

Child Care for Child Care Providers

*How Kentucky got categorical eligibility
(and how you can too!)*

TUESDAY, DECEMBER 6, 2-3PM ET



The Problem is Clear

Families can't find or afford child care because compensation is too low to attract and retain early childhood educators.

The staffing shortage has real impacts on educators and on families.

- 46% of recent survey respondents say fewer children are being served
- 38% say they have a longer waitlist
- 65% indicate that staff are taking on multiple roles as a result

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Uncertainty Ahead Means Instability Now

Survey of Child Care Providers Shows Why Families, Children,
Educators, Businesses, and States Need Congress to Fund Child Care

November 2022

- 78% of respondents believe that burnout and exhaustion are “greatly” or “to some extent” contributing to problems retaining qualified teachers
- 37% of respondents indicated that the overall mental health of themselves and their colleagues was either “excellent” or “good”
- 30% of respondents reported experiencing financial insecurity

“We can barely hire people with the increased wage we offered. We are losing teachers going to better paying jobs – ones with much less stress and shorter work weeks. We need more staff!! They need better wages and benefits to be able to work in the early childhood field and look at it as a long term career.”—Professional development coach, Massachusetts

- Increase **wages and professional benefits**, including paid leave, health insurance, retirement, loan forgiveness, child care assistance (!!) and substitute pools (*State Examples: Washington, Washington, D.C., Kentucky, Vermont*)
- Create **compensation scales** and align them with professional pathways in the Unifying Framework (*State Examples: Connecticut, Delaware, Washington, D.C., Minnesota*)
- Establish **cost of quality studies that accurately reflect what's needed for ECE compensation** (*State Examples: New Mexico, Washington, D.C.*)

- **Increase Access to Benefits**
- Create Stability and Accountability
- Prepare for Mixed-Delivery Success

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Compensation Matters Most

Why and How States Should Use Child Care Relief Funding to
Increase Compensation for the Early Childhood Education Workforce

June 2021

› *Ensure Child Care Providers Have Access to Child Care Subsidies for Their Own Children*

“I can’t even pay for my own children to attend the child care program where I work,” is a common refrain among educators who are also parents of young children. While raising eligibility rates for subsidy overall could allow an increased number of early childhood educators to qualify, a more targeted approach could be for states to establish categorical eligibility for early childhood educators working in licensed and regulated settings to ensure they have access to child care subsidies for their own children.



Dr. Sarah Vanover
Policy and Research Director
svanover@kyyouth.org

10200 Linn Station Rd, #310
Louisville, KY 40223

859-771-3181

Kentucky Child Care Systems

- Subsidy numbers dropped during the pandemic from 30,000 to 16,000 children enrolled. Rebounded to 23,000 but not back to full enrollment.
- Staffing numbers are at all time low.
- Providers are leaving the field for \$2/Hour more an hour in hospitality and retail industries.



Kentucky Child Care Systems

- Subsidy eligibility increased from 160% of the Federal Poverty Level to 85% of the State Median Income.
- Numbers did not increase after subsidy increase.
- Child care deserts are in 65 out of 120 counties in KY.
- New businesses have come to KY during the pandemic without increases to child care capacity.

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Creative Solutions

Kentucky proposed categorical eligibility for child care subsidy for individuals working in a child care program.

- Certified Family Child Care Homes & Centers
- Employees that work 20 hours per week or more are eligible.
- Income is excluded from enrollment process.
- Enrollment through DCBS like all candidates.
- Providers can not be paid to care for their own child.



Benefits of Categorical Eligibility Program

- Attracting high-quality child care providers back to the field, even if wages are low.
- It is benefit for child care providers to supplement income, like health insurance or paid time off.
- Single parents will not be deterred from working in the field.
- Child care providers that previously discounted tuition will now get full tuition for staff children to increase income.
- Child care providers can bring home more income from child care industry than retail or hospitality if they do not have to pay child care expenses.