



Connecticut's Early Care and Education for Infants and Toddlers in Crisis

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What's the Crisis?

Connecticut families need and deserve a strong and reliable early care and education system. When families have access to high-quality early care and education, their children are ensured a strong start in life and parents are available to contribute to the workforce. Connecticut Voices for Children estimates that Connecticut gains approximately \$1.9 billion dollars per year from the results of children's participation in high-quality early care programs.¹ Yet, the current system does not have enough child care for families who seek care. Much of that care is unaffordable and some is of questionable quality.

Many families rely on Connecticut's child care subsidy, Care 4 Kids, to help to pay for their children's care while they are in the workforce to support their families. The Office of Early Childhood (OEC) administers Care 4 Kids with federal US Department of Health and Human Services (HHS) and state dollars. For information about Care 4 Kids, please see the [Care 4 Kids Primer](#).² Increased funding for Care 4 Kids is necessary to ensure that the early care and education system can meet the needs of families and our state while supporting the providers who are at the heart of the system. Currently, low wages and poor work conditions cause high turnover among educators and high rates of program closures. Families feel the pinch of the low availability and high costs of high-quality care.

1. Availability. Connecticut must commit to making further investments in an early childhood system that promotes healthy development for all children from birth to school age, particularly for children from low-income families. While Connecticut has invested heavily in subsidizing preschool through the School Readiness program, there needs to be greater investment in a system that supports infant and toddler care and education.

Low reimbursement rates impact the number of providers willing to accept families who require the subsidy. There are more young children needing child care than there are spots available. The OEC estimated that Connecticut needs approximately 51,000³ additional early care education spots. In fact, our state lost almost 600 ECE providers between July 2017 and June 2018⁴ due to closures of 390 family day care homes and 198 centers. It is unclear how many child care spaces that number represents. The United Way of Connecticut surveyed these providers and found that of the 133 providers who responded to the survey, almost 27 percent reported a career change or that business was not profitable as the reason for closure. These percentages were even higher among the 54 providers from center-

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based programs who responded to the survey. More than 35 percent of the center-based programs reported that the business was not profitable while 25 percent indicated that they were seeking a career change. These percentages are mutually exclusive, meaning that among center based providers, these two reasons account for almost 60 percent of the closures.

It is not surprising that the unprofitability of running an early care and education business was among the top reasons for making the decision to close. The federal government mandates that payment rates are “sufficient to ensure equal access for eligible families to child care services comparable to those provided by families.”⁵ This is typically defined as 75 percent of the state market rate as determined by a statewide survey – the Market Rate Survey (MRS). Our state has been unable to fund Care 4 Kids to the level of need or at 75 percent MRS, as recommended by HHS. If Connecticut is going to approach compliance with the federal MRS requirements, there likely will be fewer child care and education spaces available to families without additional Care 4 Kids funding from the state. This is true even with additional funds from the federal government. Therefore, it is likely that the Care 4 Kids program will return to operating a waitlist. The previous closure from 2016 to 2017 resulted in a waitlist of over 5,700 families. These waitlists create a barrier for many families seeking care.



2. Affordability. Linked to availability is affordability. The high cost of child care is burdensome to many low and moderate-income families. Approximately 80 percent of all child care in the state is not subsidized. Too many low and moderate-income families do not earn enough money to afford quality child care without the support of a child care subsidy. This is particularly true of care for infants and toddlers, which is the most expensive to provide and most difficult to find. Thousands of families in the labor force with young children struggle to find affordable options to provide care for their children while working. However, in 2016, only one in four families in Connecticut could adequately afford child care based on state and federal affordability guidelines.

Both the OEC and the U.S. HHS define affordable child care as care that costs no more than 10 percent of a family’s income.⁶ However, finding care at that rate is virtually impossible, even for families with middle to high incomes. For a family of four with an infant and preschooler in Connecticut, their income would have to be \$266,760⁷ per year in order to pay the average cost of center-based care and have their costs remain within 10 percent of their income. A family would have to be among the top ten percent of income earners in Connecticut in order to meet this expense comfortably.

Care 4 Kids determines what the family share of the costs should be based on their income (please see Table 1 below). For families with gross incomes at or above the 50 percent of the State Median Income (SMI) threshold, this is also ten percent of their gross income, but for others, it could be as low as two percent.

Table 1. The family share of the approved cost is a percentage of their gross income.⁸

Family Share	Income Range
2%	0% to less than 20% SMI
4%	20% to less than 30% SMI
6%	30% to less than 40% SMI
8%	40% to less than 50% SMI
10%	50% to less than 86% SMI

Source: Care 4 Kids Income Guidelines

Currently, Care 4 Kids is only available for families with household earnings up to 50 percent of the state median income (SMI). This is \$56,275 for a family of four, and, given the DHHS recommendations, that would put their child care costs at just over \$5,600 per year. The average annual cost of infant and toddler care is almost three times that amount (\$15,600⁹) for full-time center-based care and almost twice as much for home-based care (\$11,076¹⁰). According to the Connecticut MRS¹¹, current Care 4 Kids rates for infants and toddlers are at the fourth percentile and at the seventh percentile for preschool. Given the actual cost of care relative to low reimbursement rates, many parents are required to pay the difference.

Even for a family of four at or above 75 percent of SMI (\$84,412), the cost of care can be a challenge to manage. If parents have more than one child, the task is almost impossible without support. Without affordable care, many parents have to make very difficult decisions including juggling their bills, leaving the workforce or placing their children in unlicensed or makeshift care.

3. Quality. The value of early care and education hinges on it being of high-quality. The research regarding return on investment in ECE is founded on the expectations that young children are exposed to experiences that promote children's development. Infants and toddlers require an environment with warm, supportive, nurturing, and positive relationships that are stimulating for their intellectual, social, and emotional development. High-quality child care is one that provides consistent, reliable, and safe care that promotes strong and healthy development in children. These factors lay the foundation for future growth and learning.



Teachers are crucial elements in developing high-quality programs. Concurrently, many early child care educators struggle to make a living wage. This year, the state legislature's Education Committee tried and failed to increase rates to Care 4 Kids providers, despite a bipartisan effort. The OEC is still required to increase rates to at least the 25th percentile of the MRS, and this will likely result in fewer subsidized slots for families. Historically, efforts to increase the number of slots has come at the expense of low rates of reimbursement to providers. Connecticut cannot continue to sacrifice quality for the sake of quantity.

One of the greatest threats to quality is early childhood educator wages. Paradoxically, while many families struggle to find high-quality, affordable child care, early child care educators are among the lowest paid professionals in our state. Demand for quality child care is high and cost to families is also high, yet the wages to child care professionals remain unsustainably low. The early care and education workforce is consistently underpaid, particularly when compared to educators in the K-12 workforce, even with similar credentials. Connecticut has had legislation in place to increase educator levels among the ECE workforce for more than a decade. In 2011, the Connecticut legislature passed Public Act 11-54 to mandate education attainment of ECE head and assistant classroom teachers. However, wages have not kept pace with the mandate and the deadline has been extended several times. As teachers receive their bachelor degrees, many leave the field. The current ECE system incentivizes their transition to the K-12 system, where educators have better working conditions (e.g., fewer classroom hours, more planning time), as well as better pay and benefits.

Unfortunately, despite their value, many early childhood educators struggle to make a living wage. According to the Connecticut Department of Labor (DOL), the median hourly wage of child care workers was only \$13.25¹² in 2018. This is approximately \$27,567 per year, just a little more than the survival budget¹³ for a single

adult with no children. However, it would be a challenge for a single parent with even one child or for two parents with children earning low wages to afford housing and other necessities. This is compared to Kindergarten teachers in Connecticut, who on average earn \$77,272 per year.¹⁴ This is far more than even directors of child care programs in the state, who earn an average annual salary of \$63,140.¹⁵

Connecticut must ensure that early childhood educators can both support themselves and pursue a meaningful career. This will reduce staff turnover and will allow the profession to keep its most educated staff. Staff turnover is a huge problem in the field: it reduces quality and adds to program costs. Reducing staff turnover is even more critical, as replacing staff in this field will be more difficult than it has been in the past. Connecticut has to comply with federal background check requirements by October 2019. This requirement is related to program safety and quality. Programs cannot place new educators in classrooms until at least the findings from background checks conducted by the Federal Bureau of Investigations (FBI) as well the State Police Department have been shared with the OEC. Failure to comply with this requirement may result in the state losing up to five percent of CCDBG funding.

While the goal is to have this information relayed to the OEC within 24 hours, the best case scenario is for providers to receive the reports within two weeks. Although the OEC is working diligently to address the concerns, including waiving fingerprinting fees, it is unclear when Connecticut will be able to meet the requirement in a timely manner. Ultimately, fingerprinting delays will postpone the hiring of new staff in a field that is struggling to maintain staff. Access to the requisite fingerprinting machine is among the main reasons for the delay in reporting the results of fingerprinting. Currently, individuals have to travel to the Department of Emergency Services and Public Protection (DESPP) in Middletown to use the live scan electronic fingerprint machine. When live scans become available at all police stations that do fingerprints over the next couple of years, the process will be more accessible across the state. While complying with the federal background check rule is important and necessary, it is also important that programs meet the staff-child ratios required by law. Otherwise, families who depend on care to support their families will suffer. To put this in context, the Connecticut Department of Labor (DOL) estimates that there are over 3,000 child care openings annually. The retention of ECE providers is a critical goal in early childhood policy.

What are the Solutions?

Connecticut must support families to ensure that all children have the best start in life. The Connecticut economy is experiencing slow and uneven growth. As a state, we need to approach solutions with an equity lens. Increased investments in early care and education is a sound economic strategy and done strategically, supports families who need it most. When families have access to care, they are better able to join the workforce and/or prepare for their careers by obtaining more training or schooling. This also supports the state's economy. Connecticut cannot continue to nickel and dime the early care and education community. Once a leader in developing early child care systems, Connecticut has not continued to make the crucial investments necessary to support the state's youngest and most vulnerable constituents.



There is a vast amount of research detailing the importance of children's earliest experiences. Brain science demonstrates that children's experiences in their first one thousand days of life lay the groundwork for their future. The investments that families and communities make to ensure that infants and toddlers experience warm and

nurturing interactions provide a foundation for success in later life. High-quality care builds children’s protective factors and promotes resiliency. Policies that support families with young children must include continued investments in Care 4 Kids to ensure Connecticut:

1. Has adequate availability of high-quality subsidized child care to support parents who are seeking care for their infants and toddlers and cannot afford the out-of-pocket costs – Connecticut cannot afford to return a waitlist for the Care 4 Kids subsidy;
2. Expands the eligibility requirements to include families with incomes up to 75 percent SMI, as well as those parents who are in training programs, adult education, college or other forms of education;
3. Supports families by increasing reimbursement to providers to 75 percent MRS to reduce the discrepancy between the cost of care and the parent share for providers who accept Care 4 Kids funds;
4. Supports ECE educators by promoting policies to increase wages for all early childhood providers; and
5. Offers an incentivized pathway for early childhood educators to obtain further education and remain in the ECE field

¹ Noonan, R., Updegrave, N., & Long, D. (2017). The Economic Benefits of High-Quality Early Care. Retrieved from: [http://www.ctvoices.org/sites/default/files/CC-%20ECE%20Economic%20impact%20\(part%20of%20ECE%202017%20series\).pdf](http://www.ctvoices.org/sites/default/files/CC-%20ECE%20Economic%20impact%20(part%20of%20ECE%202017%20series).pdf)

² Simmons, WEW & Nelson, J (2019). Care for Kids Primer. Retrieved from: <http://www.ctvoices.org/publications/care-4-kids-primer>

³ Bye, B. (2019). Executive and Legislative Nominations Committee Transcript. <https://www.cga.ct.gov/2019/exndata/chr/pdf/2019EXN00207-R001100-CHR.pdf>

⁴ 211 Child Care. Retrieved from: <https://www.211childcare.org/wp-content/uploads/2018/10/Child-Care-Program-Closure-Report-FY-2018.pdf>

⁵ U.S. Department of Health and Human Services (2017). Fundamentals of Child Care and Development Fund (CCDF) Administration Resource Guide. Retrieved from: https://www.acf.hhs.gov/sites/default/files/occ/rg_ccdf_fundamentals.pdf

⁶ U.S. Department of Health and Human Services (2017). Fundamentals of Child Care and Development Fund (CCDF) Administration Resource Guide. Retrieved from: https://www.acf.hhs.gov/sites/default/files/occ/rg_ccdf_fundamentals.pdf

⁷ 211 Child Care (2019). Statewide Fee Analysis of Child Care Facilities in Connecticut. Retrieved from: <https://www.211childcare.org/reports/average-child-care-cost/>

⁸ Care 4 Kids Income Guidelines. Retrieved from: <https://www.ctcare4kids.com/care-4-kids-program/income-guidelines/>

⁹ Based calculations from SMI found at <https://uwc.211ct.org/connecticut-state-median-income-2013> and average cost of care found at <https://www.211childcare.org/reports/average-child-care-cost/>

¹⁰ 211 Child Care. Retrieved from <https://www.211childcare.org/reports/average-child-care-cost/>

¹¹ Office of Early Childhood (2018). Retrieved from https://www.ct.gov/oec/lib/oec/market_rate_survey_2018_ct_.pdf

¹² Connecticut Department of Labor, Retrieved from: https://www1.ctdol.state.ct.us/lmi/hotnot_results.asp

¹³ Connecticut United Ways. Retrieved from: http://alice.ctunitedway.org/wp-content/uploads/2018/08/CT-United-Ways-2018-ALICE-Report-8.13.18_Hires-1.pdf

¹⁴ Connecticut Department of Labor, Retrieved from: <https://www1.ctdol.state.ct.us/jcc/profile.asp?strMethod=keyword&sstrOccupationCode=252012>

¹⁵ Connecticut Department of Labor, Retrieved from: <https://www1.ctdol.state.ct.us/jcc/profile.asp?strMethod=keyword&sstrOccupationCode=119031>