an infrastructure that ensures families have affordable child care so they can work, children have high-quality early learning experiences that give them the best opportunity to fulfill their potential, and employers have a ready workforce now and for the future.

The pandemic has shined a spotlight on child care's essential role in our nation's security and economic infrastructure. Child care programs across the country kept their doors open and their teachers stayed on the job even through the most treacherous moments of the pandemic – when little was known about COVID or how to slow the spread, personal protective equipment was scarce, and programs had no idea how they would be able to keep the lights on and make payroll.

Less visible, but equally critical: children of essential workers benefited from maintaining a daily routine and having access to safe and nurturing environments with access to healthy foods and daily learning activities.

Our state's child care system was able to continue to operate throughout the pandemic because we took early and aggressive action to protect and stabilize child care programs and incentivize the workforce to stay on the job. North Carolina's child care response was layered and fast-moving thanks to significant federal investment and policy flexibility, and we are grateful and heartened by the continued leadership and support of the President and Congress.

Nevertheless, there is no doubt that the pandemic has taken a significant toll on child care programs and the workforce. In North Carolina, as in most of the country, parent fees make up approximately 75 percent of a child care program's revenues, with the rest coming from

publicly funded child care subsidies and other sources. Over the course of the pandemic vacancy rates have been as high as 80 percent, and only since March has attendance pushed above 50 percent. As a result, child care programs that typically operate on very thin margins have now been pushed to or over the edge of solvency. At the same time, families have struggled to access affordable child care as jobs have been lost and working hours have been cut. Even before the pandemic, families with two children in child care paid on average 16.8% of their income on child care, while a single parent with one infant paid 38.4% of their income for child care.¹

Many say that our nation's child care system was broken before the pandemic, and that brokenness has only been exacerbated by the pandemic. I would argue that our child care system is not broken – because it has never been made whole to begin with. It operates using a market-based business model that doesn't work because the cost to produce the service is more than most parents can afford. For decades, parents, child care providers, and policymakers have recognized that the fiscal underpinning for our nation's child care system is flawed, resulting in poverty wages for child care workers, programs that operate on the thinnest of margins, and high costs for families. Yet high quality, affordable child care is the bedrock of our economy. It allows parents to go work, employers to hire and retain workers, and nurtures children's healthy development which is essential for their well-being our nation's well-being.

Child care has remained resilient and responsive to children, families, and employers throughout this pandemic despite the fragility of the system – but its future hangs in the balance after more than a year of weathering the storm, diminished revenues, and an uncertain market outlook. We can seize this moment to take bold steps towards making this incomplete system whole – or risk taking steps backward that diminish access to affordable care or lower quality that jeopardizes children's healthy development.

The stakes are too high not to go forward and build stronger. Achievement gaps show up early as 18 months old and persist throughout school, and the science is irrefutable that early experiences lay the foundation for all future learning. It's time for our child care policies and financing to catch up to the brain science and mounting evidence of what works.

Background on North Carolina's Child Care System:

Pre-Pandemic Data

North Carolina's regulated child care is primarily center-based (78 %). Families with two children in child care paid on average 16.8% of their income on child care, while a single parent with one infant pays 38.4% of their income for child care.² Approximately 25% of children in regulated care receive child care subsidies. Early childhood teachers earn on average \$12 per hour and 50% of the workforce does not have access to health insurance.³ Data below, unless otherwise noted, is from February 2020.

2019 Population 0-4 years	609,770
2019 Population 5-14 years	1,294,472
Children in Regulated Care	265,432
Children Receiving Subsidized Care	65,031
Children Enrolled in NC Pre-K	29,509
Regulated Child Care Centers	4,392
Regulated Family Child Care Homes	1,354
Average 2019 Tuition for an infant in center-based care	\$9,254
Average 2019 Early Childhood Teacher Salary	\$12/per hour

Features of NC's Child Care Infrastructure

- **Quality Rating Improvement System Embedded in Licensing:** the state's 5 star rated license awards points for teacher education and program standards. A 1-star program meets minimum licensing requirements while a 5-star program meets the highest quality standards.
- **Child Care Subsidies:** Working families with children ages 5 and under and incomes at or below 200 percent of the Federal Poverty Level (FPL), or with children ages 6 to 12 years and incomes at or below 133% of FPL are eligible for child care subsidies. Subsidy reimbursement rates are based on a market rate survey and differentiated by age, Star Rating, type of care, and county There are currently 17,400 children on the waiting list.
- **NC Pre-K:** Provides eligible (at or below 75% State Median Income) 4-year-olds a high-quality educational experience to enhance school readiness. NC Pre-K is delivered in both public school and 4 and 5 Star child care centers, with approximately half of the slots being provided in each. Features include a licensed teacher, use of a research-based curriculum and child assessment, developmental screenings, and low teacher to child ratios. The program is provided 6.5 hours a day, 5 day a week.
- **Quality Infrastructure:** North Carolina's quality initiatives and support for families seeking and using child care are delivered primarily through the state's Child Care Resource and Referral and Smart Start systems. Child Care Resource and Referral agencies provide training and technical assistance to child care providers and referrals to care for families. Smart Start is public-private Partnership established in 1993 with legislatively mandated board and network of 75 local nonprofits held accountable for state and county population level outcomes for early learning quality, health, and family support. North Carolina's Community College system provides early childhood courses, certificate programs and degree programs in all 100 counties and online. The state also benefits from being the birthplace of the nationally recognized T.E.A.C.H.® and WAGES® initiatives, that provide nearly full scholarships for higher education coursework and reward child care staff for attaining higher levels of education with salary supplements.

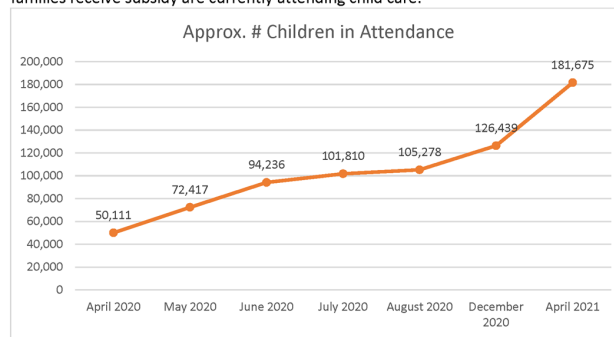
Pandemic's Impact on NC's Child Care System

Child Care Programs

As of April 2021, over 97% of NC's child care programs are open. Over the course of the pandemic, 34 child care centers and 20 family child care homes with total capacity to serve 1,004 children have closed. Since March, 140 child care centers and 59 family child care homes with capacity to serve 1,359 children have been newly licensed and opened.

Attendance/Vacancy Rates

Over the course of the pandemic vacancy rates have been as high as 80 percent, and only since March has attendance pushed above 50 percent. Approximately 70% of children are currently attending child care compared to pre-pandemic enrollment. About 95% of children whose families receive subsidy are currently attending child care.



Challenges Meeting Operational Costs and Staffing Needs

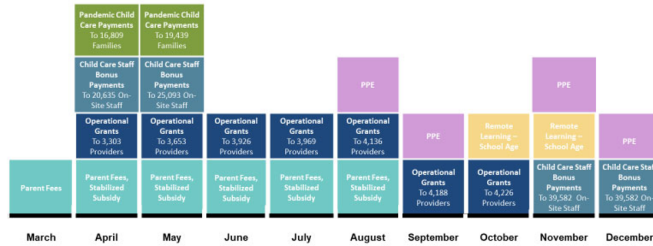
Child care programs report that, without the financial support that has been being provided by the state through operational stabilization grants, they would still not be able to operate for more than two months at current attendance levels. Program operators also report a more significant challenge competing for qualified staff, as large corporate retailers and restaurants have raised hourly wages beyond what most child care programs can afford to pay and also offer health and other benefits.

NC’s Pandemic Child Care Response

A Comprehensive Strategy

North Carolina’s child care response has been multi-layered to support child care programs, essential workers, and to provide support to the child care workforce serving on the front lines. The below graphic shows the major strategies employed over the past year, and tables following describe in detail the state’s comprehensive approach and additional planned strategies still in development.

Layered Early Childhood Pandemic Supports Provided in 2020



CHILD CARE HEALTH AND SAFETY

Activity	Summary
Health and Safety Guidance	In response to COVID-19, DCDEE issued provider-friendly health and safety guidance on March 23 rd . The guidance has been regularly updated to align with the latest CDC recommendations as well as to address common questions from child care providers. DCDEE has provided webinars and trainings to child care providers to further explain health and safety guidance.
Child Care Health Consultants	The state established a network of child care health consultants who are a resource for child care providers needing technical assistance or having health-related questions, and have supported implementation of COVID-19 prevention guidance across all 100 counties.
No Unlicensed Care	During the Stay-at-Home order from March 30 to May 8, the state issued policy guidance that unlicensed preschool age care was not permitted.
Smart Start Partnership	In March 2020 when food and cleaning supplies became scarce, the state partnered with the Smart Start system to help child care programs access food and cleaning supplies.
PPE	The state purchased and shipped a 4–8-week supply of Personal Protective Equipment (PPE) and cleaning supplies for child care homes and centers. This order was repeated in November.
Child Care Vaccine Promotion	Three-pronged strategy to promote vaccine uptake. 1. Child Care Health Consultants provided Vaccine 101 trainings; 2. Smart Start worked with hospital and health systems to host child care vaccine events and negotiate set-aside vaccines; 3. the Child Care Resource & Referral \ contacted every child care program, acted as a single point of contact for vaccine information, and connected programs and staff with events and shots.

FAMILY ACCESS AND AFFORDABILITY

Essential Worker Child Care Program	
<i>What is it</i>	Financial assistance for child care for essential workers.
<i>Who it is for</i>	Essential workers (whose income is below 300% of the poverty line and have no other child care options).
<i>How it works</i>	Families call the child care hotline to identify an open child care provider near them, and submit an application to their child care provider. Providers submitted attendance for children receiving emergency child care subsidy by the end of each month.
<i>Duration</i>	April 1, 2020 through May 31, 2020.
<i>Metrics</i>	The state issued \$34,737,121 in emergency child care subsidy payments to emergency child care providers for April and May 2020. The number of children served by emergency subsidy was 16,809 children in April 2020 and 19,438 children in May 2020.

School-Age Support Program	
<i>What is it</i>	Financial assistance for child care for families with school age children in remote learning.
<i>Who it is for</i>	Parents or guardians of school age children in remote learning making less than 200% FPL.
<i>How it works</i>	Families filled out an application and submitted it to their child care provider. Providers uploaded the application and submitted attendance for children receiving remote learning care by the end of each month.
<i>Duration</i>	October 1, 2020 through November 31, 2020.
<i>Metrics</i>	The state issued \$12.1 million in remote learning payments to emergency child care providers for October and November 2020. The number of children served by emergency subsidy was 7,752 children in October 2020 and 7,492 children in November 2020.

Coverage of Parent Subsidy Co-pays	
<i>What is it</i>	The state covered the cost of parent copayments so that families/parents did not have to pay these costs during the pandemic.
<i>Who it is for</i>	Parents receiving child care subsidy.
<i>How it works</i>	The state issued payments directly to child care providers (regardless of whether they are open or closed) to cover the cost of parent copays.
<i>Duration</i>	April and May 2020 for all providers; June – August 2020, April – October 2021 for open providers only.

Child Care Hotline	
<i>What is it</i>	The state launched a hotline to provide child care options for children of critical workers who do not have access to typical care because of COVID-19 closures. The hotline is a partnership with the NC Child Care Resource & Referral network.
<i>Who it is for</i>	Families needing to find local child care options.
<i>How it works</i>	Families can call 1-888-600-1685 to receive local options for children from infants through age 12. The hotline is open Monday through Friday 8 a.m. to 5 p.m.
<i>Duration</i>	Launched March 20, 2020.
<i>Metrics</i>	Between March 20 th and December 1 st , the hotline has received over 4,300 calls and has connected over 3,100 callers to child care for over 4,200 children to child care. The hotline continues to operate to serve families.

CHILD CARE PROGRAM OPERATIONAL SUPPORT

Subsidy Payment Stabilization	
<i>What is it</i>	From March through August 2020, all child care programs (open and closed) received subsidy payments that were based on February's attendance or the current month's attendance, whichever was higher. For June – August, the state continued to cover subsidy payments for open programs.
<i>How it works</i>	The state has issued payments directly to programs based on February attendance. If programs have higher attendance in April or May, they received an additional payment for the difference.
<i>Duration</i>	March, April, and May 2020 (all programs); June, July, August (open programs only).
<i>Metrics</i>	The state issued approximately \$38 million per month in subsidy payments for March – August 2020 (includes cost of parent subsidy co-pays).

NC Pre-K Stabilization	
<i>What is it</i>	NC Pre-K payment rate adjustments due to the pandemic
<i>Who it is for</i>	All NC Pre-K providers, regardless of site location or if programs were open or closed.
<i>How it works</i>	The state issued full NC Pre-K payments to contracting agencies through the remainder of the 2019-2020 school year. For the 2020-2021 year, the state is making payments based on a programs contracted slot amount rather than attendance.
<i>Duration</i>	March 2020 – June 2021.
<i>Metrics</i>	For the 202-21 school year, the state contracted for 29,896 slots and has served 20,546 children in 100 counties. A remote learning option was also available for families as Pre-K classrooms operating primarily in public schools shut down for much of the year. As of March 2020, less than 11% of NC Pre-K classrooms are providing remote instruction; most of these classrooms are remote at the request of the families.

Child Care Operational Grants	
<i>What is it</i>	The state has issued operational grants to licensed child care facilities that are open for all or part of April – October 2020. The operational grants are intended to help providers cover fixed monthly operating costs during these months of the COVID-19 crisis, recognizing that revenues from parent fees are significantly lower as non-essential workers have kept their children at home.
<i>Who it is for</i>	Child care providers that are open for all or part of April – October 2020; March – October 2021.
<i>How it works</i>	The state has issued operational grant payments directly to child care programs. For each month, grants for child care centers ranged from \$500 to \$30,000 per month, and grants for family child care homes ranged from \$359 to \$2,500 per month. Grant amounts were scaled based on number of children served, star level, percent of subsidy children served, and percent of infants and toddlers served. Grants have been adjusted downward based on improving attendance rates over time.
<i>Duration</i>	April – October 2020; March – October 2021.
<i>Metrics</i>	The state has issued about \$120 million in operational grants for approximately 4,200 child care programs that were open in 2020.

CHILD CARE WORKFORCE SUPPORT

Bonus Payments for Child Care Staff	
<i>What is it</i>	Bonus payments for private child care employees (teaching and non-teaching staff) working onsite at open programs.
<i>Who it is for</i>	Teaching and non-teaching staff (including administrators, directors, cooks, janitors).
<i>How it works</i>	The state provided bonus payments in April and May of 2020 of \$950 per teacher per month to full-time teachers and \$525 per staff month to full-time staff. Part-time employees were also eligible for bonus payments of \$475 per teacher per month and \$262 per staff per month. Payments were issued to child care programs, who were required to pay the bonus payments to their staff during regular pay periods. Another round of smaller payments were issued in November and December Programs received an administrative rate to cover the costs of payroll taxes and payment processing.
<i>Duration</i>	April, May, November, December 2020
<i>Metrics</i>	25,093 child care staff received \$38,167,164 in bonuses in April and May 2020. 39,582 child care staff received \$36,419,158 in bonuses in the second round.

Hope4Healers Helpline	
<i>What is it</i>	The state launched a helpline to provide mental health support to front line workers, including child care staff.
<i>How it works</i>	Child care staff can call 919-226-2002 to get connected to licensed mental health professionals, 24 hours a day, 7 days a week. This program is still operational.

Additional 2021 Strategies Underway

For Child Care Programs and Directors: The state is continuing to provide operational grants to child care programs and will couple that with business training and technical assistance. Additional strategies to build the supply of family child care, including creating family child care networks that use shared business services and engage in a community of practice and support are also under development.

For the Child Care Workforce: A teacher pipeline initiative to address the workforce shortage that will include recruitment, retention and educational attainment strategies is being developed. Evidence-based resiliency training for teachers will be implemented so that they can best support children and parents as they recover from the emotional impact of the pandemic.

For Children and Families: The state will also cover the costs of parent co-pays for families receiving child care subsidies as well as incentivize child care programs to develop tuition scholarships for families with some of the stabilization grants they will receive. A voluntary summer learning program for NC Pre-K families is also planned.

Data Transparency and Technology Improvements: The state will modernize some of its legacy data systems (workforce, regulatory, subsidy, NC Pre-K) to make them both more user-friendly for child care programs and others who use them in their daily work and enable access to better, more integrated data that can be used to promote accountability and improvement.

What Worked and Lessons Learned to Take Forward

North Carolina has been able to retain its child care infrastructure by moving quickly, working in partnership with our child care provider community and using and sharing data to drive decisions and build trust. Lessons learned to carry forward post-pandemic:

1. Families need flexibility and programs need stability. The pandemic brought into sharp focus the mismatch between how the current child care system operates and is funded and what families need and want at all times, not just during emergencies. Parents needed flexible child care hours during the pandemic as their working schedules changed based on business closures or curtailed hours, a shift to remote working, and during stay-at-home periods. At the same time, child care programs count on full-day, full-time parent fees to make their budgets work. The state's pandemic child response both supported families with help paying for child care and attendance flexibility and supported child care programs with stabilization grants and child care workforce incentives and additional resources.
2. Demand-side interventions combined with supply-side subsidies work best. North Carolina has been able to retain its child care infrastructure because it has been able to continue funding the demand side – parent subsidies and an essential worker child care assistance program – and provide direct funding to child care programs to cover fixed operating and additional costs for supplies and staffing to meet the COVID health and safety guidelines.
3. Clear and transparent data and communications are necessary to build trust and drive action. Sharing data and progress and communicating clearly and frequently with child care providers, families and the public helps connect people to the resources they need, builds trust, and promotes shared accountability. Throughout the pandemic, the state has shared data widely and worked in partnership with child care programs on planned strategies.
4. Flexible policies and funding build capacity to move quickly and effectively. Flexibilities and significant new funding have made it possible to help families meet their child care needs and programs to stay open. For example, flexible policy allowed families receiving subsidies to keep their eligibility when they could not bring their children to care for many days because of the pandemic. Child care programs were able to continue to operate because flexible policy allowed them to receive subsidy payment for full attendance even when children were not present. The state was able to operationalize policy changes and new initiatives quickly because it had funding to procure new technology solutions and temporary staffing to get funding responsibly and accountably to child care programs.

Recommendations to Build a Strong Foundation for Our Future

1. **Give Families Real Choices.** The reality is that work has been changing for some time and the child care system has not shifted to meet the changing needs. Service industry jobs typically have unpredictable schedules. Other businesses are more frequently offering alternative work schedules and working from home options. Families want and

agree to stay can help build the pipeline of early educators needed to address the current workforce crisis.

c. Incentivize institutes of higher education to establish career pathway programs for the early childhood workforce. Providing fast-track, online, and stackable coursework module for college credits will create greater access to degree programs for the child care workforce typically working full-time.

3. Fix Child Care Financing. Fundamentally, the child care business model is broken. It currently operates as a nearly entirely market-based system, but the cost to produce a quality child care service exceeds most parents' ability to pay, leaving most small child care businesses on brink of closing if even small events occur, such as lower enrollment for a short period. Yet At the same time, the child care workforce, most of whom are women, and 50% of whom are women of color in North Carolina earns an average of \$12 per hour – below the federal poverty level for a family of four.

a. Expand child care subsidies. Increase funding for child care subsidies, raise eligibility to 100% of state median income, limit parent copays to no more than 10 percent of total family income for all children in household, eliminate them for families at or below the Federal Poverty Level, and require a sliding scale of subsidy support as families earn more to successfully transition out of the subsidy program.

b. Establish a dedicated funding stream for market-side investments tied to workforce education and compensation. A dedicated funding stream that helps offset the cost of producing quality child care with educated and fairly compensated staff will create a sustainable market that benefits families, workers, employers, the economy and our future prosperity.

c. Bring policy and finance leadership to the same table for joint planning. Child care policy and financing straddles numerous oversight committees federally and at the state level. Joint hearings and working groups can help create a unified and coherent policy and funding approach for child care.

¹ Child Care Aware of America, 2019. *The US and The High Price of Child Care: An Examination of a Broken System 2019 Report*. [online] Washington, DC: Child Care Aware of American. Available at: <<https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>> [Accessed 23 April 2021].

² Child Care Aware of America, 2019. *The US and The High Price of Child Care: An Examination of a Broken System 2019 Report*.

³ Child Care Services Association, 2020. *Working in Early Care and Education in North Carolina 2019 Workforce Study*. [online] Chapel Hill, NC: Child Care Services Association. Available at: <https://www.childcareservices.org/wp-content/uploads/CCSA_2020_Statewide_WorkStudyRprt-FINAL-web.pdf> [Accessed 23 April 2021].

[SUMMARY STATEMENT OF SUSAN GALE PERRY]

The pandemic has shined a spotlight on child care’s essential role in our Nation’s security and economic infrastructure. Child care programs across the country kept their doors open and their teachers stayed on the job even through the most treacherous moments of the pandemic—when little was known about COVID or how to slow the spread, personal protective equipment was scarce, and programs had no idea how they would be able to keep the lights on and make payroll. Less visible, but equally critical: children of essential workers benefited from maintaining a daily routine and having access to safe and nurturing environments with access to healthy foods and daily learning activities.

North Carolina’s child care system was able to continue to operate throughout the pandemic because we took early and aggressive action to protect and stabilize child care programs and incentivize the workforce to stay on the job. Major strategies to stabilize child care for essential workers and child care businesses include: (1) Ensuring health and safety of children and staff by providing easy-to-use guidance, access to child care health consultants statewide and delivering personal protective equipment; (2) Providing access to affordable child care for families by establishing a hotline for essential workers in need of child care, covering parent co-pays for families receiving child care subsidies, establishing an emergency child care program for essential workers earning less than 300 percent of Federal poverty and providing scholarships for school-age children to attend out-of-school programs during school closures; (3) Supporting child care programs so they could remain open with low attendance and revenues by providing operational grants and paying child care subsidy and NC Pre-K based on pre-pandemic enrollment; (4) Incentivizing the workforce to remain on the job by offering bonus payments for staff, a mental health hotline, and a vaccine outreach and appointment scheduling service.

Nevertheless, there is no doubt that the pandemic has taken a significant toll on child care programs and the workforce—further weakening an already fragile system built on a market-based business model that doesn’t work because the cost to produce the service is more than most parents can afford. We can use lessons learned during the pandemic to build a strong foundation for the future of child care and our Nation’s economic prosperity and well-being. We must: (1) **Give families real choices** by rebuilding the supply of family child care, supporting all child care programs with business training and shared services, promoting a mixed-delivery model for Pre-K, strengthening and protecting quality and supporting families that stay home with their children; (2) **Prioritize the early childhood workforce** by creating a dedicated funding stream for improving workforce compensation and benefits, funding the full cost of attendance in degree programs in early childhood and incentivizing institutes of higher education to establish career pathway programs for the early childhood workforce; (3) **Fix child care financing** by expanding child care subsidies and establishing a dedicated funding stream for market-side investments tied to workforce education and compensation.

The CHAIR. Thank you, Ms. Perry.
We will turn to Ms. Reed.

STATEMENT OF DASJA REED, PARENT, NEW ORLEANS, LA

Ms. REED. Chair Murray, Ranking Member Burr, and the Members of the Committee for inviting me to share my child’s story with you. My name is Dasja Reed. My two-year-old son Jared and I live in New Orleans. I work a full-time job for the city of New Orleans, and I am a full-time student pursuing a degree in early childhood education, and I am a first-time mom. I gave birth to Jared in the fall of 2018. As a city employee, I had eight weeks off on maternity leave.

I learned quickly that healing from complications relating to childbirth, looking for childcare, adjusting to life with the baby, and doing it all alone was a lot to take on in just eight weeks. Due to physical complications, I was forced to take off an additional eight weeks from my job which was unpaid. This created lots of stress and hardship. I am grateful for the support system I had, but it

was not enough. Being a new parent is hard and there is so much to learn in what seems to be such little time. Just a few months after delivering my son, I started looking for childcare that would meet all our needs in my area. I found that most childcare range from \$500 to \$1,000 a month.

In addition to unexpected expenses that go along with being a new parent, childcare worker would consume more than 50 percent of my monthly earned income. The adjustment was difficult, and I ended up having to settle for a childcare program that I could barely afford rather than my first choice. The childcare program that was—my first choice, it was a great quality program. Most of the teachers had a college education. The building was much cleaner. They had a great curriculum and a good communication system with families. There was a teaching assistant in the classroom, and overall, it was much safer. Safety was very much on my mind when I was looking for childcare. My first-choice program had a four to one ratio, which made me feel more comfortable. But the program I had to go with was a much higher ratio teacher to child. After paying for childcare assistance, when Jared was six months old, I was told that was not enough funding available and it took more than two months for me to be approved.

Over those ten months, I paid full price for childcare and struggled to keep my household afloat and pay other bills. With childcare taking up such a large portion of my income during that time, I also had to switch childcare a few times to find one that worked for my family and I. Then the pandemic hit. I had to leave my job at the city because my son's childcare closed, and work had not closed yet. At first I had to use my annual leave so that I could stay home with him. But then my leave ran out and my job shut down. We were furloughed until my department opened back up again, so I was out of work and not getting paid.

Because I was not able to find a childcare for my son, I applied for remote jobs and was even offered a new position at the city last summer, but I had to turn it down because I had nowhere to take my son. To make ends meet, I stopped using my car to save on my car insurance, I held off on making payments on my Federal student loans, and I did my best to remain positive. I even started my own business, Precious Seeds, selling personalized educational materials for children to earn some income.

Last September, I found a new childcare for Jared. I was scheduled to return to work during the phase three of New Orleans reopening, so it was a great time. Jared went from about three weeks—Jared went to the daycare for about three weeks before I found out that I was not eligible for childcare assistance. I had just started receiving—which I had just started receiving before the pandemic because I was not back at work yet. I was still trying to get my new business off the ground, and while I had a full course load, it was not enough credits to qualify for assistance.

I could not afford the \$740 monthly childcare fee without the childcare assistance, so Jared lost his spot at that daycare. Eventually they let folks come back to work, but by that time, Jared's childcare was permanently closed. This meant I could not go back to work until I found the new childcare provider. Finding childcare was even more challenging this time around. I spent dozen of hours

last year looking for childcare. So many care providers were shut down permanently, and for the ones that were open, it was hard to go there for tours or they did not have as many seats available anymore. All the seats, all the slots were filled. I just wanted to get back to work and find a place that was a good fit for us. Just two months ago, I finally found a new childcare and Jared loves it. It has made such a difference in him and his development, and we are in a much better place now. We have a great childcare provider and childcare assistance.

Before the pandemic, I was at work and stressed out, not feeling like my son was in a great place. Now, I am no longer stressed, and I can focus on work and school, and have a peace of mind. Being able to find an affordable quality care for Jared has been such a challenge. This is a developmentally important time for him. What happens in the first few years sets the tone for the rest of a child's life and I realized that even more having my son.

Having quality care and childcare system consistently over the last two years would have made such a difference for us and I know it would mean a lot to other families too. There are so many families like mine across the country who are scrambling to make ends meet. We are juggling jobs, schools, and care for our children. We are keeping ourselves and our families healthy. We are raising the next generation. And we are doing our best. Now, we need Congress to do the same because the choices we make now will shape our country's future.

I urge you to invest in the childcare system that Jared and I, and countless families across the country need. Thank you again for inviting me to share my story with you today. I look forward to answering your questions.

[The prepared statement of Ms. Reed follows:]

PREPARED STATEMENT OF DASJA REED

Thank you, Chair Murray, Ranking Member Burr, and Members of the Committee for inviting me to share my child care story with you. My name is Dasja Reed. My two-year-old son Jarret and I live in New Orleans. I work full-time for the city of New Orleans. I am a full-time student pursuing a degree in early childhood education. And I am a first-time mom.

I gave birth to Jarret in the fall of 2018. As a city employee, I had 8 weeks off for maternity leave. I learned quickly that healing from complications related to child birth, looking for child care, adjusting to new life with a baby, and doing it all alone was a lot to tackle in just 8 weeks. Due to physical complications, I was forced to take off an additional 8 weeks from my job which was unpaid. This created lots of stress and hardship. I am grateful for the support systems I had, but it was not enough. Being a new parent is hard and there is so much to learn in what seems to be such little time.

Just a few months after delivering my baby, I started looking for a child care that would meet all our needs. In my area, I found that most child care ranged from \$500 to \$1,000 a month. In addition to unexpected expenses that go along with being a new parent, child care would consume more than 50 percent of my monthly earned income. The adjustment was difficult, and I ended up having to settle for a child care program that I could still barely afford rather than my first choice. The child care program that was my first choice was a great quality program. Most of the teachers had a college education. The building was cleaner. They had a great curriculum and good communication with families. There was a teaching assistant in the classroom. It was also much safer. Safety was very much on my mind when I was looking for a child care. My first-choice program had a 4 to 1 ratio which made me feel more comfortable, but the program I had to go with was 7 to 1. After applying for child care assistance when Jarret was 6 months old, I was told that there was not enough funding available, and it took more than 10 months for me

to be approved. Over those 10 months, I paid full price for child care and struggled to keep my household afloat and pay other bills with child care expenses taking up such a large portion of my income. During that time, I also had to switch child cares a few times to find one that worked.

Then the pandemic hit. I had to leave my job with the city because my son's child care closed, and work had not closed yet. At first, I had to use my annual leave so that I could stay home with him. But then my leave ran out and my job shut down. We were furloughed until my department opened back up again. So, I was out of work and not getting paid, because I was not able to find a child care for my son. I applied for remote jobs and was even offered a new position with the city last summer but had to turn it down because I had nowhere to take my son. To make ends meet, I stopped using my car to save on insurance. I held off on making payments on my Federal student loans. I did my best to remain positive. I even started my own business, Precious Seeds, selling personalized educational materials for children to earn some income.

Last September, I found a new child care for Jarret. I was scheduled to return to work during phase 3 of New Orleans' reopening so it was great timing. Jarret went for about 3 weeks before I found out that I was not eligible for the child care assistance I had just started receiving before the pandemic because I was not back at work yet. I was still trying to get my new business off the ground and while I had a full course load, it was not enough credit hours to qualify for assistance. I could not afford the \$740 monthly child care fee without the child care assistance, so Jarret lost his spot.

Eventually they let folks come back to work, but by that time Jarret's child care was permanently closed. This meant I could not go back to work until I could find a new child care provider. Finding child care was even more challenging this time around. I spent dozens of hours last year looking for child care. So many child care providers were shut down permanently. And for the ones that were open, it was hard to go there for tours or they did not have as many seats available anymore. All the slots were filled. I just wanted to get back to work and find a place that was a good fit for us.

Just 2 months ago, I finally found a new child care and Jarret loves it. I have seen such a difference in him and his development, and we are in a much better place. We have a great child care provider and child care assistance. Before the pandemic, I was at work and stressed out; not feeling like my son was in a safe place. Now, I am not stressed, I can focus on work and school, and have peace of mind.

Being able to find and afford quality care for Jarret has been such a challenge. This is a developmentally important time for him. What happens in the first few years sets the tone for the rest of a child's life. I realize that even more after having my son. Having quality care and child care assistance consistently over the last 2 years would have made such a difference for us. And I know it would mean a lot to other families, too. There are so many families like mine across the country. We are scrambling to make ends meet. We are juggling jobs, school, and care for our children. We are keeping ourselves and our families healthy. We are raising the next generation. And we are doing our best. Now we need Congress to do the same, because the choices we make now will shape our country's future. I urge you to invest in the child care system that Jarret and I, and countless families across the country, need.

[SUMMARY STATEMENT OF DASJA REED]

My name is Dasja Reed. My two-year-old son Jarret and I live in New Orleans. I work full-time for the city of New Orleans. I am a full-time student pursuing a degree in early childhood education. And I am a first-time mom.

I gave birth to Jarret in the fall of 2018. As a city employee, I had 8 weeks off for maternity leave. Due to physical complications, I was forced to take off an additional 8 weeks from my job which was unpaid. This created lots of stress and hardship. Being a new parent is hard and it is so much to learn in what seems to be such little time.

Just a few months after delivering my baby, I started looking for a child care that would meet all our needs. In my area, I found that most child care ranged from \$500 to \$1,000 a month. In addition to, unexpected expenses that go along with being a new parent, child care would consume more than 50 percent of my monthly earned income. The adjustment was difficult, and I ended up having to settle for a child care program that I could still barely afford rather than my first choice.

After applying for child care assistance when Jarret was 6 months old, I was told that there was not enough funding available, and it took more than 10 months for me to be approved. Over those 10 months, I paid full price for child care and struggled to keep my household afloat and pay other bills with child care expenses taking up such a large portion of my income.

Then the pandemic hit. I had to leave my job with the city because my son's child care closed, and work had not closed yet. At first, I had to use my annual leave so that I could stay home with him. But then my leave ran out and my job shut down. We were furloughed until my department opened back up again. So, I was out of work and not getting paid, because I was not able to find a child care for my son. I applied for remote jobs and was even offered a new position with the city last summer but had to turn it down because I had nowhere to take my son.

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Being able to find and afford quality care for Jarret has been such a challenge. This is a developmentally important time for him. Having quality care and child care assistance consistently over the last 2 years would have made such a difference in our lives. I urge you to invest in the child care system that Jarret and I, and countless families across the country, need.

The CHAIR. Thank you, Ms. Reed. And thank you so much for sharing your personal story. I have heard it the same, different sequences, but so, so much the same from so many parents. And thank you for speaking out for yourself and for so many of them today as well. Thank you.

Now we will turn to Ms. Khan.

STATEMENT OF KHADIJA LEWIS KHAN, EXECUTIVE DIRECTOR, BEAUTIFUL BEGINNINGS CHILD CARE CENTER, PROVIDENCE, RI

Ms. KHAN. Thank you, Chair Murray, Ranking Member Burr, and distinguished Members of Congress for the opportunity to speak before you today about this important topic. For the last 21 years, I have been the Executive Director of Beautiful Beginnings Child Care Center in Providence, Rhode Island.

Our mission is to ensure that each child who attends our program receives a strong educational and social emotional foundation in their early years to prepare them for success in life and school. We are a four-star quality rated program through Bright Stars, which means we have committed to offering a safe environment that provides a high level of quality with educated and qualified staff. We have two sites between which infant, toddler, preschool, and state Pre-K classrooms are offered. We are an early head start childcare partnership site, and we are licensed for 158 children.

Historically, 70 percent of the children across all of our programs receive some form of payment assistance for their care via the Department of Human Services or through state Pre-K. Prior to the pandemic, our staff of 39 primarily consisted of women of color. We always had a long waiting list which spoke to the need for access

to high quality care. Yet I struggled like so many of my fellow childcare programs with the challenges of a system in which neither the parent fees nor subsidies cover the true cost of care in a way that allowed me to provide wages and benefits that reflected my staff's incredible and skillful work. Many of my staff members rely on programs such as SNAP benefits, rental and heating assistance programs to make ends meet.

Prior to the pandemic, we were feeling the weight of decades of operating on shoestring budgets as part of an underfunded and under-resourced system. In 2008, Rhode Island reduced income eligibility for childcare, and we still have not restored it. Using the Federal affordability guideline of 7 percent of a family's income, a Rhode Island family would have to earn \$150,000 a year to be able to affordably pay for one three-year-old in a typical childcare center.

It was already a difficult situation and then the pandemic began, causing decreased revenue and increased costs for cleaning supplies, PPE, and staffing. We closed at the beginning of the pandemic for several weeks. Thanks to Care's funding, the Rhode Island Department of Human Service was able to pay for enrollment rather than attendance during that time. We would have never survived the closure period without it. We have slowly reopened but are still not at full capacity. COVID has layered additional challenges onto teachers and staff who are already overburdened, underpaid, mentally and physically drained, and challenged by doing a job where they are considered essential yet so often treated as disposable. Childcare teachers are among the lowest paid workers in the Nation.

In Rhode Island, the average wage for a childcare teacher is \$12.00 an hour and the minimum wage is \$11.50. Childcare educators' day to day interactions influence children's developing brain architecture. They are working with families through trauma, learning loss, and more. Disparities in development begin to emerge in infancy and widen over time without consistent, nurturing care that can be provided by effective, competent and prepared educators. As a sector, childcare is facing the most significant staffing challenges we have had as educators leave the field for higher paying jobs, not only leaving the field, but having to make the decision of whether to enter the field in the first place, when some high school graduates even earn more than them in entry level positions in different industries.

It makes no short term or long-term sense for our Nation or states to put so little money into childcare that educators are paid such low wages and offered minimal benefits. Here are four things that I think would help make a difference. One, we need funding that covers the cost of care, which includes fair compensation for the essential work of our early childhood educators. Effective and qualified educators, including those working with babies, deserve pay parity with elementary school teachers. Two, it is important for more families to be able to get help—to get help and choose high quality childcare options that provide stability for them, their children, and for programs. Three, we must recognize that childcare and early learning cannot be separated.

Childcare programs in centers and homes, just like schools, provide support for working families and provide support for children's positive growth and development. Four, I hope you will continue to include early childhood educators and program directors and being part of the solution, investing in ways that will work for those of us on the ground. Childcare is a lifeline to our families, and early childhood educators are essential.

I urge you to support us by building on the relief that has allowed us to keep going and providing substantial and sustained investments to rebuild and strengthen childcare programs like mine. On behalf of all of us, I thank you for listening to my testimony, and look forward to your questions.

[The prepared statement of Ms. Khan follows:]

PREPARED STATEMENT OF KHADIJA LEWIS KHAN

Thank you, Chair Murray, Ranking Member Burr, and distinguished Members of the Committee for the opportunity to speak before you about this topic that is close to my heart: the importance of strengthening America's child care sector so we can support America's children, workers, and families.

For the last 21 years I have been the executive director of Beautiful Beginnings Child Care Center in Providence, RI. Our mission is to ensure that each child who attends our program receives a strong educational and social-emotional foundation in their early years to prepare them for success in school and in life. We are a four-star quality rated program through Bright Stars, our state's quality rating and improvement system, which means we have committed to offering a safe environment that provides a high level of quality, with educated and qualified staff. I am happy to share that as a result of this work, we have become a trusted part of our community since we first opened our doors in 1999. Because of this work, I also have the pleasure of serving on the steering committee of RIght from the Start and as Board President for Rhode Island Association for the Education of Young Children.

At our main site, Beautiful Beginnings offers infant, toddler, preschool and state Pre-K classrooms and is licensed for 140 children. We also operate one stand-alone Pre-K class at our local community college. Beautiful Beginnings is an Early Head Start-Child Care Partnership site and historically, 70 percent of the children in our program receive some form of payment assistance for their care, either through subsidies via our Department of Human Services or through Rhode Island State Pre-K.

Prior to the pandemic, I had a staff of 39 women—primarily women from communities of color who reflect the diversity of our child population. Our 12 classrooms were at capacity, and we always had a long waiting list, which spoke to the need of families in our community for access to high-quality child care. Yet even with a program that was constantly in-demand, I struggled, like so many of my fellow child care programs, with the challenges of a system in which neither parent fees nor subsidies covered the cost of the care in a way that allowed me to provide wages and benefits that reflected my staff's incredible, skillful work. In Rhode Island, as in states across the Nation, the regular rates for the Child Care Assistance Program are too low to enable low-income families to have equal access to the market that middle income families have access to, and too low to do anything but keep teacher wages suppressed.

Many of my staff members rely on programs such as SNAP benefits, rental and heating assistance programs to make ends meet. To be honest, it was not out of the ordinary for me to hear from one of my longtime staff members that their child, who recently graduated from high school, was making as much as they were at an entry-level job in any other industry.

Even prior to the pandemic, we were feeling the weight of decades of operating on shoestring budgets as part of an underfunded and under resourced system. For example, back during the great recession in 2008, Rhode Island cut eligibility for child care and we have still not restored this access even though we know that almost every family in the state needs help paying for child care. Using the Federal affordability guideline of 7 percent of family income, a Rhode Island family would have to earn \$150,000/year to be able to affordably pay for one three-year-old in a typical child care center—even one that only pays their teachers \$12/hour (and our minimum wage is \$11.50/hour).

It was already a difficult situation; and then, COVID hit. You all know the crisis we have faced as a result and NAEYC's surveys of the field have demonstrated this: decreased revenue and increased costs for cleaning supplies, PPE and staffing. At Beautiful Beginnings, in compliance with our Governor's public health emergency directive, we closed from March through June 2020. Thanks to CARES funding, Rhode Island Department of Human Services was able to pay for enrollment rather than attendance for those months. We would never have survived the closure period without it. We eventually reopened with 4 of our 12 classrooms, and have slowly returned to having 11 open classrooms. With the assistance of relief funding, we were able to provide enhanced pandemic wages for 3 months to support staff members who were uneasy about returning with all of the unknowns of the pandemic. It also allowed us to dedicate a staff member exclusively to cleaning. An example of our additional cleaning is that now our playground spaces have to be sanitized 22 times daily between each group of children since our safety precautions mean separating small groups of children and keeping them in pods.

Being an early childhood educator had its challenges before the pandemic, but COVID has layered additional challenges onto teachers and staff, who are overburdened, underpaid, mentally and physically drained, and challenged daily by doing a job where they are considered essential, yet so often treated as disposable. As a sector, child care is facing the most significant staffing challenge we've ever had, as educators leave the field to get higher paying jobs not just in the public schools, but in retail, warehouse distribution centers, and fast food. Child care teachers are among the lowest paid workers in the Nation. In Rhode Island the average wage for a child care teacher is \$12.01/hour and the minimum wage is \$11.50/hour. Because our country hasn't sufficiently funded necessary supports and fair compensation, our programs, families, and children feel the impact of current and future educators who have to make decisions to leave the field—or not to enter it at all. Directors are sharing stories of staffing nightmares every day, and I can tell you that our last classroom has not yet opened because I have been unable to hire a qualified early childhood educator to lead the classroom. This job is so much more than babysitting, so much more than simply keeping children safe. It requires supporting the children and families in our program, through trauma, learning loss, and more. Child care educators are responsible for day-to-day interactions that influence the developing brain architecture of children. Disparities in development begin to emerge in infancy and widen over time without consistent, nurturing care and high-quality learning opportunities that can be provided by effective, competent, prepared, and compensated educators.

Child care relief funding is keeping many programs from going over the cliff, but we are still teetering on the edge. We don't want to go back to the crises and challenges of the past—we want to be part of the effort to build a child care system that will work for our children, our families, our staff, and the businesses in our community that rely on us. It makes no short or long term sense for our Nation and our states to put so little money into child care that educators are paid such low wages and offered minimal benefits. Here are four things that I think would make all the difference in the world:

- (1) We need funding that covers the cost of care, which includes fair compensation for the skilled, valuable, and essential work of our early childhood educators. Effective and qualified educators, including those who work with babies, deserve pay parity with elementary school teachers,
- (2) It is important for more families to be able to choose and get help paying for high quality child care options that provide stability for them, for their children, and for us,
- (3) We must recognize that child care and early learning cannot be separated. I see every day how child care programs in centers and homes—just like schools—provide support for working families AND provide support for children's positive growth and development.
- (4) Finally, I am so pleased to be here today, and I hope you will continue to ask early childhood educators and program directors to be part of the solution so that we can work with you, to create investments in ways that will work for those of us on the ground.

Child care is a lifeline to our families and early childhood educators are essential. I urge you to support us by building on relief that has allowed us to keep going, and providing substantial and sustained investments to rebuild and strengthen child care programs like mine. On behalf of all of us, I thank you for listening to my story, and look forward to your questions.

The CHAIR. Thank you very much, Ms. Khan. Thank you to all of our witnesses today for really excellent testimony. We will now begin a round of five-minute questions. And I ask all of our colleagues again to keep track of the clock and stay within those five minutes. Research shows that early childhood, where 90 percent of brain growth happens by age five, is a critical period of brain development that really lays the foundation for future learning.

As a former early educator myself, I know how important it is to make sure childcare is high quality to support healthy child development. Children need responsive teacher child interactions, and they need an engaging physical environment that supports exploration. So, Dr. Jones-Taylor, let me start with you and ask for you to talk with us about why it is important to make sure childcare is high quality to support children's development.

Dr. JONES-TAYLOR. Thank you for your question. You are absolutely right. We know that in the first three years of life, for young children, one million new neural connections are formed. All of the—laying the foundation for all development and success you want to see in life, right. That doesn't happen on its own. It happens in the context of environments. It happens in the context of healthy relationships with parents. And when parents have to go to work, which we know 62 percent of all women with children aged three and under are in the workforce, we need to make sure that the providers who are entrusted with young children have the support that they need. There are enough of them to be able to do that, building that strong foundation, a strong attachment that happens between the caregiver and a young child. And that costs—that is labor intensive, right.

We don't want to have more than one adult to four children, babies in particular. We know that is really the bare minimum, if you will, in terms of making sure that children stay safe, and those enriching experiences are available, that they are possible with those ratios. It is also important to think about the content and the experience of young children and making sure that they have these enriching, engaging opportunities to explore the world and play. And so, you want to have safe environments for them to do that. And that also costs money.

But what we have done instead is assume that we can do this on the cheap and we have really shortchanged our children and our providers. And we are doing this in a way where parents are paying far more than they can, as I said earlier, and providers are getting paid to less. And this is something that we have to decide as a society. Are we willing to accept this any longer? We subsidize many things in this country. We subsidize agriculture because we value it.

We subsidize even sports, profitable sports teams. But we don't subsidize to the appropriate levels what we need in terms of childcare so that children aren't shortchanged, parents aren't shortchanged, providers aren't shortchanged, and the economy isn't shortchanged. And so, we have an opportunity here to make our values match with the subsidies, with the supports that we are providing for children. And we cannot do this on the cheap and we don't want to. It would be to our future detriment if we were to do that.

The CHAIR. I couldn't disagree with any of that. Really appreciate all that you just said. I think it is really important. And Ms. Reed, as a parent, what do you look for in a childcare program in terms of quality and safety?

Ms. REED. Thank you for the question. And the No. 1 thing that I always look for is the ratio—the ratio to the teacher. How many kids are in the classroom? I think that is so important because the teachers have a more one on one time with the children and, how many children are in the classroom. And if they have seven in there, right, you can't get those little things that a child may need, those little things that, you have to pay attention to, right.

I just believe that the ratio is so important when it comes to safety, and how many kids are in the classroom, how many teachers are in the classroom with the children, and then, of course, just a clean environment, what the children have in a safe environment. You know, do they have things around the room that they can potentially put in their mouth that they can possibly choke on. Different things of that nature.

Again, the quality for me is definitely—the quality and safety for me is definitely the ratio and how many children are in the classroom, if they have a teacher's assistant in the classroom, and again, just a clean environment for the children.

The CHAIR. Yes, thank you. And we know early childhood educators do such critical work for healthy child development and support working families, keeping our economy going. Several of you mentioned the statistics about the low pay. And even before the pandemic hit, early childhood field really struggled to attract and retain high quality teachers. Ms. Khan, low wages for your early childhood workforce. How has that affected teachers in your program?

Ms. KHAN. Thank you for the question. So, in our program, we spend about 70 percent of our budget on wages and still the wages are not high enough to compensate them for the job that they really do. And it is not only wages, it is also benefits. Being able to have a retirement plan for teachers that stay in the field for many years, affordable health care through their employer has been something that we have struggled with.

That means that our highly educated teachers are more likely to not see this as a career to stay in. It is more a job for the moment because they can't sacrifice their goals in life in order to stay in a job that they know is important and they love, because outside of the center they have their own goals of home ownership or—yes, and so it has been difficult.

The CHAIR. It is hard to keep experienced childcare people in the field because they move on. So, I appreciate that so much. And I will turn it over to Senator Burr.

Senator BURR. Thank you, Madam Chair. And let me say to all of you, welcome again. You might think why would the old guy at the dais be very concerned with childcare? Let me assure you, I am probably more concerned with who takes care of my grandchildren than I ever was and who took care of my children. So, I think as we grow older, we get more engaged and concerned with not only childcare, but education. So, I am going to turn to Ms. Perry and Ms. Khan just very quickly. You represent states. Have childcare—

has a childcare workforce in your state had an opportunity to be vaccinated?

Ms. Perry.

Ms. PERRY. Thank you, Senator Burr, for that question, and the answer is yes, absolutely. Childcare providers and teachers were among the first who were eligible for vaccines. And we did a significant amount to do outreach to our childcare workforce and actually connect them directly with vaccine appointments and scheduling. Our childcare resource and referral programs really helped us a lot. And we have worked very hard to get teachers vaccinated.

Senator BURR. Ms. Khan.

Ms. KHAN. In Rhode Island, our Governor also prioritized vaccinating teachers and that included early educators and childcare centers. So, all of our teachers have had the opportunity to get vaccinated. We are very thankful for that.

Senator BURR. Am I right to make the assumption neither one of those states mandates that childcare workers be vaccinated?

Ms. PERRY. Thank you, Senator. That is correct. North Carolina does not mandate vaccinations.

Senator BURR. Ms. Khan.

Ms. KHAN. Rhode Island also does not.

Senator BURR. I just raised this issue, and I am not suggesting that it should be, but when they leave childcare and they go to K through 12, it strikes me that K through 12 requires students to be vaccinated before they go to school, but we are not having a debate on whether we require teachers to be vaccinated before they teach those students. And I think as we talk about the decision that parents make in childcare, that doesn't stop at pre-K. They still prefer to have some choices in education. They are concerned about their children's education.

We are going through a period right now trying to decide what people don't take vaccines, how do they show up for the first and not the second? And to some degree, they either lack the confidence or they see two different systems. And I think when we get the K through 12, we all of sudden see a different system where we mandate for kids, but we don't mandate for teachers. And I think parents are going to wonder about that.

I say that for you, they represent states. You can go back and raise that with your Governor, Ms. Perry. I already have. So, you will just be reinforcing what I did. Ms. Perry, let me just ask, what was your thought process in North Carolina as to why licensed childcare needed to remain open when many called for it to close?

Ms. PERRY. Thank you for that question, Senator Burr. It is really quite simple, because we had essential workers who needed to go to work and be on the job and they needed a safe, affordable, quality place for their children while they were doing that. North Carolina, like all states, needed grocery store workers and mail delivery folks and our health care workers first and foremost to be on the job. And they needed quality childcare for their children.

We did make the decision early to keep childcare open and working very hard to make sure we had all the health and safety protocols in place to keep children and staff and families as safe as possible and slow the spread of COVID-19.

Senator BURR. Thank you, Ms. Jones-Taylor, it is great to see you again. It has been too long. Why is parent choice so important for young children?

Dr. JONES-TAYLOR. Thank you for that question. As you said parents know their children best. We all know our children better than anyone else. And we should have the ability to think of where our children will be best suited in terms of where they will feel comfortable in terms of language.

If you are a bilingual family, having somebody who speaks your language may be really important to you. And so, we don't want to limit choice. And it is really important along those lines to make sure we have a mixed delivery system. That parent who decides that they would like their child to go to a public preschool program, public school, they have an option. And a parent who wants to send their child to a family, childcare neighbor or provider down the street, business owner down the street, that they also have that option.

What we cannot skip on is quality. That wherever a parent decides to send their child, even if it is to their family member with whom they trust their child, that parent can be assured that the provider has the skills, has a safe environment, and has the knowledge and passion to make sure that child is getting everything they need to support their healthy development.

Senator BURR. Thank you for that. My time has run out, but I do want to say to Ms. Reed, congratulations for having at least solved the immediate crisis, which is to provide childcare and one—and two, to be back at work. But I also want to commend you for in the midst of everything you were dealing with, you became an entrepreneur. And I wish you great success in whatever business you might have started up or might startup in the future. Thank you for being with us. Thank you, Madam Chair.

The CHAIR. Thank you.

We will turn to Senator Casey.

Senator CASEY. Chair Murray, thank you very much for having this hearing, both you and the Ranking Member. And I want to thank our witnesses for bringing not only their experience, their insight, but also their passion to these issues, and finally bringing their own personal stories. And Senator Burr just made reference to and I think we all were thinking when Ms. Reed was testifying, how deeply personal and real this is for so many Americans. This isn't some theoretical issue. This is real life. And we are grateful you are willing to bring your perspectives here.

I will try to get to a question both for Dr. Jones-Taylor and Ms. Perry if I have enough time. But I wanted to start with some basic—and it is not just an assumption, it is a provable assertion, I believe, based upon the data we have seen over a generation now that when children learn more, they earn more. That connection between learning and earn, it is about as strong as any connection and public policy research. So, it is critical that childcare be of such a quality where children get that not just early care, but also early learning.

Another connection I think that we haven't talked about enough is the connection between education and health care and the welfare of a child. And we know that in the pandemic when schools

were closed, that was what was going down. We hoped it would be going in the other direction. Child abuse and neglect, for example, and neglect reporting was dropping while housing, the affordable housing and food insecurity were rising. So, both going in the wrong direction.

This highlights the importance of ensuring that Federal policy addresses the needs of the whole child, including whether it is economic security, health, education, safety, nutrition, but also that we adopt a comprehensive approach to our recovery.

Dr. Jones-Taylor, I wanted to ask you about two words, markers and barriers, both of which you are familiar with. How would you describe the markers of high quality, early childhood program, No. 1? And No. 2, what are some of the barriers to meeting that very high quality, but at scale, that we need across the nation?

Dr. JONES-TAYLOR. Thank you for your question. So, we have heard some of them today, right. We know that staff ratios, child staff ratios are critical. We want to make sure that they are—that is appropriate, that the providers have the competencies to deliver on all of the brain science, all research, Susan spoke about that, which contributes to the healthy development of young children.

We want to make sure that they have the training and support and resources, and if they choose to, opportunities to go to higher education and get a degree. We also want to make sure that the environment is safe and healthy. And you all did such great work with the reauthorization of CCDBG too back in 2014 to make sure that we have raised those standards. We also know, however, that the barriers are also there.

Making sure that states can afford things like background checks is something we have talked about before. That they have the support, they have the folks on the ground, as Susan said, to do the inspections and make sure that there is quality, that they are safe and stimulating environments for young children. Affordability, though, is the place I really want to land, which we have heard here today.

We know childcare is out of reach for—high quality childcare is out of reach for far too many children. So cost is a barrier. The workforce is a barrier. We heard Ms. Khan talk about the fact that people are leaving not because they don't believe in this work, but because they cannot afford to stay.

Senator CASEY. Doctor, thanks very much, and I hope that we made some good progress in the rescue plans. I think we did on helping families pay for childcare with the childcare and dependent tax credit expansion, as well as the direct support tens of billions for providers. Last question for Ms. Perry. Center for American Progress tells us that more than 1.1 million children under the age of six receive services for a disability.

Unfortunately, the same report finds that parents of children with disabilities face greater challenges in accessing care and estimate that in all but six states, no more than 2 percent, 2 percent of children who receive a childcare subsidy have a disability. How can we ensure that inclusive and enriching care is accessible and affordable for all families, including those who have a child with a disability?

Ms. PERRY. Thank you, sir, so much for that question, and I think you raise a very important point that often goes on unspoken about, which is simply that our early intervention system has also been very under-resourced for many years. We know that young children do best in integrated settings with their typically developing peers.

That means you need really significant resources to make sure that in those classrooms there is the kind of support, whether it is speech therapy or other kinds of support that need to happen in the classroom in an integrated setting. So, we need to do a lot more to build our early intervention workforce and the financial resources that are supporting it. You are absolutely right, sir.

Senator CASEY. Thanks very much. Thanks, Chair Murray.

The CHAIR. Thank you.

We will turn to Senator Collins.

Senator COLLINS. Thank you, Madam Chair. During the past years, in the midst of the pandemic, the YMCA has really stepped up to the plate. They have provided additional childcare for essential workers. They extended their hours. They created academies for children to do their remote learning, ad wise. And they have been terrific. They have provided 17,000 children with childcare during the pandemic, which is truly extraordinary. But most of those YMCAs are located in the Central, Eastern and Southern parts of the State of Maine.

I would—my question is going to be for Secretary Perry and Dr. Jones-Taylor. And that is last October, the Bipartisan Policy Center identified the supply and potential demand for childcare across the entire State of Maine. And what they found is in the Northern region, the area that I just mentioned, has very few, if any. They found that approximately 15 percent of the children under age five with parents in the workforce currently lack access to childcare. And by contrast, Maine's urban areas had a childcare gap of just 4 percent.

In one of Maine's most rural communities, counties rather, nearly 40 percent of young children lack access to childcare. So, this is a major problem that has long concerned me, and I wondered if you could talk about, aside from funding constraints, what are the major barriers to childcare access in rural communities? And what strategies have you found to be effective for eliminating those barriers? Why don't we start with Dr. Jones-Taylor and then Secretary Perry?

Dr. JONES-TAYLOR. Thank you, Senator Collins. Yes, nationally, we know that about 8 percent of infants and toddlers live in rural communities, but the State of Babies yearbook, which ZERO TO THREE just released, shows that in Maine, 38 percent of babies, infants and toddlers live in rural communities. We need to make sure that we have a system that supports all children wherever they are. And so, a few things.

One, we need to make sure that parents have choice and thinking about family childcare as a integral part of our—the fabric of our childcare system, especially in rural communities, I think is really important. We know that is very strong, very strong evidence, and not just family childcare, but having staffed family childcare networks, evidence-based family childcare networks like

what we have in Connecticut called All Our Kin, where you get the support, you get the training, you have all of that support so that providers are equipped with the information they need. So that is one that I would really encourage you in calls with rural populations to consider.

Senator COLLINS. Thank you. Doctor, or Secretary Perry.

Ms. PERRY. Thank you, Senator. I would just build on what Dr. Jones-Taylor just said, and say, we know—North Carolina is largely rural. We, though, have been a very center-based state, focused heavily on center-based care. And I think what we need to do and what we see nationally is a very steep decline in the number of family childcare providers. And that is certainly true for North Carolina. And so, I think we do need to rebuild the supply of family childcare, because in rural communities, of course, families are spread out.

There aren't as many of them. You are not going to get them all together in one place to be in a center-based setting. So those family childcare homes are going to be really critical. But those family childcare homes need a lot of support. They need shared services and business support, so they can focus their energy on being with the kids every day and doing the work that they know best.

They need opportunities to network with each other and learn from each other and have remotely, accessible, professional development that they don't have to travel far for. So, I think there is a lot that we can do to rebuild family childcare, and we need to spend time doing that if we want to address some of the rural childcare challenges.

Senator COLLINS. Thank you very much. Thank you all for being here with us.

The CHAIR. Thank you.

We will turn to Senator Baldwin.

Senator BALDWIN. Thank you, Madam Chair. I wanted to discuss another area where access to childcare is critically important, and that is in higher education. There are estimates that there are about 14 million student parents across the country, many of whom struggle to find the childcare they need to be able to participate in their academic programs.

While there is a Department of Education program called Child Care Access, means parents in schools otherwise known as C-Campus, that program helps colleges and universities provide childcare services for low-income student parents. But it only assists a fraction of student parents, probably around 11,000, as estimated by the Institute for Women's Policy Research, and then again, out of 14 million estimated student parents who are needing childcare.

Unfortunately, the COVID-19 pandemic has worsened this issue because many universities and colleges temporarily or permanently closed their university based childcare programs. So, Dr. Jones-Taylor, what steps do you think that we ought to be contemplating in the Congress to tackle this issue of assisting student parents and helping to address their childcare needs while they are pursuing higher education?

Dr. JONES-TAYLOR. Thank you for that question. We know that this is a common thing. I remember when I was doing my research years ago, I spoke with a parent who decided she had an oppor-

tunity to go to community college or get a job working at McDonald's, and she—well, she had a young child and she chose McDonald's because she could not get the subsidy to support her while she was getting her higher education, but she could while she was working at a low wage job.

Making sure that families who are working and going to school or just going to school—just right, that is a lot while you are raising a child—that they have access to the subsidy is absolutely critical. And then, making sure that universities recognize that statistic you just offered, that so many of our parents—of our students are student parents and making sure that we have not only childcare programs that are available to them, but that we have offerings that support their needs and that they can afford to do it. So, subsidies a really big component of that and making sure that states take advantage of that is important.

Senator BALDWIN. I wanted to add on to that, because this Department of Education program and helping student parents pursue their education and meet their childcare needs is a sort of institution based childcare setting. During the COVID-19 pandemic, as various workplaces have had to help their essential workers figure out childcare, have we seen any increase in workplace based childcare offerings or have we not seen any trends during this pandemic? And I would ask Secretary Perry as well as Dr. Jones-Taylor that question.

Ms. PERRY. Thank you for that question, Senator. I will jump in and start and say, no, we have not seen trends that would suggest more employer-based childcare. And I will say I think there is a question on the table about whether or not, for the long run, that is going to be a primary strategy, given that we know many workplaces are adapting the way they are approaching their workers and whether there are workers that need to be onsite every day full time and all day.

I think as we are thinking about strategies to Dr. Jones-Taylor's point, we do need to think about more parent choice options that allow them maybe to have care that is closer to their home than to their work. So, we have not seen that trend, and I think workplace childcare as general, pre-pandemic was also on the decline for precisely this kind of reason.

Also, when you have work-based childcare, it does mean that you have a limited number of spaces available for your employees and largely only used by large employers who then have other employees who can't access it.

Senator BALDWIN. Thank you. Dr. Jones-Taylor.

Dr. JONES-TAYLOR. Yes, thank you. And I would just say one thing that we have seen is that employer-based childcare is seen as a nice incentive to attract higher income, higher wage earners. But we need to think about the building childcare centers or making sure there is availability for parents to choose high quality childcare for our low wage employers.

We are thinking about folks in high tech industries that you can think of a few maybe in Washington State that are incentivizing their workforce to come in and have these incredible childcare settings onsite or close by, but the actual people who are working in the factories, who are fulfilling orders, they don't have access to

that. It is a—we need to right size that system. And so, I think that is something we should be thinking about again when it comes to choice.

Senator BALDWIN. Thank you.

The CHAIR. Thank you very much.

We will turn to Senator Cassidy.

Senator CASSIDY. Thank you, Madam Chair and Mr. Ranking Member, for having this hearing. And thank you to all the witnesses and a big shout out to Ms. Reed. Ms. Reed, I am a Senator from Louisiana, Bill Cassidy, and I am so proud to have you here. I can imagine when your son looks at the YouTube video of yourself, of you when he is 20 years old. Of course, he will already be proud of you, but he will be even prouder, if that is possible, the son for his mom, but thank you.

Ms. REED. I was aware of a childcare in Jefferson Parish, and for those not familiar with Jefferson Parish is a suburb of New Orleans, which had spaces open, but which the parents didn't want to bring their child in and because of fear over the pandemic. Now, did the city of New Orleans allow you to find a day care center out of Orleans Parish because there was capacity, but it may be too far out for you. I am just asking. I am totally just trying to understand.

Ms. REED. Yes, they do. I wasn't aware of one in Jefferson Parish. So, I am located in New Orleans East and that is typically where I search for a care provider, kind of in the perimeters of my job and home. So, I wasn't aware of one in Jefferson Parish, but just looking at the ones from in New Orleans East and Gentilly area, those were the primary areas that I focused on.

Senator CASSIDY. Now, thank you for that. And of course, it would have really put you out of sorts if unable to get childcare, if the daycare center had been completely closed, not just affordable, not just even spots open, but completely closed. Is that a fair statement?

Ms. REED. Yes, sir.

Senator CASSIDY. Yes. You know, one of my concerns about some of the proposals before us is that ultimately they would move these childcare centers into public schools. What we have seen is because of incredible influence by teachers unions, public schools are closed for in-person instruction, even though the Centers for Disease Control said that it was safe to go back to in-person instruction. What impact that would have upon a working mom, as it did a lot of working moms couldn't work because teacher unions were effectively forcing the shutdown of public-school systems.

That is very concerning. Ms. Perry, it is my understanding that state regulations have an incredible impact upon increasing the cost of daycare without any sort of discernible improvement in outcomes. Staffing ratios, for example, of overly restrictive can lead to much higher cost. Again, without discernible increase in an outcome. Again, some of the proposals before us would have the Federal Government heavily involved in regulating what happens on the state level. I don't ever see a place where the Government's involvement, the Federal Government's involvement actually decreases cost.

Would you have concerns about North Carolina having their staffing ratio dictated by somebody in Washington, DC?

Ms. PERRY. Thank you for that question, Senator. You know, I would say this, that regulations do need to focus on what matters most for children, and that is the quality of the people doing the care for the children every day, their capacity to deal with the challenges of managing a classroom of one-year olds who tend to bite each other and keeping them safe, managing through how you talk to 12 or 15 three-year-olds and get them ready for reading success. You can't skip steps in.

Learning is sequential. So, there is a lot of things that have to be happening and those early years. So, I would say regulations are important to keep kids healthy and safe. And need to be focused on the things that matter most. I think there is always opportunities to revisit regulations and think about are we really focusing on the things that matter most. But I think they are important, and I think they keep children healthy, safe, and learning, which is what we want our children to be doing.

Senator CASSIDY. I am sorry I cut myself off, I am not sure if I am—can you still hear me?

The CHAIR. We can hear you now.

Senator CASSIDY. Thank you. And how much time do I have?

The CHAIR. You had 20 seconds, but we will let you go.

Senator CASSIDY. Oh, that is Okay. I will yield back. I am pressing buttons on my phone. I don't have any clue what is going on, so I better yield back—

The CHAIR. In a year, he hasn't learned. He needs to go back to preschool.

[Laughter.]

The CHAIR. Thank you, Senator Cassidy.

I will turn to Senator Kaine.

Senator KAINE. Thank you, Chair Murray. And to the witnesses, what a treat to be with you. And in particular, I want to say to Ms. Reed and Ms. Khan, your stories about the challenge of the last year, Ms. Reed working, having a child, going to school, trying to afford good childcare in a pandemic, they really are the same kinds of things I am hearing all across the Commonwealth. And I am so glad you are a witness today and Ms. Khan. Thank you for your being on the front line and running a childcare program at one of the most challenging times in the history of these programs in our country. I am a proud dad of an early childhood educator, and I know very much it is not done for money. It is not done for fame or glory. It is done out of love for children.

I know that is something that links all of you. There is a report recently by Third Way that indicates that inadequate childcare is the third most common reason now cited for people not yet able to go back to work this deep into the pandemic. Furloughs or closed businesses are the two top reasons. But not being able to find the right childcare at this time is a significant reason. And as I traveled around Virginia during the recess week we had around Easter, again and again and again, what employers were saying to me is, as they are starting to want to reopen, they are finding in their own employees the absence of affordable childcare in their communities is a huge obstacle.

This notion that childcare is just about the child or just about the parent is wrong. It is really required to get the economy up and running, too, which means that there is a whole lot of reasons we should take this seriously. I guess I really have one concern and then a big picture question that I would love you to address if you want to. The concern I have is this, it just seems like we say, and I think we believe that the most important people to us are our kids and our parents, and yet the way we compensate folks who take care of our kids and the way we compensate so often people who take care of our parents would suggest that we are sort of lying when we say that, or at least the compensation levels don't match what we feel in our hearts about the need for high quality care. So often jobs caring for the youngest kids and jobs caring for the elderly, they are not compensated in a good way.

That leads to turnover people who want to be in the profession to decide that they can't. And then that leads to care that isn't of a level that it should be. So, I think it is a funding issue. It is a salary issue, but it is probably kind of a cultural issue, even bigger than whatever Congressional policy would be. Do we really mean it when we say that our kids are important to us and that our parents and grandparents are important to us? And if we really mean it, then people could make careers in these fields, living wages and careers with benefits, and we are not yet there.

We have got a lot of work to do. And I am glad to be on a Committee that is trying to figure out how to do it, so here is a big idea that I have that I am just going to throw out to you. And I love to hear what any of you say is kind of disruptive. I started in kindergarten in September 1963, and already by that time, the norm for compulsory education was kindergarten through 12th, age 5 to 18. We know a lot more about brain development today than we knew in 1963, a lot more. And yet the norm for compulsory education is still age 5 to 18, K through 12. What if we just decided as a society that we would adjust K to 12 and have it be for 4 to 17 year olds rather than 5 to 18 year olds? We would start compulsory education a year early.

Then we take all the money we are using for early childhood education and put it into the birth to three rather than birth to four, thus basically bulking up the money that we spend on early childhood education from birth to three. I would argue that a public investment in a kid's life from age four to five produces a lot more bang for the buck than the public investment we make in a kid's life between 17 and 18. And most 17-year-olds, frankly they could go to college or they could do a gap year.

They could do volunteer work for a year before they decide what they want to do with their life. So, I have always wondered why somebody isn't pushing to change the educational paradigm that has been in place now for six decades based on the fact that we know much more about brain science than we used to. Many of you have a reaction to that. I am kind of late in my five minutes. But then, Chair, if you would, allow anybody want to tackle that.

Dr. JONES-TAYLOR. I can start. Thank you for your question. I think all things are on the table. I think that is a really interesting proposal. I would obviously want to look into it more. What I will say is that as a society, we have really been pulling a fast one

when it comes to childcare. We have pulled a fast one on children, parents, providers, and the economy.

We tell children they are our future and how important it is to invest in them. And then we turn around and allow for policies that we know fly in the face of what science tells us, young children's need for healthy development. We are pulling a fast one on parents, especially women, when we say we want them in the workforce. How many bipartisan conversations that we had about women's attachment to the workforce and the main thing that will keep working mothers attached to the workforce, childcare.

We tell them you are on your own when it comes to that. And we tell them expect to pay one and a half times your monthly rent to afford it and we are not going to help you or will help one in seven babies who are eligible for it. We are pulling a fast one on providers to say you do the most important work, thank you so much, and then offer them poverty wages and ask them to get degrees of higher education, and tell them we are not going to make it, we are not going to create supports for them to make that work. And then we are going to fast track the economy to think that we can do this on the cheap. We can have an unfunded system, a broken system, and think that the economy is really going to be where it should be.

COVID came in and said, the jig is up, we cannot do this anymore. And so, we are at a place in history right now where we are writing this story and Congress has the ability to write yourselves in as the heroes to really say we are not going to let this happen. And you guys have done that already. Again, with the reauthorization of CCDBG and the regulations there were so smart. I really want to talk to Senator Cassidy's point that you guys were courageous, and you did the right thing.

Senator KAINE. I am well over my time, but I really appreciate you starting the reflection back on my challenge. Thank you. Thank you, Chair Murray.

The CHAIR. Thank you so much. And to all Senators and staff, we are going to be—a series of votes are going to be starting. Would any Senators please let us know if they wish to ask questions of this panel, so we make sure that you get your timing as quickly as possible.

With that. I will turn it over to Senator Smith.

Senator SMITH. Thank you so much, Chair Murray and Ranking Member Burr. This is just a great, great panel and I am loving hearing all of you talk about this issue and in ways that I think families can really relate to. And I am just so struck by all the conversations I have had in Minnesota about how even before the pandemic, childcare was a huge struggle for families, the lack of access, the lack of affordability. And, in 2018, the childcare crisis was estimated to be costing our economy I think it is \$57 billion a year.

This is something that affects all of us and all families. In Minnesota, we estimate—the Minnesota Fed, Minneapolis Fed estimates that 11 percent of moms with young children have dropped out of the workforce during the pandemic, in part—in large part because of lack of access to childcare.

I would like to turn to Ms. Reed, if I can, and looking for you on my screen there, you really describe the catch 22 that families

are in right now. You have lack of access. It is too expensive. You are juggling all the time school and work, trying to figure out whether you are eligible or not for childcare. I mean, it sounds like it is—I don't even know how you do it. And all the time, your first thought is what is best for Jared. How are you going to make sure that he is getting what he needs and what can you do to make sure that is possible.

I want to just start by asking you if you could, from your perspective, what would a highly functioning childcare system for you and Jared, what would it look like? Both, because you have talked some about quality, but in terms of access and affordability and, kind of what it would look like.

Ms. REED. Thank you for the question, Senator Smith. For me, it looks like a functioning—we have, like I said, a low ratio. Like lower—less kids in the classroom, which means the teacher has time and they can actually be able to pay attention to, and basically be able to meet the needs.

Like I told you, there is developing at this age, so there are a lot of things that you might one plan in mind, but the minute, Johnny decides he doesn't want to do that, do you have the time and the attention to kind of maneuver through that with more kids in the classroom, right. So, I just truly believe that high quality first starts with less kids in the classroom.

A curriculum. Like a lot of—just having a curriculum and having a plan of, what the kids are working on. Educate the teachers. Teachers, who actually know how to—who are educated and taught how to deal with certain issues in the classroom. So, I believe education is a big key, a major key as well.

Again, just having that time to be able to actually work with the children one on one. This is the time where their brain is developing. This is the time that they need the most, where their minds are being shaped. So, I just believe that the more care that they get, the more time that they receive in the classroom, it really helps them for the rest of their life. And it starts at that age. It starts zero to three.

I actually believe that quality looks like, of course, again, having less kids in the classroom and then educated teachers that are well trained to be able to help shape and develop the minds of the young children.

Senator SMITH. Yes. And you are—as you are talking about quality and the educators that are ready and prepared and have the curriculum and the place in order to provide great care, you also are talking some about having access to choices near where you live and work. Because you can't be driving, all over town or getting all over town to drop Jared off when you are trying to figure out, the logistics of life. And then you also are talking about affordability.

Now, let me ask you about this. What if we had a system where you were—basically you were never going to have to pay more than 7 percent of your income for childcare. What would that mean to you? What difference would that make to you and your life?

Ms. REED. It would definitely be a huge difference in my life. I would do anything for my son to have quality care, even if it means going without—whatever it takes. So, to have that percentage

dimmed down to that minimum, it would be a great help for my family, for my son and I, just being able to have a peace of mind, just to be able to go to work and not have to think about, Okay, well, we are going to pay the light bill or are we going to get food on the table. Or are we going to pay the cell phone bill or, am I going—simple things like that matters.

Just being able to have relief of that would be phenomenal. It would be such a relief—it would be me actually being able to focus on my child when we get home right now, trying to figure this and worrying about that—

Senator SMITH. Constantly worrying about paying bills, because you are not going to—that money that you are not putting into childcare, you are going to be able to put into, rent and utilities and better food and gas for your car and insurance and so forth. So, Madam Chair, I am almost out of time, but I want to just point out to everybody, I think you may know this, that I am really proud to be working with Senator Murray and others on our Committee on the Child Care for Working Families Act. And that is what it would do. It would address systemically the challenges that we have in childcare.

This is a hard problem to solve, but it is a solvable problem. And one of the things that it would do is to make sure that you would not be paying more than 7 percent of your income for childcare as long as your income is no more than 150 percent of the median income in your state. So, I bet that would be the case for you, Ms. Reed, and it would be the case for many, many, many people in Minnesota.

I think this is exactly the kind of solution that we need in order to address this problem of childcare, which is a solvable problem if we just put our minds to it. Thank you, Madam Chair.

The CHAIR. Thank you so much.

Senator Rosen.

Senator ROSEN. Well, thank you, Chair Murray and Ranking Member Burr. Thank you really for holding this important hearing. It affects so many and of course, our most vulnerable, our children. And thank you to our witnesses for all that you do and participating today. But, I want to talk about a nonprofit childcare and SBA loans. And, we have been discussing today and as Senator Smith has just so eloquently told us, millions of American families have difficulty affording childcare and shortages in availability, costs that are out of reach. It is a growing problem. It has been exacerbated by the pandemic.

Some childcare providers, they are at risk of permanent closure. We have to think creatively and urgently to help families across this country about our solutions. So currently only for-profit childcare providers have full access to all of the Small Business Administration loan products, while nonprofit providers only have access to the SBA's micro-loan program. That is capped at \$50,000. This blocks access for capital for nonprofit childcare providers to establish care facilities or even expand the ones they have.

To address this problem, I introduced the Small Business Child Care Investment Act. It is bipartisan legislation that would allow qualified nonprofit small business childcare providers access to the same SBA loans, so that they can provide quality, affordable

childcare everywhere that they can. So, Ms. Khan, as the Executive Director of a nonprofit childcare center, can you talk about the financial challenges that are unique to nonprofit, please?

Ms. KHAN. Thank you, Senator Rosen, for the question, and thank you for supporting legislation that allows for more loans for childcare centers, especially nonprofits. I would say access to capital is a big problem with childcare centers in general. Because the budgets are on such a small margin, a lot of traditional banks do not want to invest in childcare. So, we have to go to different financial institutions to get support. So, access to more loan products with the SBA would be helpful.

I think in general though, we need to make sure that we are also supporting the long-term strategy to make sure centers have the finances that they need to be able to operate in a way that makes sense. So, I really appreciate all of the stimulus funds that have gone into childcare, and I hope we can do something that is more permanent, so we have a permanent solution to our problems in early education. Thank you.

Senator ROSEN. I want to ask Dr. Jones-Taylor, could you also talk about what improving access to capital for nonprofit childcare centers, what it would do to assist with stability, upgrades to facilities, expansions, and what it really gives to the communities that they serve? How is it going to uplift the families that is going to serve right there where they live?

Dr. JONES-TAYLOR. Thank you for your question. We know that 53 percent of centers, just to underscore some of what you have already said, 53 percent of centers and 25 percent of family childcare providers applied for a PPP loan. And in a follow-up survey, just half of those were surveyed, who applied were actually approved because of what Ms. Khan said, the challenges there with relationships to banking and the risk that banks saw. So, this is very interesting to think about.

We know that if you actually have a system that is there in good times and bad, that is important for childcare. Senator Burr mentioned K to 12 and that was a system that stayed open in the midst, or at least educators were able to receive their paychecks, and we weren't worried about the collapse of the public K-12 system because it is treated as a system. We are in a real crisis where the true threat of collapse of childcare is not some fantasy or some doomsday fantasy. It is truly something that we are concerned about.

Being able to stabilize the system and make sure that we actually fund it so that when we hit a crisis, it will be there afterward, is actually critical. We need to shift the way we think about this and treat it as a system and an infrastructure that is.

Senator ROSEN. Thank you. I know I don't have much time left, so I will take this off the record, but I just want to put a marker down because I am worried about the mental health challenges for children. They have been rising because of the pandemic. It compounds the trauma for our foster children, our homeless children, and children who may have experienced violence or other things in their home during the pandemic.

We need to have robust trauma informed training for our early childhood educators as well. And I know my time has expired, so

I will be glad to take those off the record. But I just want to know—let you know that is coming. Thank you so much again for everything you do. I yield back, Madam Chair.

The CHAIR. Thank you.

Senator Braun.

Senator BRAUN. Thank you, Madam Chair. This will be for all witnesses here, and I am going to cite what I think in general, not only childcare, I think, which has been kind of revealed as we have dealt with the COVID saga, but I have wrestled with health care in general, describing it as a system that we spend so much money on and delivers such poor results, whether your health care is being paid for by the Government or through private health insurance. And childcare is kind of a subset of it. It doesn't fall into any of that kind of coverage.

But I think we are at a really pivotal point when it comes to health care in general, childcare. Can we reform the system as it currently exists, which seems to be cluttered with so many restrictions, impediments to free markets and the enterprise side of it, and where it begs then for Government to get more involved?

Love to hear your opinion on the state of the health care system, childcare specifically, and do we need more Government, or do we need to get Government out of the way to let entrepreneurs and more grassroots solutions address the issues? Anyone can start.

Dr. JONES-TAYLOR. I will take a quick stab at it and then we can go on. I will be brief. We have that right now. We have incredible ingenuity into the childcare system out of necessity. We have family childcare providers who are opening up because they love this work, because it is so important despite all of the barriers and challenges we have talked about. So, we have given the free market a go at the childcare system, and it has failed. It has fundamentally failed the childcare system and families and the economy, because you cannot do this with—you need to make sure that this is—this is a labor intensive, highly skilled endeavor on the part of professionals. They need to be compensated accordingly.

Parents cannot afford that. As I said earlier, we subsidize a lot of things in this country that we have placed value on. We need to show that we value this work and truly stop asking parents and providers to do this on the fly and to be innovative. We have tried that. It is not working. COVID has shown that.

Let's continue to allow for innovation. We don't want to stave that off, but we need a true Government investment in this work.

Senator BRAUN. Thank you.

Ms. Perry.

Ms. PERRY. Thank you, Senator, and I am happy to build on that. What I would say is that our Secretary of the Department of Health and Human Services says that we want to buy health and not health services. And I think what we all want to buy is childcare that actually delivers on healthy development, learning, and well-being for all children and a support for working families so they can be on the job and focused on the job every day. And to do that, I do think that Government has a role.

I think this pandemic has showed that our public health infrastructure needed significant investment to meet the challenges of a historic pandemic. And I think the same is true for childcare. I

think the Government has a role in building roads and bridges that we all use, and I think the Government has a role in supporting high quality childcare for working families in this country, so that our economy—so that people can get work and our economy can be working for all of us.

Senator BRAUN. Ms. Reed.

Ms. REED. Thank you for the question, and I strongly do believe that Government should step in at this time. I believe that entrepreneurs and families have extended themselves as much as we can give, as much as entrepreneurs can give in that realm, and I believe that it would help out tremendously if the Government stepped in and helped fund it with those particular issues.

Senator BRAUN. Ms. Khan.

Ms. KHAN. I think that parents are already extended as far as they can be, and it is not enough for us to provide competent staff members adequate compensation. For example, a preschool parent that is paying \$200 a week for care, that covers about 50 hours of care a week, and that is a little over \$3.00 an hour per child in the classroom. So, when you look at—it looks like it is a lot for families and it is a lot in a family budget, but when it comes to the childcare center and what the childcare center has to work with, it is very low—it is a very low amount for us to cover our needs and create a system that is stable for our families and our youngest children. So, we need—we do need intervention.

Senator BRAUN. Thank you. And I think you all stated fairly clearly that the health care system across the spectrum, especially in childcare, is broken. And I think it is an invitation to those out there that want to reform it that the need is there. And my belief is that it is a combination of trying to galvanize the private sector to do a better job, but there is frustration that a lot is left begging. And I think you all reflect that.

The CHAIR. Thank you. And I will have to let all my Committee Members know we have two votes occurring. So, I am going to ask all Senators to limit the—we have three left, Hassan, Lujan, and Hickenlooper. If you can limit it to 4 minutes and we will submit questions for the record. And I will begin with Senator Hassan.

Senator HASSAN. Well, thank you very much, Senator Murray and Ranking Member Burr, and thank you to our witnesses for being here today. I also just want to thank Chair Murray for re-introducing the Child Care for Working Families Act, a comprehensive plan. I am glad to support, and I think, as we all know, COVID-19 has really highlighted the importance of childcare, the need for our country to do better, and it has also highlighted the importance in particular of caregivers.

A question to Dr. Jones-Taylor. We have an opportunity to better target resources so that childcare workers who are often women of color receive the training that they need and receive the pay and benefits that they need to support their own families. Dr. Jones-Taylor, what do you think we need to do to recruit, retain, and support the childcare workforce?

Dr. JONES-TAYLOR. Thank you for your question. You know, we need to have decent wages. I think we have heard this across the board, certainly from Ms. Khan, how difficult it is to recruit and retain staff who are seen as professionals when they are being paid

less than \$12.00 an hour, when their bosses can't provide—directors cannot provide health care and they can get that elsewhere.

Really shoring up the system in a way that invests in our workforce, and really stop paying lip service to this idea that they are valued, and then turning around and doing everything that shows counter to that to that idea. I am sure Ms. Khan can speak more on that, but it is very important that we put our money where our mouth is.

Senator HASSAN. Well, thank you. I want to move on to a different question, but I will follow-up with Ms. Khan on the record. To Ms. Perry, early intervention can help improve the health and educational trajectory of children who experience disabilities and developmental delays through appropriate and timely therapy and support. Over the past year, occupational therapists, physical therapists, and speech pathologists were not able to see as many children for hands on therapy as they usually do now.

Now, as therapy visits return to pre-COVID levels, many providers have observed significant delays among young children, including crawling and walking later, heightened anxiety and fear, and in some cases, less strength and endurance. Ms. Perry, have you seen these issues and how do you think childcare providers can best address these concerns, including connecting families with screening, counseling, and other services?

Ms. PERRY. Thank you for that question, Senator. And I think the truth is there is still a lot that we still have yet to learn about learning loss, some of the other things that we have spoken to about the impact on child abuse and neglect, because reporting has been suppressed, because schools have been closed and they are primary reporters. And when we think about learning loss, we are often thinking about it in relationship to being in school.

But I think you are pointing out just really children's development, even in their youngest years, and the need for a really more intensive early intervention supports. I spoke to this earlier, I do think our early intervention system has been under-resourced for some time. We do need more support services that can push into integrated childcare settings and really provide those kinds of one on one, individualized supports that these young children need, and also support their families in helping their children develop to the fullest potential.

Senator HASSAN. Thank you. Thank you, Madam Chair.

The CHAIR. Senator Hickenlooper.

Senator HICKENLOOPER. Yes, thank you, Chair Murray, and really appreciate the testimony today. Dr. Jones-Taylor, you mentioned the story in your testimony that caught my attention. I was elected Mayor of Denver in 2003, my first elected office, and we began a two-and-a-half-year process of—we had over 100 civic leaders from various backgrounds involved in an early childhood education effort. And we eventually went to the ballot in 2006. I think Denver was the first city in the country to make sure that we had high quality early childhood education for every four-year-old.

Dr. Jones, you described something that caught my attention in the sense that it was an early educator who had a master's degree, 10 years' experience, but ultimately had to leave the workforce be-

cause she made less than \$30,000 a year and her own family's childcare exceeded her take-home pay.

I am concerned that we are going to have an exodus of childcare professionals from the industry, which is just going to exacerbate the existing problems. But we are also going to have trouble recruiting, encouraging folks to enter the early education field. So, Dr. Jones-Taylor and Ms. Khan or whoever, what do you see as the most pressing need that we should address now to make sure that we can bolster the early childhood education workforce?

Dr. JONES-TAYLOR. Thank you for your question, Senator. And unfortunately, your fears have already come to pass in many ways. Early on in the pandemic, we lost 350,000 childcare providers to the system who were—left the system. And only half of those have come back. We also know that we have lost an estimated one in six childcare jobs in this country as a result of the pandemic. Stabilization funds, the coverage that Congress put in place—this is incredibly important to make sure that we shore up the system so that it will remain, it will be intact when the economy gets back going. And the economy will not be back going unless we have the support for providers.

Ms. KHAN. Thank you for your question. I definitely agree with Dr. Jones-Taylor. The stabilization funds have helped us continue to operate with lower enrollment and same overhead costs and actually more staff and PPE costs. But we also need to have a long-term solution so that your fears do not really come to pass in more of a way than they already have, because after this period is over—our system was in trouble before this period started and this just exacerbated it with COVID-19.

We need a long-term solution in order to attract and retain highly qualified educators. We also need low-cost educational opportunities for people who are already in the field to continue to progress in their knowledge and skills and obtain their degrees.

Senator HICKENLOOPER. Great. Thank you both. Just real quickly, and I guess Ms. Perry you could answer this, the vast majority of childcare providers in Colorado and in this country are small businesses, generally, less than 10 employees, tight margins. And yet only 7 percent of the childcare providers were estimated to have received small business support through the PPP.

Now many states are using CARES Act funds to provide grants to keep providers afloat. Those efforts were bolstered by the American Rescue Plan. But how did North Carolina use these resources to support childcare providers in your state? And, how can we better connect childcare providers to the resources available to them?

Ms. PERRY. Thank you for that question, Senator. Yes, North Carolina did use some of its Federal funds specifically for stabilization grants to childcare programs. We pushed those grants out very quickly and aligned them to the size of the childcare program to get them for programs that were serving higher percentages of infants and toddlers, the number of children on childcare subsidy, and quality level because it costs more to produce higher quality care.

We have certainly used a significant portion of our funding for grants and some other things we did for childcare programs who support their childcare workers with teacher bonuses and a mental

health hotline and a vaccine scheduling service to help them get vaccinated. So, we have used all of our resources to the fullest extent possible. We need every tool in the toolbox.

Certainly, business loans are a way to get working capital, although I would say, as you pointed out, sir, most small childcare businesses operate on such thin margins that loans will be challenging for childcare businesses to manage.

Senator HICKENLOOPER. Thank you so much. I appreciate it. I yield my time.

The CHAIR. Thank you so much. Senator Burr, do you have any additional questions? Okay, thank you so much. And to all of our Senators who had questions, they weren't able to make it, we will leave time for that in the record. And Dr. Jones-Taylor, I will ask for a question, not for an answer from you, because we do have votes, but I would like to find out why there is a funding gap in childcare where parents pay more than they can afford, and educators earn poverty level wages. So, if you could submit that in writing, I would really like to help make sure we all understand it.

With that, we will end our hearing today. I want to thank Dr. Jones. Taylor, Ms. Perry, Ms. Reed, and Ms. Khan for joining us today, and all of our colleagues who participated as well. I think today's discussion made clear what many parents in the country already know, that we have to address this childcare crisis if we are going to build an economy that really works for working families.

For any Senators who wish to ask additional questions, questions for the record will be due in 10 business days on Tuesday, May 11th, at 5 p.m. The hearing record will also remain open until then for Members who wish to submit additional materials for the record.

The Committee will meet tomorrow, April 28th, at 10 a.m. in room 430 in the Dirksen Senate Office Building for a hearing on the mental health and substance use disorder crisis. Again, thank you so much to our witnesses today. With that, the Committee stands adjourned.

QUESTIONS AND ANSWERS

RESPONSES BY MYRA JONES-TAYLOR TO A QUESTIONS OF SENATOR MURRAY, SENATOR LUJAN, AND SENATOR ROSEN

SENATOR MURRAY

Question 1. I would like to find out why there is a funding gap in childcare where parents pay more than they can afford, and educators earn poverty level wages. So, if you could submit that in writing, I would really like to help make sure we all understand it.

Answer. At your request, I am writing to explain in greater detail why child care in the United States is so expensive for families, while providers make so little. The average price of child care for an infant in a center in 2019 ranged from \$11,444 to \$11,896, according to *data* from Child Care Aware of America. Conservatively, that price represents *nearly 17 percent* of the median family's household income that same year—more than double the 7 percent affordability standard set by the Department of Health and Human Services. Yet, even with these unaffordably high costs for families, the average child care worker made *less than \$12 per hour* that same year—with many providers and their families relying on public income support programs like SNAP, Medicaid, CHIP, TANF, or the EITC to make ends meet. The reason for these unaffordably high costs and unaffordably low wages is simple—the free market is not capable of adequately sustaining a child care system that can

provide, safe, affordable, and high-quality care for all families that need it, particularly for those with young children. The cost modeling below, adapted from a report by the Center for American Progress describes this market failure in greater detail.

According to *CAP's cost modeling*, the expenses for a typical center-based infant care program meeting minimum state licensing standards break down as follows: 63 percent for staff salaries, including lead teachers, assistants, support staff, and a center director; 5 percent for benefits; 9 percent for rent and utilities; 15 percent for office and administration; and 8 percent for materials and food. Assuming a 1:4 staff:child ratio—the *maximum recommended ratio* for safely serving infants (although some states set licensing standards at a higher level for this age group), and the highest range of the average price of child care based on Child Care Aware's survey data—the average income going into a classroom of 8 infants with two teachers would be \$95,168. Using CAP's cost modeling described above and absent any additional public support, that leaves just under \$60,000 to spread between two teachers and likely, at least one center director, even with parent fees being higher than public college tuition in most states. These low wages and benefits drive the quality of care downward by leading to higher turnover rates, and early educator stress—making it more difficult for early educators to facilitate the nurturing, consistent relationships young children need to thrive. It is estimated that to actually provide quality care for infants, including pay parity for early educators with their peers teaching kindergarten, parents would have to spend *more than \$27,000 a year* for child care centers to make the math work. Unfortunately, parents cannot afford to pay any more than they already do for care—in fact, many cannot even afford what they do pay—leading to a system where low compensation for early educators is a feature, not a bug. We can and must do better, and increased public investment is the answer.

I appreciate the opportunity to testify before the Committee last week and your continued leadership on these issues, and look forward to continuing to work with you in the days and weeks to come to ensure all families have access to the quality, affordable child care they need for both them and their children to thrive. Our Federal policy team at ZERO TO THREE would be happy to provide any additional resources or information you might request.

SENATOR LUJAN

Question 1. Federal investment in the child care sector is insufficient to provide affordable access to families and sustaining wages to child care workers. This is why I was proud to cosponsor the Child Care for Working Families Act, which was included in President Biden's American Families Plan, to ensure no family has to pay more than 7 percent of its income on child care costs. How would passage and implementation of this historic legislation change outcomes for children, families and workers across the United States?

Answer. The Child Care for Working Families Act, which ZERO TO THREE has *endorsed*, would be a game-changer for children, families, and early educators if passed. For low-and moderate-income families, guaranteed access to affordable child care would not only support their abilities to work or participate in school or job training, it would also dramatically reduce their day-to-day child care costs and care-related stress. For early educators, who currently make less than \$12 an hour on average, guaranteed access to a living wage with a pathway to parity with their elementary school peers would better compensate them for their critical work, reduce the financial stress placed on their own families, and reduce turnover in their field. And finally, for children, especially infants and toddlers, increased investments in high quality care would mean stronger early development, with benefits compounding over the course of their lives. In the first 3 years of children's lives, their brains are making more than a million neural connections every second—laying the foundation for their future development and learning. High quality care supports their healthy development, especially for children in families with low incomes, while lower quality care does not produce similar benefits and can even be detrimental to children's development.

Question 2. You state in your testimony that the lack of access to child care costs our economy. How much is lost each year in wages, work productivity, economic activity and tax revenue due to insufficient access to child care?

Answer. A 2019 *report* from Ready Nation examined the economic impacts of the lack of affordable child care on parents, employers and taxpayers. It found that every year, on average, parents pay \$37 billion in additional costs, businesses \$13 billion, and taxpayers \$7 billion. Altogether, this adds up to \$57 billion in lost economic output every year.

Question 3. By not making Federal investments in child care, we are not only losing money due to parents' lost economic activity; we are also losing money because we are not investing in our children's future. According to Professor James Heckman's 2017 research, for every dollar invested in childcare, the annual rate of return is \$6.30 per child. While the investments made in the COVID-19 relief packages have been historic, they are insufficient to permanently support and strengthen our aging and insufficient child care infrastructure. For example, the Child Care and Development Block Grant provides a necessary subsidy for families to afford local child care. However, even with the investments we have made in CCDBG during the pandemic, access is still insufficient. According to the latest data, how many federally eligible children receive a subsidy?

Answer. Thank you for bringing up Dr. Heckman's important research. You are absolutely right, that our failure to invest in our young children today has long-term as well as short-term economic implications. You are also right that the investments included in the ARP were designed to prevent the collapse of our child care system, and are alone not sufficient to make the necessary long-term, foundational changes the child care sector so desperately needs. Just in 1 in 7 federally eligible children had access to a child care subsidy prior to the pandemic in 2017—the latest year for which data were available. Even for those children who did receive a subsidy, there was no guarantee that it would allow them to afford high quality care. According to the National Women's Law Center's 2019 *state child care assistance report*, just four states set their provider payment rates at the federally recommended level of at or above the 75th percentile of current market rates.

Question 4. How many infants and toddlers, who are developmentally most in need of high quality, affordable child care and education, have access to subsidies according to ZERO TO THREE's State of Babies Yearbook?

Answer. ZERO TO THREE's *State of Babies Yearbook 2021* examined the broader population of infants and toddlers who could benefit from child care subsidies. Looking at all infants and toddlers in families with incomes at or below 150 percent of their state's median income, just 4.2 percent had access to a child care subsidy.

Question 5. Which racial and ethnic groups have the least access to subsidies and quality, affordable child care where they live and work?

Answer. The Center for Law and Social Policy conducted an *analysis* in 2019 that found Black children had the highest rate of access to CCDBG subsidies, with Asian and Hispanic children being potentially underserved. However, notably, access to CCDBG subsidies among eligible children was low among all racial and ethnic groups nationwide. Access to subsidies does not equate to access to quality care, however. *Analyses* of ECLS-K data have shown that children living in families with incomes below the Federal poverty line, as well as children of color are less likely than their non-poor and White peers to be enrolled in high-quality care in both centers and homes. And data from the Center for American Progress' child care deserts *report* indicate that infants and toddlers are less likely than their older peers to have access to licensed child care within their communities, especially those living in rural areas and areas with lower median family incomes.

Question 6. Families' ability to access child care not only depends on affordability, but on a center being open and having staff to teach their children. This cannot happen without our essential child care workers. How many child care jobs have been lost since the start of the pandemic?

Answer. The latest jobs *data* indicate that more than 1 in 7 (14.6 percent) of jobs in the child care sector have been lost since the start of the pandemic. This equates to 152,800 jobs lost since February 2020.

SENATOR ROSEN

Question 1. As we talk about improving workforce training for child care providers, we need to also think about the diverse needs of the children being cared for and reach beyond the basics. A critical piece of quality childhood development education is understanding how to best care for children who have experienced trauma and adverse events, including how to identify children early who could benefit from referrals for specialized services and how to care for children through a trauma-informed lens. Mental health challenges for children have been rising due to the pandemic, and this compounds the trauma that our foster youth, homeless children, and children who have experienced or witnessed violence have already been through. All too often our children who need help the most are the ones least likely to get it. So as we work to expand access to quality child care programs, how can we best build in trauma-informed training?

Answer. One of the best ways to build in trauma-informed care training, along with ensuring ongoing or forthcoming funding increases for childcare, local or regional child care resource and referral organizations, could:

- Work to establish a continuity of care and collaboration with programs and service providers demonstrating expertise in infant and early childhood mental health to provide support and information on trauma exposure, its impact, and treatment options for young children.
 - For example, one evidence-based, effective strategy that providers may consider is **Infant and Early Childhood Mental Health Consultation (IECMHC)**.
 - IECMHC is a prevention-based approach that teams mental health professionals with people who work with young children and their families to improve their social, emotional, and behavioral health and development in the settings where children learn and grow.
 - IECMHC builds the capacity of providers and families to understand the powerful influence of their relationships and interactions on young children's development. IECMHC can improve children's well-being and help prevent mental health problems due to the Infant and Early Childhood Mental Health Consultation partnership with adults in children's lives.
 - IECMHC includes skilled observations, individualized strategies, and early identification of children with and at risk for mental health challenges.
- Ensure State child care administrators receive guidance on offering childcare providers avenues to use funds for IECMHC as streamlined a manner as possible.
 - For example, this may involve allowing providers to "opt-in" to direct a portion of funds for IECMHC through a State-administered IECMHC network or to "opt-in" to regionally/locally coordinated IECMHC services that the State arranges or encourages with regional health and human services entities.

Additional considerations:

- Allow a State's use of quality child care funds to support the training and professional development of the child care workforce through activities that build awareness, skills, and leadership for child care providers related to implementing best practices in trauma-informed care.
 - For example, allow funds to support culturally and linguistically appropriate training, emphasizing and acknowledging the compounding impact of structural inequity and addressing trauma's intersections with culture, history, race, gender, location, and language among young children.
- The ARP highlighted how childcare stabilization funds could support caregivers and families' mental health, which moves the needle toward a culture of care. However, additional support could aid in establishing mental health consultation networks as resources for referral that can address, minimize, and treat secondary traumatic stress and increase staff wellness.

Visit the Center of Excellence page to learn additional information about what IECMHC is: <https://www.iecmhc.org/about/>.

RESPONSES BY SUSAN GALE PERRY TO QUESTIONS OF SENATOR ROSEN

SENATOR ROSEN

Question 1. As we talk about improving workforce training for child care providers, we need to also think about the diverse needs of the children being cared for and reach beyond the basics. A critical piece of quality childhood development education is understanding how to best care for children who have experienced trauma and adverse events, including how to identify children early who could benefit from referrals for specialized services and how to care for children through a trauma-informed lens. Mental health challenges for children have been rising due to the pandemic, and this compounds the trauma that our foster youth, homeless children, and children who have experienced or witnessed violence have already been through. All too often our children who need help the most are the ones least likely

to get it. So as we work to expand access to quality child care programs, how can we best build in trauma-informed training?

Answer. North Carolina recognizes that a high-quality early childhood system must incorporate mental health supports and a trauma-informed lens to improve outcomes for children in both the short and long term. The North Carolina **Early Childhood Action Plan**, released in 2019, outlines actionable measures North Carolina will take to increase social emotional well-being and resilience in the state's early childhood system. Accordingly, our state is investing in scaling initiatives that work, and building innovative programs to meet this goal.

In April, the North Carolina Department of Health and Human Services established a new Division of Child and Family Well-Being. This new Division will bring together programs across multiple divisions to maximize services and outcomes for children and their families, including all child nutrition programs (WIC, SNAP and CACFP), the full range of prevention services for children beginning at birth, children's mental health services, and early intervention programs.

Examples of Current North Carolina Initiatives for Trauma-Informed Child Care:

- In 2005, North Carolina launched the Promoting Healthy Social Behaviors in Child Care Centers (HSB) project which uses the evidence based **CSEFEL Pyramid Model** to improve the social, emotional, and behavioral health of children in licensed child care centers. This is accomplished by providing specialized professional development and coaching to early childhood teachers. HSB coaching provides teachers with specific skills and knowledge that reduces preschool expulsions and increases teachers' abilities to provide socially and emotionally responsive classrooms.
- In 2018, the North Carolina Department of Health and Human Services partnered with Duke University to develop an intensive training and coaching initiative for infant and toddler teachers and child care center administrators. The goals of this initiative are to: (1) promote understanding of the impacts of stress and trauma on infants and toddlers; (2) develop the skills of infant/toddler teachers to form supportive, resilience-building relationships with children in their classrooms; and (3) identify strategies to support early childhood teacher health and well-being.
- In 2021, the Department partnered with the North Carolina Infant and Young Child Mental Health Association to establish an early childhood mental health endorsement system for mental health and technical assistance practitioners. The endorsement will establish standards and a recognition system for practitioners who provide early childhood mental health and wellness-related supports to early childhood teachers and staff.
- Through recent Federal investments in early intervention, North Carolina will increase access to early intervention services and strengthen infant mental health supports by expanding program eligibility to include children at-risk for developmental delay. Families with infants and toddlers who meet eligibility criteria will have increased access to specialized supports and services addressing trauma and augmenting resilience. Currently, North Carolina early intervention personnel and providers receive training and professional development in trauma-informed care, social emotional screening, assessment, and diagnostic tools.

Recommendations for Expanding Trauma-Informed Early Childhood Education:

1. Require and dedicate funding for child and adult mental health supports and trauma-informed care in child care settings.
2. Require IDEA Part B (619) to support whole child services, including provisions for social and emotional health, in a manner similar to IDEA Part C.
3. Fund research and development for scalable early childhood classroom interventions that promote mental well-being and address childhood trauma including the effects of racism and other systemic oppressions.

RESPONSES BY KHADIJA LEWIS KHAN TO QUESTIONS OF SENATOR LUJAN, AND
SENATOR ROSEN

SENATOR LUJAN

Question 1. Ms. Lewis Khan, your testimony highlights those disparities in development emerge in infancy and widen over time. We know, however, that high-quality child care programs and educators can close these gaps. Would quality child care providers also reduce close poverty gaps for working families and for their children in the short-and long-term?

Answer. As you noted, high-quality child care and early learning programs are instrumental in working with families to identify, provide the necessary supports, and mitigate developmental disparities in young children. In partnership with services like Early Intervention, Early Head Start, and Head Start, we are able to intervene and help ensure children have as strong of a foundation as possible during these critically important early years.

This partnership that exists between families, programs, and early childhood educators is also instrumental in addressing some of the adverse impacts that families experience as a result of living in poverty. Beautiful Beginnings Child Care Center and early learning communities are critically important hubs for families. We allow families to return to work or stay employed, to pursue educational degrees, and/or to carry out other caretaking needs with the peace of mind that their children are safe, well taken care of, and actively expanding their learning and development.

Thanks to partnerships that child care programs have developed with other organizations across our communities, families have access to important services that allow them to navigate difficult realities like food and housing insecurity or limited access to healthcare services. At Beautiful Beginnings, along with many childcare centers working with families in poverty, we provide three nutritional well balanced meals a day for our children. We host evidence based, culturally competent parenting groups that improve children's relationships with their parents and improve children's life outcomes. We are trusted and reliable members of families' community. Without a doubt, child care and early learning programs are invaluable community hubs for families, especially those living in poverty.

However, the supports quality programs share with families living in poverty are not enough to address the problem of poverty in its totality. While high-quality child care can help alleviate some of the *pressures* families living in poverty are experiencing, they do not remove all of the underlying causes leading families to live in poverty. I implore Members of Congress to address root causes that leave too many families, and by extension too many children, in our country to live in poverty. High costs of living, jobs that don't pay a living wage, a lack of paid and sick leave, and systemic barriers rooted in generations of racism, classism, and sexism that deny access to economic progression, particularly for Black, Indigenous, Latino, and other families of color, are some of the underlying causes to poverty that when coupled with unaffordable child care costs or a lack of access to safe, quality child care create what feel like inescapable conditions for families in poverty.

Yet, the reality is that there are policy solutions, that when paired with access to affordable, quality child care and early learning, can have a significant impact on reducing poverty, especially for young children and their families, in the short-and long-term. Some of these solutions can be found in *A Roadmap to Reducing Child Poverty*, a policy agenda released after the National Academy of Sciences study on child poverty, as well as in the *Our Kids, Our Future: Solutions to Child Poverty in the U.S.* compendium released by the U.S. Child Poverty Action Group outlining more than 20 papers that provide recommendations to significantly reduce child poverty and improve child well-being.

I undoubtedly think that high-quality child care and early learning programs play a critical role in supporting families in poverty in the short-and long-term, yet our work alone is not enough to drastically alleviate and end poverty in this country. I, and so many of my colleagues in the early care and education space, remain committed to working alongside you to identify and implement policy solutions that will bring young children and their families, including those of many members of the early learning workforce who are forced to subsist on poverty level wages, out of poverty.

Thank you once again for this opportunity and I look forward to continued discussion and partnership.

SENATOR ROSEN

Question 1. As we talk about improving workforce training for child care providers, we need to also think about the diverse needs of the children being cared for and reach beyond the basics. A critical piece of quality childhood development education is understanding how to best care for children who have experienced trauma and adverse events, including how to identify children early who could benefit from referrals for specialized services and how to care for children through a trauma-informed lens. Mental health challenges for children have been rising due to the pandemic, and this compounds the trauma that our foster youth, homeless children, and children who have experienced or witnessed violence have already been through. All too often our children who need help the most are the ones least likely to get it. So as we work to expand access to quality child care programs, how can we best build in trauma-informed training?"

Answer. Young children require nurturing, supportive, and consistent relationships with their guardians and caregivers to thrive. They also require collaborative engagement among the people who care for them. In order to best meet the needs of young children, who have experienced adversity, we need to support the educators who spend the majority of the day with the children. Investing in training, ongoing professional development, and effective supervision are necessary systems of support for educators. Early childhood mental health consultation, that is trauma-informed, developmentally appropriate, and culturally relevant, are important for educators to effectively work with all children, especially those dealing with trauma.

In my experience, early childhood educators are often the ones to have consistent conversations with families about their child's growth and development including red flags for developmental delays or concerns in children's social emotional or cognitive development. In consultation with the family, we often refer children to Early Intervention, or to the child's pediatrician for follow-up, if necessary. Due to the trusting relationship that we build with each child and their family, we are able to have honest conversations with the aim of supporting the child and family to improve their situation and promote healthy development. Sometimes this includes helping alleviate stress at home by connecting families with services such as domestic violence supports, housing, food assistance, job search and connections to other support services in the community.

The child care environment can be a place of hope and healing. With well-prepared teachers and administrators, who are not constantly turning over as a result of low compensation, children are able to develop strong and stable bonds with the people who are caring for them. These bonds lay the foundation for healthy growth and development over the child's lifetime. Children cannot effectively learn when their basic needs for safety security have not been met. Renee Boynton Jarrett (2016, *The Raising of America*), reminds us that in the early years, children are learning about the world around them through the answers to these critical questions, "Is this a safe world?; What will happen when I feel afraid?; What will happen when I feel hungry?; What will happen when I feel scared?; Can I count on you?"

For child care to promote development and mental health, and best meet the needs of vulnerable children and families, we need to consider multiple levels of influence, for example:

- Child care teachers' capacities to develop secure attachment relationships with each of the children in their care;
- Organizational practices that hire, support, and retain staff who reflect, and respect, the diversity of the children and families they serve;
- Systemic professional development and resources that support the workforce in strength-based and trauma-informed practices with the goal of nurturing relationship formation and dismantling biased attributions;
- Training protocols that build in opportunities for child care providers to build skills such as: Observation, Intentional Listening and Empathy, and Informal Assessment (ie., wondering with parents about the child's unique vulnerabilities, strengths and needs);
- Supports for child care providers to feel empowered to engage with home visitors, early intervention and mental health professionals (and others) as part of a care coordination team, as needed;
- We also need to remain aware that early childhood educators are often experiencing trauma themselves. This is the trauma that comes from living in poverty and not being able to consistently make ends meet financially. According to the 2020 Early Childhood Workforce Index, the wages

of child care educators are only considered livable wages in 10 of the 50 states. How much longer will we force early childhood educators to remain consistent in the lives of the children in their care, to continuously display and maintain a focus on the growth and development of the children in their care, all while shouldering the weight of worrying about their own family's survival because they are making such low compensation?

Child care in centers and homes can also be a critical component to reverse the effects of trauma in children's early years. The ACE's (Adverse Childhood Experiences Study) conducted by the CDC showed that children experiencing early childhood trauma are much more likely to face social, physical and mental health problems. The Center for the Developing Child at Harvard states, "the single most common factor for children who develop resilience is at least one stable and committed relationship with a supportive parent, caregiver or another adult." This relationship has the potential to reverse the negative effects of childhood trauma and promote resilience to overcome that adversity and persevere. Early Head Start and Head Start are also both excellent programs to invest in as they offer the wrap around supports that so many vulnerable children and families need to move from surviving to thriving.

Over my many years in the field, I have also seen how the relationship between teachers and families have reduced families' feelings of isolation, and increased their confidence in their own skills as parents. For the past 6 years, we have offered an annual, evidence-based program called the Incredible Years. This 14 week parenting group is designed to prevent and treat young children's behavior problems and promote their social, emotional and academic competence. This program has built community amongst families, and supported parent's development of skills to promote their child's positive growth and development.

Supporting our early educators with specialized social-emotional training, connection to services such as mental health consultation, Early Intervention, as well as supportive supervision is critical for supporting children experiencing trauma. Supporting parents and guardians in gaining new skills to promote healthy social and emotional development is an important component in reducing the risk of children experiencing ongoing trauma. Last, funding early education in a way that allows our educators to make living wages so that they can focus on the important roles that they play in the lives of children and families without the worry about their own families suffering and struggling to survive is crucial.

[Whereupon, at 11:54 a.m., the hearing was adjourned.]

