

# Providing Child Care for Child Care Providers

## A Strategy for Addressing Staffing Shortages and Compensation for Early Childhood Educators

December 2022

States are in dire need of strategies to address the [child care staffing shortage](#) that is the result of compensation being too low to attract and retain the early childhood educators who provide care and education in support of children and families. While some states look to deregulation, the reality is that [lowering health, safety, staffing, and qualification requirements won't solve any problems – but it will create more of them](#), by decreasing the safety, quality, and supply of child care.

Instead, states and the federal government should be making significant and sustainable investments in the education and compensation of the early childhood workforce to drive both supply and quality. While much more public funding is needed to achieve the professional wages and benefits that reflect educators' complex skills and value, one promising strategy to help address compensation as well as the acute early childhood staffing shortage is being pioneered by the state of Kentucky: providing child care assistance for child care educators and staff.

*The National Association for the Education of Young Children (NAEYC) and Kentucky Youth Advocates (KYA) held a joint webinar in December 2022 exploring this strategy and providing recommendations for other states.*

Watch the webinar [here](#) and access the slides [here](#).

Review additional recommendations from NAEYC on how states can continue to use federal relief dollars to increase early childhood educator compensation [here](#).

In October 2022, Kentucky enacted “categorical eligibility” for educators and staff working in child care settings to ensure they can access child care subsidies for their own children. This addresses an outstanding concern of educators who are also parents of young children, and who have long expressed the challenge of low compensation by noting that they can't even pay for their own children to attend the child care program where they work.

Categorical eligibility in this case means that qualifying individuals can access child care assistance because they belong to this “category” — or “protected population” — *regardless of their income*.

- Qualifying individuals are those working at least 20 hours per week in licensed child care centers and family child care homes.
- In Kentucky, pre-existing policy means that family child care providers cannot receive assistance for caring for their own children.

Kentucky's policy was adopted by emergency administrative rulemaking in August 2022; it was simultaneously introduced through the ordinary rulemaking process, took effect on October 24, 2022; and will go through a public comment period before permanent adoption in 2023.

According to Sarah Vanover, the Policy and Research Director at KYA and the former CCDF state administrator for Kentucky, the state has experienced quick take-up in only the first month of this new eligibility policy, with 226 families enrolled under this category, impacting 392 children.

The state is initially using federal American Rescue Plan Act (ARPA) relief dollars to cover the funding needs of this policy implementation; once there are several months of caseload data to better understand the full scope and impact, advocates

will have a better cost estimate and budget request seeking sustainable state funding that builds on the benefits they have already identified as they relate to educators, programs, and the community at large.

---

## Benefits of Providing Child Care for Child Care Providers

Advocates partnered with leaders in Kentucky to make the case for this targeted expansion of child care eligibility in a way that supports educators, quality, and supply, focusing on the economic benefits and workforce needs of the state:

### Benefits for Educators Who Are Also Parents:

- › Supplements income to help afford other family expenses
- › Allows educators who were paying for child care expenses out of pocket to earn more take-home pay than they can earn from working in retail or hospitality
- › Supports single parents who work in the ECE field
- › Allows for educators in centers to have their children in the same program as them during the day

"After paying for child care, I had no wiggle room, in case of emergencies. For me personally, it frees up some time to be able to further my education [...] if I were to go back to get my bachelor's, it would allow me to do that and not have to worry about, 'Oh, if I miss a certain number of hours at work I'm not going to make my rent.'" – *Rylee Monn, educator and parent of two young children, Baptist Health Child Development Center*

### Benefits for Child Care and Early Learning Programs:

- › Supports recruitment and retention of educators
- › Provides a way to offer benefits, even in the context of baseline wages that remain too low
- › Increases revenue for programs who previously discounted tuition for staff

"The biggest thing is the stress it takes off teachers [...] It's a sense of relief. This takes one more thing off the teachers' shoulders, which in turn means they can be more clear-headed while they're here, so they can focus on their work with the kids." – *Beth Morton, Director, Baptist Health Child Development Center, where four educators with seven children have already started benefitting from this policy*

### Benefits for Economy and Broader Community:

- › Keeps more classrooms and programs open for the new and existing businesses that need available child care
- › Increases number of programs accepting subsidy overall because programs that didn't previously accept child care assistance payments have started to accept the funds in order to be competitive with other programs.

For more information, reach out to Maria Estlund at [mestlund@naeyc.org](mailto:mestlund@naeyc.org) and Sarah Vanover, [svanover@kyyouth.org](mailto:svanover@kyyouth.org).