

Improving Access to
Affordable Child Care

APHSA's Transition Recommendations for the Administration and Congress

The following is part of APHSA's series, *Courageous Imperatives for Human Services*, which provides recommendations to the incoming Administration and Congress to help develop strategies that unlock the potential of human services. To learn more about this series and how we can work together to create a country where everyone thrives, visit our <u>Election Transition Recommendations page</u>.



**Courageous Imperative #3:** Ensure every working American parent has access to affordable, safe, and high-quality child care by leveraging federal authority and prioritizing investments in child care infrastructure and workforce stability to strengthen small businesses, enhance local economies, and drive national prosperity.

#### **Outcomes**

- 1. Working parents achieve access to affordable, safe, and high-quality child care, reducing financial stress and improving economic mobility.
- 2. Children thrive in enriching environments that support their development and future success.
- American businesses benefit from a reliable workforce with reduced absenteeism and turnover, strengthening productivity and lowering operational costs.
- 4. Local economies realize increased labor force participation—particularly among women—and sustained small business operations.
- 5. National economic growth is fueled by enhanced workforce stability and expanded opportunities for all families.





# Why It Matters

## **Child Care Strengthens the Economy**

In 2023, 69 percent of children under the age of 6 had all available parents participating in the labor force. Most of these children are spending time in the care of someone who is not their parent. While some parents have family who can help, many must find private child care to maintain employment. The child care workforce is tasked with the critical role of providing relationship-based, nurturing care to the next generation of Americans.

Affordable, reliable child care boosts business productivity by reducing absenteeism, improving retention, and enabling a more stable workforce. A 2020 U.S. Chamber of Commerce Foundation study found that 58 percent of working parents missed work due to child care challenges, and 32 percent of women cited it as a barrier to returning to work. Addressing these gaps strengthens families and bolsters the economy.

The U.S. economy loses 122 billion dollars annually due to inadequate access to child care, especially for infants and toddlers. Addressing these challenges is not just a matter of family well-being—it is a strategic investment in America's workforce, economic stability, and global competitiveness.

#### **Child Care Costs More than Most Families Can Afford**

The cost of child care significantly exceeds what most families can afford while still falling short of covering the true cost of delivering high-quality care.<sup>3</sup> The average annual cost of child care ranged from \$5,357 to \$17,171 in 2022 and families are spending between 8 to 19 percent of the median income for their county on child care.<sup>4</sup> Despite this high price tag, what parents can afford does not always cover the actual costs of delivering high-quality child care inclusive of fair wages, benefits for staff, and sufficient resources for operations and materials.<sup>5</sup>

Families must make difficult trade-offs: some reduce their work hours, leave the workforce, or rely on informal care arrangements that may not meet developmental or safety standards. The long-term effects can be profound, with children missing out on critical early learning opportunities and families facing barriers to economic mobility.

# Many Child Care Programs are Unable to Succeed Due to Workforce and Regulatory Pressures

Child care programs operate on razor-thin margins, which undermines program quality, limits access, and leaves little capacity to manage crises like workforce shortages or fluctuating demand.

Provider shortages are further exacerbated by hiring challenges, particularly due to overly complex background check requirements. Background check systems not only delay qualified people from entering the workforce, "the additive value of each check as currently sequenced and implemented may not optimally enhance child safety and well-being." Streamlining these regulations and improving federal operations could help stabilize the workforce, allowing programs to hire and retain staff more efficiently while maintaining child safety protections.

## A Model that Empowers Families Through Flexible Child Care Choices

The Child Care and Development Fund (CCDF) is one of the few federal programs that helps families with low income access affordable child care allowing parents to work, achieve financial independence, and contribute to economic growth. CCDF lead agencies tailor their programming to meet local needs, and to drive effective, customized solutions. It advances the American economy and businesses through supports that keep children safe and cared for so that their parents can work.

CCDF is a vital resource for working families with low income, allowing them to choose the type of child care that best suits their needs and circumstances:

- Relative Care: A trusted option for families, especially those with children who have complex medical needs or disabilities.
- Family Child Care Providers: Offer flexible care options for families with nontraditional work schedules, including evenings, nights, and weekends.
- Center-Based Programs: Provide structured, professional care for families who prefer a formal setting.
- This flexibility ensures that families can find the right care while working and supporting their children's well-being.
- CCDF is one of the few federal assistance programs that provides funding for child care. However, due to limited
  federal funding, only 16 percent of eligible children obtain the benefit.<sup>6</sup> Even when families receive benefits, many
  communities lack available child care providers, particularly in communities that are underserved, impoverished, or
  in rural areas.<sup>7</sup>

## The Early Years are Critical for Brain Development

The science of how human brains develop is well established: experiences in the first years of life build the neural connections that lay the foundation for educational success, health, and productivity.<sup>5</sup> Responsive interactions with caregivers who have important relationships with young children build neurological pathways that shape future learning and development.<sup>6</sup> How young children spend their time, and who they spend it with, can greatly impact the trajectory of their future.

Children whose parents work outside of the home and cannot be cared for by family do better throughout their life if they are in high quality child care environments. This fact permeates nearly any life metric from school readiness to high school graduation to college entry to employment. All federal programs that interact with young children and their families must take this important time into consideration.



# Taking Action—Opportunities for Impact

The Trump Administration has a pivotal opportunity to positively impact the lives of children and working families by removing barriers that hinder access to affordable, high-quality child care. Through executive leadership, federal agencies can provide the flexibility, resources, and tools that CCDF lead agencies need to create solutions that address the unique needs of their communities. Strengthening child care systems will support family well-being, bolster local economies, and enhance national economic growth.

**Address Workforce Shortages:** Child care providers are essential to the nation's economy. Despite their critical role in early childhood development, many child care workers earn wages well below a living standard, often without access to essential benefits such as health insurance, paid leave, or retirement security. Average compensation in 2023 was either \$14.60 an hour, \$30,370 a year, or just at the threshold of the federal poverty level. Low wages in child care lead to increased turnover with many providers leaving the profession altogether.

A national survey of more than 10,000 early childhood educators from across the country and a variety of program types found that 53 percent of programs are facing staff shortages and 56 percent of programs had to reduce enrollment due to these shortages.<sup>9</sup>



# **Address Workforce Shortages**

#### **Key Issues:**

- Low Wages and High Turnover: Child care workers earn poverty-level wages, leading to burnout and frequent turnover.
- Workforce Shortages: Many child care programs struggle to recruit and retain qualified staff, limiting availability for families.
- Lack of Career Advancement: Few opportunities for professional growth or recognition discourage long-term commitment.

### **Key Opportunities:**

- Incentivize Retention: Support policies like tax credits or loan forgiveness for child care workers to improve retention without direct funding increases
- Customer Coaching: Build off the work to date pioneered by the Fed Reserve bank to embed cliff counseling as a core strategy for helping families prepare and plan for their transition off public benefits.
- Strengthen Professional Development: Expand access to free or low-cost training and credentialing programs to build skills and career pathways.

Reduce Ineffective Background Check Regulations to Alleviate Administrative Burden and Improve Hiring Processes: Background checks are critical for ensuring the safety of children in child care settings but some current regulations create unnecessary administrative burdens that slow hiring and contribute to workforce shortages. Every state currently has some system for background checks for providers who receive CCDF under the Child Care and Development Block Grant (CCDBG). That background check process is typically the same for all licensed child care providers whether they receive federal funds or are privately paid. Background checks are an important aspect of keeping children safe, however certain aspects of the background check process are costly, burdensome, and do not demonstrably enhance safety as outlined in the ACF Interagency Task Force on Child Safety Report to Congress.



## **Reduce Ineffective Background Check Regulations**

#### **Key Issues:**

- Barriers to Employment for Rehabilitated Individuals:
   Strict disqualifying policies limit the workforce pool,
   preventing qualified candidates from entering child care,
   especially in family child care homes.
- Redundant Background Check Requirements:
   Name-based National Crime Information Center
   (NCIC) National Sex Offender Registry (NSOR) checks
   duplicate existing safety measures without adding significant value, creating inefficiencies.
- Inconsistent Use of Child Abuse and Neglect (CAN)
  Registries: Ambiguity around the use of CAN registries
  leads to inconsistent and potentially unfair employment
  disqualification practices.
- Underutilization of Existing Background Check Systems: States face challenges in fully adopting systems like the National Fingerprint File (NFF) due to technical and operational barriers including the complexities of data sharing across states and territories.

#### **Key Opportunities:**

- Amend CCDBG to Allow Flexibility: Permit states to evaluate rehabilitation and case-specific factors for disqualifying offenses, aligning child care workforce policies with broader criminal justice reforms.
- Streamline Background Check Processes: Remove the requirement for name-based NCIC NSOR checks and rely solely on the NSOR fingerprint database to avoid redundancy.
- Clarify CAN Registry Use: Amend CCDBG to ensure states do not automatically disqualify individuals based on CAN registry checks and encourage nuanced, caseby-case evaluations.
- Fund Infrastructure Improvements: Provide one-time funding for lead agencies to enhance their access to background check systems, such as NFF, improving efficiency and compliance.
- Enhance Collaboration with Federal Agencies:
   Require federal agencies to work with states to streamline background check processes and provide technical assistance through the Federal Bureau of Investigation to improve the uptake of systems like the NFF.

Empower States Through Improved Technical Assistance: High quality, family-centered child care is essential, but current technical assistance structures do not provide the flexibility states need to address their unique challenges. The Child Care Technical Assistance Network (CCTAN) is a national system offering training and technical assistance to CCDF lead agencies. The CCTAN includes multiple national centers, each with a specific focus. Despite the wealth of expertise and knowledge throughout national centers, offerings are determined by the federal agencies responsible for programs. This limits flexibility and responsiveness to the unique needs of states and programs that would benefit from the ability to request assistance that directly addresses their specific challenges and goals.

Additionally, when state lead agencies seek policy clarifications, they must go through a lengthy process involving regional and central offices, which can take months or even up to a year. Opening access to the policy clarification database for lead agencies would significantly reduce administrative burdens, allowing states to independently search for answers and resolve issues more efficiently.



## **Empower States Through Improved Technical Assistance**

#### **Key Issues:**

- Fragmented Technical Assistance: National training and technical assistance centers operate under predetermined priorities, limiting their ability to respond to the specific needs of state and local programs.
- Inefficient Policy Clarification Process: Lead agencies face delays of months to a year when seeking policy clarifications due to a multi-step process involving regional and central offices.
- Administrative Burdens for Lead Agencies: Current processes for obtaining guidance and support consume significant time and resources, detracting from program implementation and service delivery.
- Lack of Transparency in Policy Resources: The policy clarification database, a key tool for resolving questions, is not accessible to lead agencies creating unnecessary bottlenecks.

#### **Key Opportunities:**

- Improve Responsiveness to States Seeking
   Technical Assistance: Direct federal agencies to increase flexibility and reduce layers of review for national centers to respond to state-requested priorities and develop customized support strategies.
- Streamline Access and Increase Transparency for Policy Clarifications: Require policy clarifications conducted by the Office of Child Care and/or regional offices be made electronically available and accessible to CCDF lead agencies, allowing them to independently search for answers and reduce delays.
- Leverage Technology for Training and Support:
   Develop online platforms that allow real-time interaction with technical assistance providers and access to shared best practices across states.

APHSA and our members are committed to working with the Trump Administration to strengthen the nation's human services system so it continues to provide foundational support to families across the country. Through leadership, innovation, and executive action, human services programs can become an instrumental tool to attain our national priorities of health, well-being, and prosperity for all. To discuss our recommendations, please reach out to <a href="mailto:policy@aphsa.org">policy@aphsa.org</a>. For media inquiries, please reach out to <a href="mailto:media@aphsa.org">media@aphsa.org</a>. Visit our <a href="mailto:Election Transition Recommendations">Election Transition Recommendations</a> page for additional publications.

APHSA is a bipartisan membership association representing state, county, and city human services agencies that improve outcomes for people nationwide through the administration of programs that build resilience and bolster the well-being of people through access to food, healthcare, housing, employment, child care, community support, and other key building blocks. <u>Learn more</u> about APHSA.



# **Endnotes**

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