
**Early Care and Education
at a Crossroads:
A View From Washington**

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**EARLY CARE
AND EDUCATION
CONSORTIUM**

Today's Agenda

- Early Care and Education Consortium
- Federal Update
- Key Trends and Implications for Moving Forward in an Era of Fiscal Limitations

...Change and continuity



The Early Care and Education Consortium

- Alliance of quality child care and early learning program providers
 - 8000+ programs across the country
 - Enrolling 800,000 children
- Early childhood policy
 - Birth-to-five
 - Policy-making informed by real-world implementation

The Early Care and Education Consortium

- An industry voice
 - Unites multi-site, quality providers
 - Bridges not-/for-profit divide
- An advocacy voice
 - State and Federal
 - Direct lobbying
 - Advocacy grants
 - Grassroots power



The ECEC Policy Agenda

- Child care subsidy
- PreK and early learning initiatives
- Quality rating and improvement systems
- Early childhood workforce

Federal Update

- Obama Administration and Congress
- Recovery Act
- Appropriations
- Early Learning Challenge Fund
- What's on the horizon

Obama Administration

■ New Administration, New Approach

“The question we ask today is not whether our government is too big or too small, but whether it works...”

President Obama, 1/20/09

■ Education reform agenda

1. Investing in early childhood initiatives
 2. Encouraging better standards and assessments
 3. Recruiting, preparing, and rewarding outstanding teachers
 4. Promoting innovation and excellence in America's schools
-

111th Congress

- Democratic majorities in House & Senate, but...
 - Rising voices of conservative Democrats in both chambers
 - Eyes on midterm elections
 - Changing leadership
 - Sen. Tom Harkin (D-IA): purse and policy
 - House ascendant on education
 - Health reform debate dominates the scene
 - Dollars, calendar time, media
-

American Recovery and Reinvestment Act

- Emergency, job stimulus effort
 - Parents can't work without child care
 - \$5 billion+ for ECE
 - Child Care: \$2B
 - Early/Head Start: \$2.1B
 - Significant impact
 - State budget cuts would have been worse – but not the silver bullet for ECE sector
-

FY10 Appropriations for Child Care

- President's Budget Proposal
 - Flat funding for Child Care and Development Block Grant (CCDBG)
- House and Senate flat-funded CCDBG, too
- Next steps:
 - Full Senate vote needed, Conference Committee to work out the differences
 - Continuing Resolution is possible

FY10 Appropriations for Child Care

- “Didn’t you just get \$2 billion in ARRA? Why would you need more?”
 - *Very clear need for more education on the Hill*
- Tension: resources before reform vs no resources until reform

FY11 Appropriations Beginning

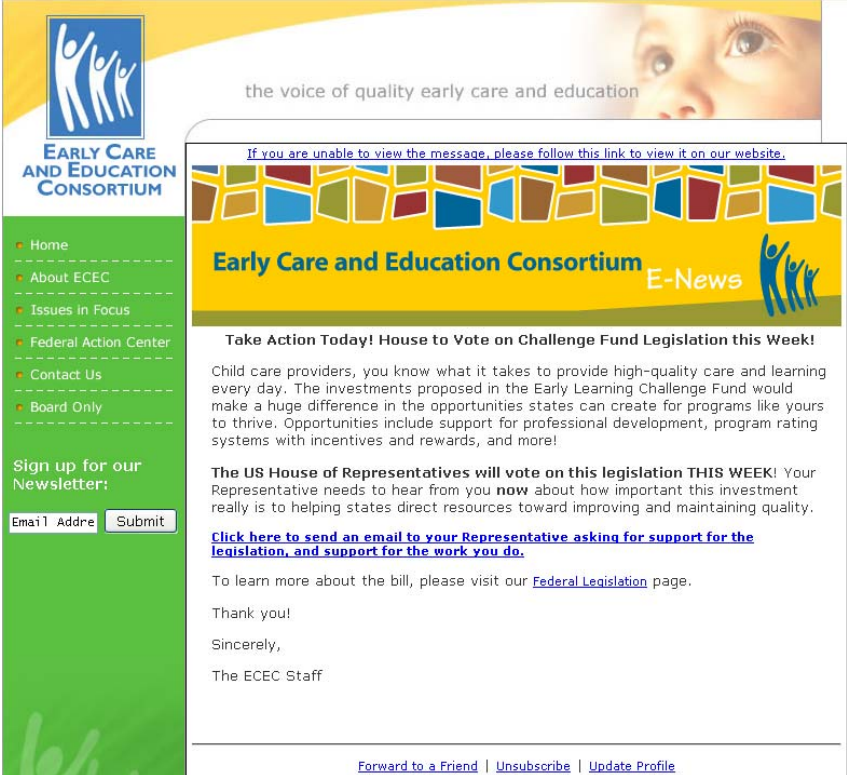
- Process begins early with the agencies
 - If Secretary doesn't include a CCDBG or Head Start "ask" in budget proposal, President won't include it either
 - Coalition letter to HHS Secretary Sebelius
 - Meetings with Administration officials
-

Early Learning Challenge Fund

- Obama Campaign idea that appeared in Administration's FY10 Budget Proposal
 - Authorizing language: Student aid reform legislation
 - Cost savings would pay for Challenge Fund: \$8B/8yrs
 - Competitive grants to states
 - Strong focus on quality, systems
 - Not about increasing the numbers served, but about making sure those served are in good quality settings
 - Birth-to-five, not just one age group
 - All settings, not just one type
-

Early Learning Challenge Fund Status

- Vote in the House of Representatives expected tomorrow
 - Take action!
- Senate Committee still drafting their version
 - October 15 deadline for reconciliation



The screenshot shows an email newsletter from the Early Care and Education Consortium. The header features the organization's logo (three stylized figures) and the tagline "the voice of quality early care and education" next to a close-up photo of a child's face. Below the header is a navigation menu with links: Home, About ECEC, Issues in Focus, Federal Action Center, Contact Us, and Board Only. A sign-up section for the newsletter includes a text input field for the email address and a "Submit" button. The main content area has a yellow background with a colorful mosaic pattern and the text "Early Care and Education Consortium E-News". The primary message is titled "Take Action Today! House to Vote on Challenge Fund Legislation this Week!" and contains the following text: "Child care providers, you know what it takes to provide high-quality care and learning every day. The investments proposed in the Early Learning Challenge Fund would make a huge difference in the opportunities states can create for programs like yours to thrive. Opportunities include support for professional development, program rating systems with incentives and rewards, and more!" It then states: "The US House of Representatives will vote on this legislation THIS WEEK! Your Representative needs to hear from you now about how important this investment really is to helping states direct resources toward improving and maintaining quality." A link is provided: "Click here to send an email to your Representative asking for support for the legislation, and support for the work you do." The email concludes with: "To learn more about the bill, please visit our [Federal Legislation](#) page. Thank you! Sincerely, The ECEC Staff". At the bottom, there are links for "Forward to a Friend", "Unsubscribe", and "Update Profile".

On The Horizon - Priorities

- Child care and early learning are one of many priorities
 - Congressional calendar is tight
 - Midterm elections, deficit and other issues will increasingly distract
-

Child Care and Development Block Grant

- CCDBG doesn't only need funding – it needs a policy review
 - Last reauthorization was in 1996!
 - Congress has been punting since 2002
- Access and quality
 - Reimbursement rates as an access issue AND a quality issue
 - Continuing resources vs reform tension

Agenda for Child Care

- Broad plan for reforming child care
 - Birth-to-five proposal, the whole picture
 - Expand access
 - Reimbursement at 75th percentile or higher
 - Licensing requirements incl. 40 hours of pre-service training and 24 hours of on-going training
 - Quality set aside, infant toddler set aside, provisions for QRIS
- A shared vision
 - Major national ECE organizations developed and support

Agenda for Child Care

Child care develops America's potential. Child care helps children, families, and communities prosper. Children in child care learn and develop skills they need to succeed in school and in life. Child care is a basic that helps families get ahead by giving parents the support and peace of mind they need to be productive at work. And child care helps our nation stay competitive, with a stronger work force now and in the future. When America supports child care, we encourage children, families, and our nation to reach their full potential.

Child and Adult Care Food Program

- Child Nutrition Act up for reauthorization in 2009
 - Mandatory programs have a hard expiration date of September 30
 - Likely 1-year extension of the Child Nutrition Act
 - Child Nutrition Act includes school breakfast and lunch, WIC, CACFP, others
 - President's budget proposal included an increase of \$1 billion for child nutrition
-

CACFP Priorities

- Find the dollars to *at least* increase based on President's budget proposal (\$1 billion)
 - More would be good...
 - Increase the reimbursement rates for meals and snacks
 - Add another meal service
 - Right now, two meals and a snack – add another meal or snack. Children are in child care long hours
 - Change “tiering” to help family child care providers
 - The thresholds don't make sense
 - Streamline and reduce paperwork
-

Other Issues on the Horizon

- Reauthorization of TANF
 - Work supports include child care
- Reauthorization of NCLB
 - Prospects for Title I preK?

Key Trends and Implications for the Field

- Harsh economic realities continue to define our realities
- Increasing expectations regarding program effectiveness
- Uncertain landscape depends on the mix of continuity and change ahead

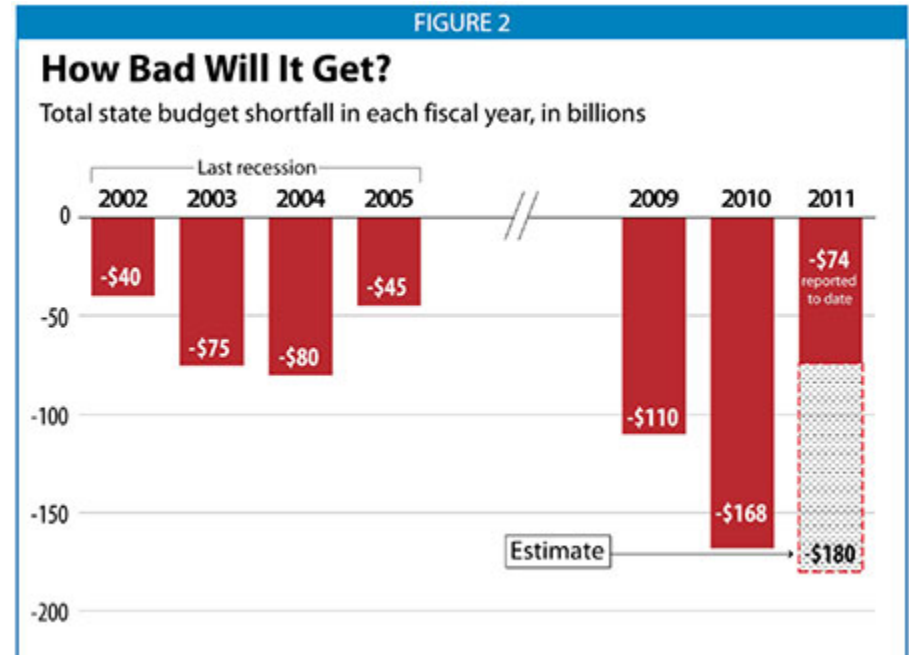
Economic Challenges Continue

- Harsh realities
 - Unemployment at 9.7%
 - 2.6 million more in poverty
- Rolling impacts
 - Private pay families
 - Subsidy cuts
 - Centers, family child care, exempt
 - Lagging state revenues mean we likely haven't seen the worst of it

Economic Challenges Continue

- New Fiscal Year Brings No State Budget Relief
 - 48 states have addressed or still face shortfalls in their budgets for fiscal year 2010 totaling \$168 billion or 24 percent of state budgets.
 - At least 36 states have looked ahead and anticipate deficits for fiscal year 2011.

Center on Budget and Policy Priorities, 9/3/09



Economic Challenges – and Opportunities



Child Care Multipliers: Stimulus for the States

By Mildred Warner, 2009

ECONOMIC IMPORTANCE OF CHILD CARE IN THE REGIONAL ECONOMY

Economists and planners are recognizing the important contributions the early care and education sector makes to the economy in both the short and long terms. Across the country, states and localities have used regional economic analysis to estimate the size of the early care and education sector and the extent of its linkages in the broader regional economy. The recent 2009 Stimulus Bill, passed by Congress, includes child care as one of its infrastructure elements, because economists now widely recognize child care's linkage effects in the regional economy. With the recession, our formal child care sector has come under serious stress. Not only will stimulus investments help to preserve quality child care, they will also generate wider economic benefits in the short term. The federal government will expect states to report results from these stimulus investments -- in terms of the number of jobs created directly and indirectly due to linkage effects. Multipliers measure the linkage effect of the child care sector and are the primary focus of this report.

The economic importance of early care and education is not limited to linkage effects. Child care has three components as illustrated in the trillium flower above: its effect on places (the regional economy), its effect on parents (social infrastructure supporting workers and their employers), and its effect on children (investing in human development for a productive future workforce). These broader parent and child effects are additional benefits not captured in the multipliers described here.

The economic development arguments for stimulus are based on estimates of multiplier effects in the broader regional economy. Such estimates are

derived from input-output models which develop a matrix of all sectors in the economy and the inter-industry linkages between them. In this brief we map how these multiplier effects differ across states and across sectors in state economies. The full report, on which this research brief is based, also explains how the IMPLAN input-output model is structured and what impact this has on the child care results. It includes detailed tables of multiplier comparisons for every state. Only averages are reported here.

Linkage or multiplier effects help economic developers determine which economic sectors will have the greatest total impact on the regional economy given an increase in final demand for a given sector's output. In this report we show child care is a competitive target for stimulus spending. We find the child care sector has linkages to the rest of the economy that are equally strong or greater than retail and tourism and other social infrastructure sectors such as hospitals, job training, elementary and secondary schools and colleges and universities. This reflects the labor intensive nature of all of these sectors and similar production relationships in the regional economy. While some of these sectors are targets for economic development policy, child care traditionally has not been. However that is changing.

Recent statewide surveys of economic developers in Wisconsin and New York found over 80% believe child care should be part of economic development policy and 58% recognize their communities face an inadequate supply of quality child care. Congress agrees, and

The child care sector's relatively high economic linkage suggests the sector is a competitive target for economic development stimulus.

*Based on Liu, Z., R. Ribeiro, and M. Warner, 2004. *Comparing Child Care Multipliers in the Regional Economy: Analysis from 50 States*. Ithaca NY: Cornell University <http://economicdevelopment.cce.cornell.edu>. The report includes detailed tables showing modeling results for each of the 50 states with detailed comparisons across sectors.

- Field advocacy must reflect these economic pressures
 - “Work support” is not a 4-letter word as states must demonstrate the employment impacts of stimulus funding



Economic Challenges – and Opportunities

- Child care and early learning are a larger sector of the economy than people think...and with greater linkages than many other sectors

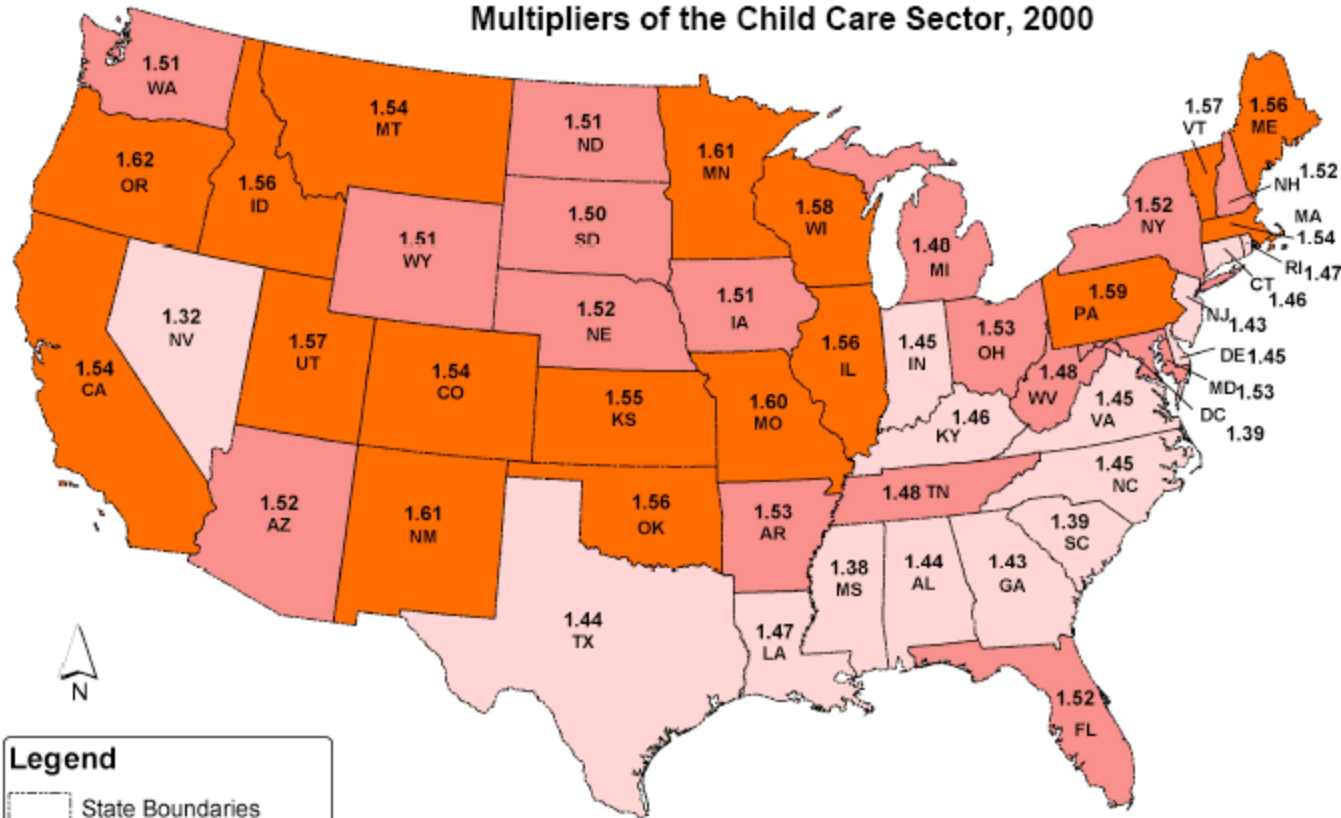
Visit Linking Economic Development and Child Care Project:

<http://government.cce.cornell.edu/doc/reports/childcare/>

Sectors	Output Multipliers		Employment Multipliers	
	Type I	Type II	Type I	Type II
Child Care	1.49	1.91	1.27	1.50
Private Elem. & Secondary Schools	1.30	1.91	1.10	1.31
Job Training	1.32	1.84	1.23	1.50
Colleges and Universities	1.22	1.84	1.09	1.37
Hospitals	1.25	1.79	1.19	1.67
Local Interurban Passenger Transit	1.26	1.72	1.10	1.35
Wholesale	1.22	1.62	1.28	1.86
Retail: Apparel & Accessory Stores	1.22	1.60	1.10	1.30
Business Services: Mgmt. Consulting	1.34	1.81	1.38	1.91
Tourism: Hotels and Lodging	1.31	1.71	1.21	1.50
Manufacturing: Tool and Die	1.19	1.63	1.17	1.71
Averages from models of 50 states and the District of Columbia (N=51), based on IMPLAN 2000 data.				

Economic Challenges – and Opportunities

Spatial Variation in Type II Employment Multipliers of the Child Care Sector, 2000



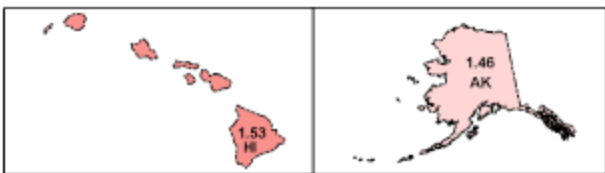
Legend

State Boundaries

Multipliers (Mean=1.50)

- Lower third: 1.32 - 1.47
- Middle third: 1.48 - 1.53
- Upper third: 1.54 - 1.62

Source: IMPLAN 2000 - 50 states plus DC analysis



Economic Challenges – and Opportunities

Pennsylvania Video Campaign:
Finish the Budget

Rising Expectations

- New era of heightened expectations
 - ECE's connection to education reform – “does it work?”
 - Growing interest in ECE from business leaders and planners
 - The impact of prekindergarten: branding high quality
 - Transparency and accountability

Rising Expectations

■ Crossroads

- Education vs development: what is meant by “ECE”
- Funding sufficient to achieve effectiveness
 - Quality counts *and* quality costs!
- Developing state systems amid government program silos
 - Recognizing how families and children experience need for care and learning – not just one year or one plane of development
 - Recognizing realities affecting direct service providers

Rising Expectations - QRIS

- Extent
 - One program or cross system?
- Importance of funded supports and incentives
 - “I” for improvement, not inventory
- Relationship to other system components
 - Baseline funding
 - Linkage to other quality initiatives
 - Educate parents and other consumers

Change and Continuity Determine the Landscape Ahead

- Institutional vs child-centered approach
- Public, private, hybrid
- What standards and how assessed?
- What level of resources are we willing to marshal for what level or quality?

Contact Us

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