

Industry in Crisis:

Child Care Funding Talking Points

Current State of Child Care

- **Child care is essential** infrastructure to our state.
 - It supports the workforce of today and develops our workforce of tomorrow.
 - High-quality early education helps recruit young families and keep them in Delaware.
 - We need to invest early to build the foundation for student success in K-12.
 - Purchase of Care (POC) is a state subsidy for child care that helps low-income parents who work, are enrolled in training or school, or have a medical need.
- **Child care is in crisis** in Delaware.
 - POC rates have been extremely low and do not cover the cost of care.
 - Delaware invests less than 25 cents for every dollar per child in children ages birth-5 compared to the state investment in children in K-12—yet brain development is greatest before kindergarten.
 - The state should be investing in only high-quality care that supports children’s development. Learn more about POC and how rates are set [here](#).
- **Children and families are losing access.** Because of low rates of state investment, child care providers are closing, laying off staff, and decreasing the number of children they can serve. We need investment now to stabilize the industry.
- **Delaware faced a shortage** of high-quality providers and even some child care “deserts” before the COVID-19 pandemic, and now the problem is growing.
- **We ask the Joint Finance Committee to invest \$50M in FY22 in child care.**
 - \$30M to pay based on enrollment to provide stabilize families and providers
 - \$20 to pay based on the Market Rate-- which is still lower than true cost of care
 - And, we need to make child care a door opener in the budget process to ensure it’s funded at the level of need each year for this essential service.
- **Without significant investments, the state’s child care industry will collapse.**

Call to Action / What Can I Do?

- **Speak at the [February 24 DHSS Hearing at 12:30 p.m.](#) by registering [here](#)**
- **Contact your legislator: ask them to [#FundOurFuture](#)**

Ask the General Assembly to	FY22 Budget Request
<p>1. Fund child care (Purchase of Care) based on annual child enrollment</p> <ul style="list-style-type: none"> • Currently, child care is paid based on attendance, which creates instability for families and providers. • Fund child care like K-12 education, which is funded for each child enrolled each year. 	\$30M
<p>2. Increase Purchase of Care rates to reflect the current market rate</p> <ul style="list-style-type: none"> • Currently, child care providers are pay 65% of the 75th percentile of the 2018 Market Rate—much lower than what it costs to provide quality care and education. • And, we know that the Market Rate is lower than it should be because parents can't afford to pay more. • We are asking for a fraction of the per-child funding compared to K-12. • We do not yet have the 2021 Market Rate Study, but based on the 2018 study, child care needs at least \$20M more to keep up with current rates and pay at the 75th percentile—federal guidelines that help ensure that families eligible for subsidy can access most of the care available in Delaware. <p>Meeting the current market rate would <u>still</u> only represent a portion of the true cost of care.</p>	\$20M
<p>3. Make child care a “door opener” in the budget</p> <ul style="list-style-type: none"> • State investments in child care aren't based on increased costs or child enrollment—they are based on funding available in previous years. • Every year, costs and expenditures for K-12 education increase. And, every year, the state automatically funds the projected increase in students in the system (based on annual enrollment). It is a “have to fund” that gets covered before other things can be considered. • Child care is an essential service for the workforce of today and for our future. We must prioritize it in the budget process. 	NA
Total	\$50M

Talking points developed by Rodel, deaeyc and Delaware Readiness Teams

