

EQUITY THROUGH EARLY CHILDHOOD

Evidence suggests that children who enter kindergarten behind are likely to remain behind throughout their educational careers. These achievement gaps are difficult, time consuming, and expensive to close within a child's K-12 education experience. But we can help by ensuring children show up to kindergarten ready to learn by providing our youngest learners with options to access high-quality early childhood programs from ages zero to five- where they can develop the full range of skills necessary to be [successful in school and in life](#).

It is well known that children's early learning experiences set the tone for their success later in life. As such, the early childhood years serve as a critical opportunity for addressing not just the critical domains of learning, but also for addressing the social concepts of diversity, equity, and inclusion. This is why early childhood education (ECE) - which enrolls nearly half of infants and toddlers and three-quarters of preschoolers - has become a focus for public investment designed to [promote educational equity](#) and give children a strong start. In addition, young children can benefit greatly from [exposure to racial and ethnic diversity](#) during a crucial formative period in their lives.

Early childhood interventions can improve the development of all children and even serve as a protective factor against the future onset of adult disease and disability.¹ Children disadvantaged by poverty may experience an even greater benefit because ECE programs also seek to prevent or minimize gaps in school readiness between low-income and more economically advantaged children.²

EARLY CHILDHOOD AS A PUBLIC HEALTH ISSUE

Every week in the United States, child care providers serve nearly 11 million children under the age of five whose parents are working. On average, these children spend 36 hours a week in child care, and one quarter (nearly three million) children find themselves in [multiple child care arrangements](#) due to the traditional and nontraditional working hours of their parents. High quality, dependable, affordable, and accessible child care for children of all ages is more important than ever as we continue to see growth in both the opportunity and achievement gaps faced by American children.

[The Centers for Disease Control and Prevention](#) identifies early childhood education as a public health issue. Childhood development is an important determinant of health over a person's lifetime,³ and early developmental opportunities can provide a foundation for children's academic success, health, and general well-being.⁴ Preschool-aged children experience profound biological brain development and achieve 90 percent of their adult brain volume by age six.⁵ This physiological growth allows children to develop functional skills related to information processing, comprehension, language, emotional regulation, and motor skills.⁶ Experiences during early childhood affect the structural development of the brain and the neurobiological pathways that determine a child's functional development.⁷

Positive experiences support children's cognitive, social, emotional, and physical development, and conversely, adverse experiences can hinder it.⁸ Additionally, strong associations have been found between the biological effects of adverse early childhood experiences and numerous adult diseases, including coronary artery disease, chronic pulmonary disease, and cancer.⁹

Children in low-income families often are exposed to more adverse early childhood experiences and environmental factors that delay or compromise their development and place them at a disadvantage for healthy growth and school readiness.¹⁰ In the United States, [15.5 million children \(21 percent\)](#) lived in families with incomes below 100% Federal Poverty Level in 2010, and less than half of children in families in the lowest income quartile were enrolled in center-based early childhood education programs.¹¹

EQUITY OPPORTUNITIES

Early childhood education interventions can improve children's development and act as a protective factor against the future onset of adult disease and disability.¹² An analysis by the President's Council of Economic Advisers describes the economic returns to investments in childhood development and early education. Some of these benefits, such as increases in parental earnings and employment, are realized immediately, while [other benefits](#), such as greater educational attainment and earnings, are realized later

when children reach adulthood. As detailed by the CDC, early childhood education can counteract the disadvantage some children experience, improve their social and cognitive development, and provide them with an equal opportunity to achieve school readiness, and lifelong employment, income, and health.¹³ Systematic reviews of studies examining the effects of three types of center-based ECE programs found that they were associated with:¹⁴

- Improved cognitive development^{15 16, 17}
- Improved emotional development¹⁸
- Improved self-regulation¹⁹
- Improved academic achievement²⁰

Founded by multiple research outlets, early childhood education provides both short- and long-term benefits, including some or all of the following:²¹

- Increases in maternal employment and income
- Reductions in crime, welfare dependency, and child abuse and neglect
- Savings from reduced grade retention
- Savings in health care costs
- Savings in remedial education and child care costs
- Improvement in health outcomes associated with education
- Earnings gains associated with high school graduation
- Better jobs and higher earnings throughout employment years for children participating in these programs²²
- Overall positive health effects, including healthier weight (such as fewer underweight, overweight, and obese children)²³

The Economic Policy Institute (2016) summarized this issue by stating, “In total, the existing research suggests expanding early learning initiatives would provide benefits to society of roughly \$8.60 for every \$1 spent, about half of which comes from increased earnings for children when they grow up.”

EQUITY CHALLENGES

Although opportunities to promote unbiased experiences exist in early childhood, recent analyses suggest that a high degree of racial segregation persists in American preschools. Nationwide, early childhood education is more segregated than kindergarten and first grade, even while enrolling a similar number of students. Early childhood programs are twice as likely to be nearly 100 percent black or Hispanic, and they are less likely to be somewhat integrated (with a 10 to 20 percent black or Hispanic enrollment share).

As The Urban Institute explains, “Segregation declines as students progress through formal education. The largest drop is between ECE and the elementary grades, with another sizable drop between middle and high school. Overall, using the dissimilarity index, early childhood education is 20 percent more segregated than high school.”

Early Childhood Education Is More Segregated Than Any Other School Level



The Urban Institute

Further contributing to the segregation found in these early years are the qualifying factors of federal and state early childhood programs, access to programs, and type of program.

Although well-intended, the qualifying factors to federal and state early childhood programs (such as Head Start) often reinforce the segregation experienced by young children. Head Start was designed for children in poverty to help them attain the same successes as more affluent peers. Unfortunately, income limitations keep many children from being able to access the program, even though children from middle-income families would benefit from the educational experiences that Head Start provides.²⁴ Since public schools serve the community in which they are built, schools in poor neighborhoods are more likely to have Head Start programs that are attended only by children of color. This segregation of children by economic class for Head Start [results in them also being segregated by race](#).

Access to publicly-funded prekindergarten also varies widely by state, as does the quality of the services provided. A recent study found multiple racial disparities in preschool experiences that may impact the outcome of students. Such inequalities include differences in class size, teacher qualifications, and experience (both of which impact the emotional and instructional classroom climate).²⁵ Further, the study showed that racial segregation negatively impacts the academic achievement of students. [A study](#) by the National Coalition on School Diversity found a high rate of racial isolation within preschool programs, citing in nearly half of the states, Black preschoolers, on average, attend a school in which 25 percent or less of the students are white.

It is evident that segregation in early childhood programs exists at least in part because of eligibility criteria established by state and federal programs. Priority needs to be placed on understanding the racial and ethnic composition of early childhood programs, not only to address the segregation outlined above, but also to understand that the roots of racial and ethnic bias form during children's earliest years of learning. In addition to experiences in the home and in the community, early childhood education is a key place [for addressing—or exacerbating](#)—issues of diversity, equity, and inclusion.

EARLY CHILDHOOD FINANCING

EARLY CHILDHOOD AS A PUBLIC HEALTH ISSUE

With a growing body of research demonstrating the long-lasting, positive effects produced by high-quality early childhood programs, states have increased funding for these opportunities in recent years. [Research suggests](#) that this is smart public policy, with one recent study finding that the United States will see a net benefit of at least \$83.3 billion in reduced grade retention, students qualifying for special education, and other factors for each cohort of four-year-olds attending preschool.

The mechanisms through which states collect and fund pre-K programs, however, vary widely. And as the National Institute for Early Education Research notes, strong funding does not always equate to opportunity for all. Many states utilize more than one funding stream

FEDERAL FUNDING

Federal Programs

According to the [Urban Institute and Brookings Institution Tax Policy Center](#), the sources of state general revenue are income, sales, and other taxes; charges and fees; and transfers from the federal government. The following are major federal funding opportunities supporting early childhood:

- Child and Adult Food Program (CACFP): CACFP supports provision of nutritious foods to promote healthy development in young children (and wellness of older adults and chronically impaired persons with disabilities). CACFP participation includes training, resources and reimbursements for child care providers for meals served (US Department of Agriculture).
- Child Care and Development Fund (CCDF): CCDF was designed to help low-income families (in work or education/training) pay for child care. The 2014 bipartisan reauthorization expanded its purpose to improve child care and development of participating children. CCDF funds not only support subsidy for low-income working families, but are also used for program quality improvement (US Department of Health and Human Services)
- Early Head Start/Head Start: Head Start programs are designed to promote positive early childhood development and school readiness for children living in poverty in partnership with their families (US Department of Health and Human Services).
- Individuals with Disabilities Act (IDEA):
 - Part B: IDEA guarantees a free appropriate public education to eligible children with disabilities and ensures special education and related services to qualifying children (US Department of Education).
 - Part C: IDEA Part C has a broader role to assist state agencies in implementing systems and making early intervention services available to children with disabilities (and their families) from birth through age two (US Department of Education).
- Title I of the Every Student Succeeds Act (ESSA): The purpose of ESSA Title I is to provide all children significant opportunity to receive a fair, equitable, and high-quality education, to close educational achievement gaps. State Title I plans submitted to the U.S. Department of Education must address early childhood. Local Education Agencies (LEAs) may use Title I funds to pay for services to improve health and development of children under school age (US Department of Education).
- Early Childhood Comprehensive Systems (ECCS): Funded by the federal Health Resources and Services Administration's (HRSA) Maternal Child Health Bureau since 2003, the ECCS currently provides 10 states grants (up to \$426,600 each) to support partnerships between agencies/organizations representing physical and mental health, social services, families and caregivers, and early childhood education to develop seamless systems of care for children from birth to kindergarten entry (current grants awarded to Alaska, Delaware, Hawaii, Indiana, Louisiana, Kansas, Massachusetts, New Jersey, New York, and Utah).

**Federal
Programs (cont.)**

- Maternal, Infant, and Early Childhood Home Visiting (MIECHV): Designed to support pregnant women and families, particularly those considered at-risk, through the delivery of evidence-based home visiting models designed to develop children who are physically, socially, and emotionally healthy and ready for success (Health Resources and Services Administration).
- Title V Maternal Child Health Services Block Grant: One of the largest federal block grant programs, Title V is a key source of support for promoting and improving the health and well-being of the nation's mothers, children, including children with special needs, and their families. The grant helps states to underwrite services including comprehensive prenatal and postnatal care, ongoing maternal/child health care, and health promotion efforts that seek to reduce infant mortality and the incidence of preventable diseases. Grant funds provide annual support to an estimated 56 million Americans. States and jurisdictions must match every \$4 of federal Title V money that they receive with at least \$3 of state and/or local money (Health Resources and Services Administration).
- Preschool Development Grant Birth to Five (PDG B-5): The current (Phase 1) PDG B-5 grants are designed to fund states to conduct a comprehensive statewide birth through five needs assessment followed by in-depth strategic planning, while enhancing parent choice and expanding the current mixed delivery system including child care centers and home-based child care providers, Head Start and Early Head Start, state pre-kindergarten, and home visiting service providers across the public, private, and faith-based sectors (US Department of Health and Human Services and US Department of Education).

STATE FUNDING

**General Fund
Appropriations**

In 2016, state governments collected more than \$1.9 trillion in general revenue. General revenue from income, sales, and other taxes totaled \$923 billion—nearly half of all general revenue. About one-third came from intergovernmental transfers.²⁶

States often use general revenue funds to match federal funding, as is required for the Child Care and Development Fund, or as a required funding base to draw down federal funds. General revenue may also be used to go beyond required matching or maintenance-of-effort requirements in early childhood. States [frequently use general revenue](#) for state-only programs as well, such as state-sponsored preschools.

State general revenue can be allocated to fund any part of the early childhood system. These allocations may be found as separate line items within organizations, such as education, human services, or consolidated early childhood agencies, and they may also be embedded within formulas, such as state education aid formulas.²⁷

There are many examples of states using general revenue to support early childhood, including the following:

- North Carolina's Smart Start initiative and Rhode Island's Starting Right Initiative are funded partly through general revenue funds.
- Several states use general revenue to [support state prekindergarten programs](#), including Maine, Oklahoma, Texas, and Wisconsin.

Taxes

Sales Taxes. A state may use several types of taxes to generate revenue. Several states have dedicated a portion of sales tax income to fund initiatives or programs for early care and education systems:

- [South Carolina](#) established preschool for at-risk four-year-old children (among other programs) as part of its 1984 Education Improvement Act and funded it with a one-cent increase in sales tax.
- Arkansas's preschool program is also part of an education reform package supported by an Education Trust Fund, which is funded by a dedicated sales tax.²⁸

Sin Taxes. State-sponsored taxes on goods considered either physically or morally harmful (such as alcohol, tobacco, and gambling) and generally not requiring ongoing legislative approval.²⁹ Several states successfully use sin taxes to fund early childhood initiatives:

- The Arkansas legislature passed a three-year surtax on beer to enhance funding for early care and education. In fiscal year 2005, the tax was renewed but later removed, although the program continues. However, while it was in effect, it generated \$40 million.³⁰
- [California's First Five program](#) derives nearly all its funds—more than \$3 billion so far—from a tax on cigarettes earmarked specifically for public early childhood and child health programs.

Tax Credits

Many types of tax credits exist to support early childhood education such as personal income tax credits, business income tax credits, and investment and incentive tax credits. The following examples are about personal income tax credits for early childhood:

- Twenty-six states and the District of Columbia have established a state dependent-care tax credit.³¹ New York State and New York City have a refundable dependent-care tax for eligible families (families receive extra cash back from the state if their New York State and New York City Child and Dependent Care Credits are worth more than the state and city taxes they owe).³²
- Louisiana has a school-readiness child care expense tax credit for taxpayers with qualified dependents under the age of six who attended a child care facility that participates in the quality rating improvement system (QRIS). [The school readiness child care expense tax credit](#) may be used alongside the regular child care expense credit.

The following are examples of business income tax credits to support early childhood:

- Maine has a unique tax credit created to improve the quality of child care. If an individual provider spends \$10,000 in one year on expenses that significantly improve the quality of care, the provider may take a \$1,000 tax credit for the next 10 years and a \$10,000 credit at the end of 10 years.

Investment or incentive tax credits supporting early childhood:

- The Colorado child care contribution tax credit, available against both corporate and personal state income tax, has been in place since 1989. [Taxpayers receive a credit](#) worth 25 percent of their contribution, up to \$100,000.
- The [Oregon child care investment tax credit](#) was designed as an investment strategy that uses tax credits to generate private sector contributions to child care. Like federal low-income housing tax credits, the Oregon credits are marketed and sold to an investor. Invested funds are then drawn into a single pool that is used to help fund the child care industry.

Lotteries	<p>States utilize lotteries as a popular way to fund education. Examples supporting prekindergarten include:</p> <ul style="list-style-type: none"> ■ Thirteen states have lotteries with a stated purpose of funding education. Georgia has consistently used lottery proceeds to fund a universal preschool program, and Florida has funded its preschool program partly with lottery dollars. ■ The Oklahoma State Legislature appropriates 45 percent of funds in the Oklahoma Lottery Education Trust Fund to elementary and secondary education. Funding can be used to provide compensation for public school teachers, support employees, and support early childhood development programs. ■ Tennessee voters have also approved establishing a lottery and the use of its proceeds for prekindergarten to 12th-grade education.
Gambling or Related Fees	<p>States have designated funds from gambling opportunities for early childhood:</p> <ul style="list-style-type: none"> ■ Missouri uses a portion of riverboat gambling fees to fund early care and education services. Missouri considers these fees levied on gamblers and not gambling proceeds. ■ Maryland collects gambling fees that go into the Maryland Education Trust Fund. These funds are used to support prekindergarten programs as well as K–12 systems.
Tobacco Settlement Funds	<p>The Tobacco Master Settlement Agreement was entered in November 1998, originally between the four largest United States tobacco companies and the attorneys general of 46 states. Several states use a portion of the state’s share of the tobacco settlement to fund early care and education.</p> <ul style="list-style-type: none"> ■ Kentucky allotted 25 percent of its settlement, or \$56 million over two years, beginning in state fiscal year 2000. The state continues to use tobacco settlement funds to support early learning.
Block Grants	<p>Issued as a lump sum to localities as a targeted approach to give additional funding to specific areas or to schools serving students who have high needs.</p> <ul style="list-style-type: none"> ■ The Kansas Early Childhood Block Grant is distributed to school districts, child care centers, child care homes, Head Start centers, and community programs that serve at-risk children and underserved areas. ■ In Nebraska, the Early Childhood Education Grant Program supports the development of children up to kindergarten through comprehensive, center-based programs.
State Funding Formula	<p>At the K-12 education level, states fund their education system based on a funding formula. In most states, a funding formula is based on a per-student funding level, with additional money allocated to needy areas and students (for example, English-language learners, at-risk students, students with disabilities, etc.).</p> <ul style="list-style-type: none"> ■ In 2018-2019, Missouri began supporting a second state-funded preschool program. For the first time school districts could use Foundation Formula funding to support preschool. State funding for the program was just over \$14 million.

LOCAL FUNDING

Local Tax

Local fees and special taxes as well as a growing interest in local leadership for early childhood are examples of efforts that are used to finance early childhood education. Local taxes are frequently property, sales, water, sewer, school, and occasionally income taxes. Funds generated in this way cover some community services, such as local education, and have been used for early childhood:

- Several counties in [Florida](#), including Broward, Duval, Hillsborough, Martin, Miami-Dade, Palm Beach, Pinellas, and St. Lucie, adopted a children’s special taxing district to create new funding for children’s services. This may include paying for improvements in the child care system, professional development opportunities, and other early childhood and child and family supports.
- In [Oakland, California](#), a local measure was passed to set aside money to benefit children and youth. Oakland uses a portion of this money to fund several early childhood initiatives, including a mental health and development consultant model.
- The City of [Seattle, Washington](#), passed a property tax levy called the Families and Education Levy. The program, administered by the city in collaboration with the Seattle School District, supports funding of programs for school-based and community support to assist with a parent-child home program, professional development opportunities for early care and education teachers, and other supports for early learning.
- Texas allows local communities to impose a sales tax that can be used for local initiatives. [San Antonio’s PreK4SA](#) uses local tax dollars for a prekindergarten program.
- [Philadelphia](#) utilizes a tax on sodas to support early childhood services.

Public- Private Strategies

Including Pay for Success

Private resources and expertise can be leveraged to increase the quality and availability of programs and services provided to children from birth to age five. There are many ways to leverage private resources to support early childhood.

- [Hawaii](#) has leveraged private resources with state and federal dollars to fund Learning to Grow. This program provides statewide education outreach to families and license-exempt child care providers to support efforts to enhance children’s early learning, healthy development, and high-quality home-based care.
- [Minnesota raised and invested private funding](#) to learn about and plan how to improve its early education system. The project used \$20 million in private money to set the foundation for an early learning system.

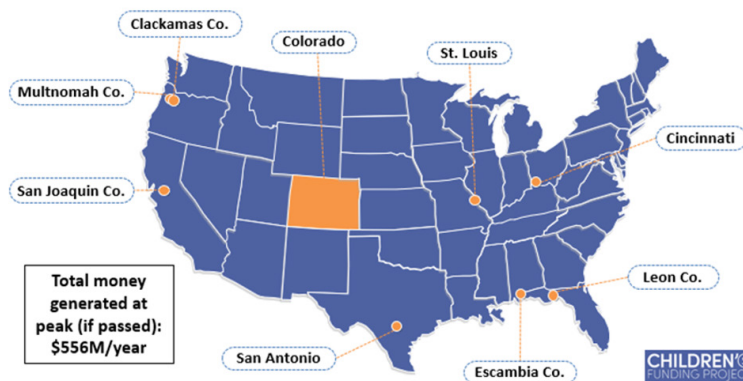
[Pay for success](#) (or “social impact bonds”) combines private funding (to be recouped upon the attainment of successful outcomes), program evaluation, and program management, with the goal to improve social outcomes while more effectively allocating scarce public-sector resources.

- Utah established a [pay-for-success model for early childhood education](#) for children receiving high-quality preschool. Through a partnership led by United Way of Salt Lake in cooperation with Goldman Sachs and others, the Utah High Quality Preschool Program delivers early childhood opportunities in various community and school settings. The partnership makes payments based on reduced special education use.
- The City of Chicago created a \$16.9 million [social impact bond deal](#) to provide early childhood educational services to 2,620 children for the 2014–2015 school year, with additional proposed expansion for 2015–2019. The intervention funded by the social impact bond works with both children and their parents through the Child-Parent Center (CPC) model. Goldman Sachs’s Social Impact Fund and Northern Trust are serving as the senior lenders, with the J. B. and M. K. Pritzker Family Foundation in a supporting role.

2020 BALLOT MEASURES

As states (and communities) continue to explore creative funding opportunities for early childhood education, new ballot measures are being presented to voters. With information provided by the Children’s Funding Project, nine examples from the 2020 national elections are detailed below.

Which Communities are Raising Money for Kids this November?



Graph : Children’s Funding Project, 2020.

<p>Multnomah County, OR</p>	<p>PASSED</p>	<p>The county is pursuing a progressive income tax on high-income earners to fund universal, tuition-free preschool for all three- and four-year-olds by 2030. If passed, the tax would generate an estimated \$133 million next year (\$202 million annually by 2026). Funds will be used to add 7,000 new slots by fall 2026 with fair wages for providers.</p>
<p>San Antonio, TX</p>	<p>PASSED</p>	<p>The San Antonio initiative is asking to renew a ¼ cent sales tax that generates \$38 million annually for Pre-K 4 SA. Pre-K 4 SA serves 2,000 four-year-olds annually in its centers while supporting extended school days, increased access, and improved quality for thousands of children in other early childhood education settings.</p>
<p>St. Louis, MO</p>	<p>PASSED</p>	<p>St. Louis is pursuing a six cent (0.6 mill) property tax increase to raise \$2.3 million for birth-to-five programs and services, administered by the St. Louis Mental Health Board’s Community Children’s Services Fund. The fund was originally established in 2004 and has a particular focus on children’s mental health, providing psychiatric treatment, substance use prevention, family counseling, and more.</p>
<p>Escambia County & Leon County, FL</p>	<p>PASSED IN BOTH COUNTIES</p>	<p>Escambia County and Leon County (joining 10 other counties in Florida) are looking to dedicate property tax revenue to Children’s Services Councils through two separate efforts. Escambia and Leon are both pursuing five cent (0.5 mill) property tax increases to raise \$7-8 million annually in each county, which would raise the total property tax revenue of Children’s Services Councils in Florida to over \$545 million collectively.</p>

<p>San Joaquin County, CA</p>	<p>TBD</p>	<p>San Joaquin County is proposing a county-level marijuana tax (Measure X). Fifty percent of the revenue generated by the tax will be used for child and youth programs including drug intervention and prevention programs, preschool, childhood literacy programs, and after-school programs.</p>
<p>Colorado</p>	<p>PASSED</p>	<p>In Colorado, Measure EE (a proposed increase in tobacco taxes and close to the vaping loophole to raise revenue) if passed will raise \$87 million next year, increasing to \$276 million by 2028. This revenue will initially go to backfilling the state education budget and funding affordable housing/eviction assistance but will also put \$2 billion into universal pre-k over the next decade.</p>
<p>Clackamas County, OR</p>	<p>TBD</p>	<p>The Children’s Safety Levy on the Clackamas County ballot would levy a 15 cent (1.5 mill) property tax to raise \$7.9 million for children’s safety services. The tax will cost the average homeowner less than \$4 per month but will double the number of children and youth supported by services.</p>
<p>Cincinnati, OH</p>	<p>PASSED</p>	<p>This renewal initiative by Cincinnati Public Schools is pursuing a renewal of its 73 cent (7.34 mill) emergency property tax levy for a period of five years, raising \$48 million. Around 30% of the levy is dedicated to funding Cincinnati Preschool Promise, which has helped provide high-quality preschool for nearly 5,000 three- and four-year-olds since the original levy was passed in 2016 with 62% of the vote.</p>

THE IMPACT OF COVID-19 ON CHILD CARE

Since March 2020, the COVID-19 pandemic has wreaked havoc on the child care industry, early educators, and many of the families they serve. In the spring of 2020, 17 Governors closed child care programs temporarily to reduce risks to public health, although all but one state allowed child care programs to serve children of essential workers. Even when states left this decision to individual programs, the demand for child care fell as families lost jobs or kept their children home due to health concerns. In April, surveys by the National Association for the Education of Young Children (NAEYC) showed that at least half of child care centers were closed, and 27 percent of child care programs operated in homes had as well. By July, only 18 percent of programs were confident they could remain open without additional public assistance. Minority owned programs have been disproportionately impacted, with many program owners reporting they have - or will need to - raise tuition or close permanently. Congress acted in March to provide relief, but most states reported those funds only would get them to the end of the summer.

Why is it that such an essential industry, critical to supporting child development, parent employment, and economic development, is struggling to survive? The primary reason is that in the United States child care is mostly funded by private sources, unlike public education or the federal Head Start program that provide comprehensive quality early development services to children living in families below the poverty level. The Economic Policy Institute calculated that \$42 billion was spent by families out of the total \$64 billion spent privately and publicly for this essential service. Child care programs are typically small-businesses, many owned by women, that operate on razor thin profit margins. Child care programs that are licensed have a certain number of children that they may care for depending on the amount of space available and state rules about adult to child ratios and group sizes. Owners build their budgets based on what they think parents can pay in their community and the number of children they can serve. With 86 percent of providers operating at less than capacity in July, and enrollment down on average by 67 percent, it is no surprise that NAEYC survey respondents reported dipping into their own personal resources to stay in operation.

Higher costs to operate during the pandemic are another factor hurting programs now. Child care programs following public health guidelines have to lower the number of children they can serve at one time. The Centers for Disease Control (CDC) recommended groups be no more than 10. Currently, state licensing rules often exceed that number. For example, group size limitations set by states for toddler care range from eight to 20, and for three-year-olds from 14 to 30 children in a group. Programs are incurring higher costs for cleaning supplies, masks, and sanitation services. This has pushed the cost of providing child care up; one study estimated that costs have risen 47 percent to operate child care programs.

The impact on the child care workforce has been substantial. Before the crisis, about half of those caring for our children earned wages low enough to qualify for food stamps and other social service programs, with mean income below the poverty level - \$22,290 a year. On average kindergarten teachers earn \$30,000 more in a year than a child care worker. Many had to apply for unemployment benefits. The extension for the unemployed allowed by Congress will expire the day after Christmas.

Congressional approval of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March provided an additional \$3.5 billion and additional flexibility to states in how the funds could be used on an emergency basis as part of the Child Care and Development Block Grant (CCDBG) program. A number of states took innovative steps to help providers during the worst of the crisis, including by providing grants to help providers pay fixed costs and payroll, paying providers in the state child care subsidy system based on child enrollment rather than attendance rates, and waiving copayments for families. The challenge is that these changes were enabled by the one-time increase in federal funding in CCDBG., and several state child care administrators estimated they would start to run out by the end of June.

In an effort to support small businesses, Congress also created the Paycheck Protection Program (PPP) to which businesses could apply for funding to cover some fixed costs and pay staff during the crisis. NAEYC found that half of child care centers and home-based care providers who applied for PPP received a loan, however half of those rejected were home-based providers. Child care providers initially faced barrier to apply if they didn't have a previous relationship with a bank that was part of the roll out of PPP. Some didn't apply because they were worried they could not repay a loan.

National early childhood advocates and researchers estimate that at least \$50 billion is needed to stabilize the child care industry. However, Congress has not included additional funding for child care relief in further relief packages. Without additional public intervention, this child care crisis will likely lengthen how long it takes our economy to rebound. Examples of women leaving the workforce fill newspaper articles, as new reports from the Center for American Progress point out that infant and toddler child care is three times as scarce as care for preschool aged children, and the fallout of this economic and health crisis will increase inequity for child care for low- and middle-income communities, Black and Hispanic families, and rural families. It has become clear that we need a movement to demand equitable access to quality, affordable child care that meets the needs of 21st Century families.

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