



# Equity and Excellence in Early Childhood Education

Communications and Advocacy Toolkit | November 2021





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# Equity and Excellence in Early Childhood Education Solution Summary



# Laying the Foundation

CEO Action for Racial Equity aims to transform Early Childhood Education (ECE) from a private choice to a public good. Every dollar spent on high-quality, birth-to-five programs for children can deliver a 13%<sup>i</sup> return on investment per year from better education and health outcomes for children, employment gains for parents, greater economic productivity, and reduced spending on healthcare and other areas. By advancing sustainable and systemic policy change, CEO Action for Racial Equity is working to make ECE accessible, equitable and affordable for all.

While demand for ECE services remains high, limited access, lack of affordability and low-quality programs leave Black children at a disadvantage during critical years of development and impact Black parents' ability to participate in the workforce and accumulate wealth.

According to the National Institute of Early Education Research (NIEER), by the time Black children enter kindergarten, they are on average nearly nine months behind in math and almost seven months behind in reading compared to their white non-Hispanic peers. Math and reading abilities at kindergarten entry are powerful predictors of later school success, and children who enter kindergarten behind are unlikely to catch up.

These gaps in reading and math achievement generally persist into fourth grade and are even larger by eighth grade.<sup>ii,iii</sup>

## Current Landscape

ECE remains challenged across three pillars represented by Accessibility, Affordability, and Quality. Across accessibility, more than half of Americans live in "childcare deserts," where there can be more than three children for every available childcare slot.<sup>iv</sup> This access challenge has only been heightened by the COVID-19 pandemic, where over 20,000 ECE centers have permanently closed.<sup>v</sup> Access additionally is challenged in that only 54% of eligible Black preschoolers are being served by Head Start preschool, and of the most at risk economically, only 6% are served in Early Head Start.<sup>vi</sup>

Related to the lack of access, for the most impoverished, childcare remains often the second most expensive item in a household budget. This expense often dwarfs all other expenses besides rent for low-income families, and where there are more than two children, these costs can exceed the cost for a roof over the family's heads.<sup>vii</sup> Across the United States, affordability is a challenge and in 29 states, the cost of ECE exceeds that of public college tuition in the same state.<sup>viii</sup>

Resolving access and affordability is fundamental, but should not come at the sacrifice of quality care and education. In 2019, the national median wage of an ECE teacher ranged from \$11.65 to \$14.67 per hour, contributing to high turnover rates and lack of available resources.<sup>ix</sup> This is below the already US median

elementary teacher salary of \$28.37 per hour.<sup>x</sup> With margins under pressure in ECE programs, increasing wages is often not possible without increasing classroom sizes or diminishing other measures of quality. Additionally, not addressing the low wages of ECE teachers contributes to the lack of access. NIEER estimates that 38% of all preschool children attend programs that meet less than half of their quality benchmarks, ranging from teacher education standards, curriculum requirements and class size.<sup>xi</sup>

## Our Priorities

In states with existing ECE programs and momentum for ECE policy changes, champions in the business community have been key drivers for change. Based on our research, the following are examples of core policy components towards making ECE a public good that is accessible, affordable and of high quality:

### Access

- Establishing a floor for state funding for ECE as a public good similar to K-12, without reducing K-12 funding
- Increase grant funding to states for infrastructure year over year
- State and federal funding to increase the number of existing ECE providers serving children from birth to age five

### Affordability

- State and federal support for ECE subsidies with sliding scale payments for parents (i.e., free for most, but maximum 7% of income even for high earners)
- Support legislation promoting ECE subsidies from employers

### Quality

- Incentives for further professional development for ECE providers, i.e., stipends or raises based on quality ratings and certificate completions
- State quality requirements for education, such as unified quality rating systems
- PTO and health care benefits for ECE providers

## Our Principles

### FEDERAL & STATE COLLABORATION

Both the federal government and states fund ECE programs. For comprehensive reform, close collaboration is a must.

### SUSTAINABLE FUNDING

Sustainable funding in ECE programs for three- and four-year old children is critical in addressing racial inequities. A birth to five funding framework for ECE will also be needed to further push the needle towards equity and excellence.

### QUALITY MATTERS

Quality ECE programs equip children with the social and academic skills necessary to be successful in education. Those programs should also sustain and scale the ECE workforce, including enhanced job training for ECE professionals and competitive wages.

### ACCESS & AFFORDABILITY FOR CHILDREN

All children, regardless of socioeconomic status and racial background, should have equal and equitable opportunities to access ECE. Universal Pre-K is the first step towards a larger paradigm shift of ECE for all children, birth to five.

### MULTI-DIMENSIONAL IMPACT

ECE programs should proactively care for children's physical and mental health, be inclusive, empower families economically, and lead to positive outcomes from childhood through adulthood.

## Our Path to Policy

### Short-Term Approach: Budget Reconciliation

- Budget reconciliation is a special parliamentary procedure of the United States Congress set up to expedite the passage of certain budgetary legislation in the United States Senate. Reconciliation sets the top line numbers of spending for each department in the federal government, e.g., Department of Health & Human Services, Department of Education, etc.
- Our approach in the short term is to increase funding to programs that support ECE through the reconciliation process. We have completed a deep dive of programs supported by government

departments and identified a list of senators and other key players to contact to elevate the importance of ECE. During reconciliation, funding is allocated to existing programs, but funds cannot be allocated toward the creation of new programs.

- After funding is secured for ECE programs through reconciliation, we will work with states to provide recommendations on how to use the funds in a way that supports the mission of the Fellowship.

**Long-Term Approach: Legislation**

- We will collaborate with stakeholders to advocate for federal and state legislators to enact legislation to provide high-quality early childhood education at scale by increasing funding to ECE programs, expanding access to ECE by reducing eligibility barriers, and providing professional development for early childhood educators.
- Our federal legislative focus includes the Child Care for Working Families Act (HR 2817), Universal Child Care and Early Learning Act (S 1398), and Child Care Infrastructure Act (HR 1911)
- Our initial state focus looks at Massachusetts, California, and Texas. We are considering a slate of bills in these states that reflect our guiding principles. The methodology for selecting these states follows.

Advance racial equity	Represent significant number of Black youths, supporting our focus on the 47 million Black individuals.
Maintain and expand quality	Existing NIEER scores are at or above national average, supporting efforts to continued improvement
Support legislation Leverage existing	Pending legislation will allow signatories to increase advocacy within states
CEO Action activities	Existing Place-Based approach within a city in the state
Lean into our influence	Signatory and fellow locations and network influence

## Proposed Actions

A key recommendation is for CEOs to elevate ECE on the agendas of organizations where they are influential members at the state level. We also recommend collaboration to advocate for policies at the federal level through associations, trade groups, lobbyists, and other connections. We understand that the legislative process is fluid and in response, our proposed actions will follow the federal and state legislative timelines of Budget Reconciliation and other bills of interest.

**While Budget Reconciliation is in motion, these are the actions we think can be taken:**

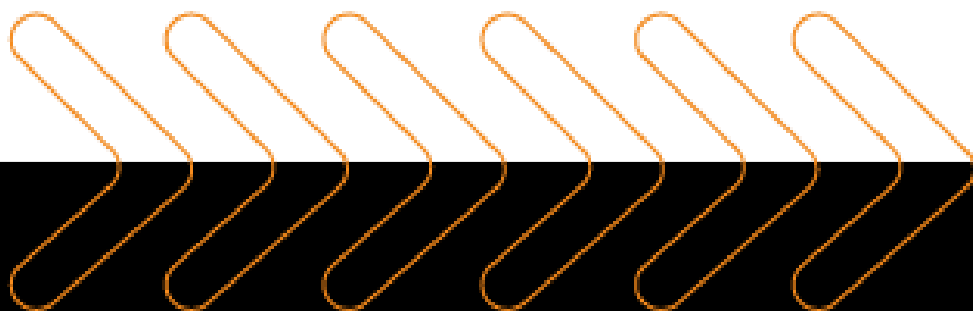
- Promote thought leadership through endorsement of Op-Ed and letter writing campaigns
- Increase awareness of ECE issues with leave-behind materials for targeted lawmakers

**Proposed actions after Budget Reconciliation is passed:**

- Assess effectiveness of actions and provide feedback
- Continue Lobbying Federal & State Lawmakers on other ECE legislation
- Promote ECE Awareness Campaign to broader network (i.e. trade groups, business roundtables, etc.)

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# Frequently Asked Questions: Equity and Excellence in Early Childhood Education





# Introduction

This document is meant to capture talking points for commonly known questions regarding our Early Childhood Education (ECE) position and proposed solution. Our ECE subject matter experts identified several themes in the concerns around expanding ECE, such as:

- Insufficient allocation of funding (federal, state, local) is a longstanding and unsolved issue in this space.
- Moral or sentimental arguments that suggest ECE expansion will “disrupt the integrity of traditional family model.”
- Amount of deficit spending and people’s uncertainty about the national debt.
- Belief that the universal pre-K model is an overreach into American lives that benefits mostly lower-income families.

These concerns and others will be addressed in this document.

## Key Definitions

Question	Answer
<b>Early Childhood Education (ECE)</b>	While “child care” typically focuses on birth to age 2 and “preschool” focuses on age 3 to age 4, we encompass both (birth – age 5) in our definition of Early Childhood Education.
<b>Access</b>	The quality of being usable, reachable, obtainable, etc.; increasing the supply of providers so it meets the demand for services.
<b>Affordability</b>	The cost to the individual caregiver of the child(ren) and may or may not be based on income level.
<b>Quality</b>	ECE program meets standard quality benchmarks such as culturally sensitive curriculum, teacher specialized training, staff-child ratios, and a continuous quality improvement system.
<b>Funding</b>	Methods to how the solution will be paid for, which may include corporate taxes, income taxes, reallocation of existing tax revenues, private funding, etc.
<b>Public Good</b>	A resource which is vital to the well-being of our society and our economy and is consistently funded regardless of demand (has a funding “floor”).
<b>NIEER</b>	The National Institute for Early Education Research (NIEER) improves the learning and development of young children by producing and communicating knowledge that transforms policy and practice. They collaborate with a network of local, state, national, and international leaders to design, conduct, and disseminate rigorous research, evaluation, and policy analysis.

## ECE Landscape

Question	Answer
<p><b>What is the issue we're trying to solve and why is this important?</b></p>	<p>While demand for ECE services remain high, limited access, lack of affordability and low-quality leave Black children at a disadvantage during critical years of development. ECE also fulfills a critical child care need. Without reliable access to ECE, Black parents and guardians cannot participate fully in the workforce and accumulate wealth. CEO Action for Racial Equity aims to transform ECE from a private choice to a public good<sup>i</sup>.</p>
<p><b>Is there bipartisan support for this issue among the general population?</b></p>	<p>Increasing funding for child care is not a partisan issue. 78 percent of Republican voters and 93% of Democratic voters support making child care more affordable<sup>ii</sup> by providing financial support to help working families pay some or all of the cost of quality care. What families pay would be on a sliding scale based on their income.</p>

## ECE Funding and ROI

Question	Answer
<p><b>How will ECE be funded?</b></p>	<p>Some stakeholders have expressed concern about the amount of deficit spending and uncertainty about the impact to the national debt. Currently, funding is a combination of federal grants (Child Care and Development Block Grant) and state funds. Part of our strategy will be separating the discussion on the benefits of making ECE a public good from discussions on the funding source. We are taking a principles-based approach to get generate consensus on the need for ECE. The funding sources can be negotiated by legislators and various stakeholders.</p>
<p><b>Can states raise the funds needed to expand ECE?</b></p>	<p>State legislatures have employed various funding mechanisms to support ECE. For example, Georgia's four-year-old educational program is funded entirely by the Georgia Lottery. A bill to legalize marijuana would see a percentage of the revenue go towards preschool programs for at-risk 3- 4 year-olds in Virginia. Preschool funding in Florida is determined solely through the annual legislative appropriations process. Oklahoma's preschool funding is calculated algorithmically as a portion of the overall education budget based on the number of preschool-aged children in each district.</p>
<p><b>How do you convince legislators that this is a wise investment when the ROI is 18 years in the future?</b></p>	<p>Every dollar spent on high-quality, birth-to-five programs for children can deliver a 13% per year return on investment from better education and health outcomes for children, employment gains for parents, greater economic productivity, and reduced spending on healthcare and crime<sup>iii</sup>.</p>

## Moral and Sentimental Arguments

Question	Answer
<p><b>Won't expanding ECE disrupt the integrity of the traditional family model?</b></p>	<p>With advancements in the makeup of the workforce, ECE has become foundational to a functioning society. The percent of the population with children under age 18 working or looking for work was 71.2% (women) and 92.3% (men) in 2020<sup>iv</sup>.</p> <p>Not every family can afford to support their household on one income. Options for ECE enable families to adequately provide for their children.</p>
<p><b>Isn't a universal pre-K model an overreach into American lives that benefits mostly lower-income families?</b></p>	<p>Low-income families face challenges with ECE, but issues in access, affordability, and quality affect all families.</p> <p>More than half of Americans live in "childcare deserts" where there can be more than three children for every available slot<sup>v</sup>.</p> <p>A 2018 report found that ECE is more expensive than public college tuition in 29 states<sup>vi</sup>.</p> <p>High turnover rates across the ECE industry compromise the quality of ECE, while high operating costs contribute to high rate of closures<sup>vii</sup>.</p> <p>By advancing sustainable and systemic policy change, CEO Action for Racial Equity is working to make early childhood education accessible, equitable and affordable for all.</p>

# Policy Position Impacts

Question	Answer
<p><b>Is the ECE solution focused on federal or state legislation?</b></p>	<p>Insufficient allocation of funding (federal, state, local) is a longstanding and unsolved issue in this space. Our solution will be a combination of strategies at both the federal and state. Federal funds are needed to make widespread improvements, but the states often have discretion when implementing ECE programs. Federally, we are pursuing increased ECE funding as part of the reconciliation process, and we are also evaluating components of the Child Care for Working Families Act (HR 1364) for impacts on the Black community. At the state level, we prioritized California, Massachusetts, and Texas after evaluating fellowship relationships with influencers, potential impact to the Black community, and opportunities to elevate existing legislation.</p>
<p><b>Why have a three-pillar approach to addressing ECE through affordability, accessibility and quality?</b></p>	<p>We originally identified three areas as key elements of making ECE a public good which we believe must work in tandem to achieve the desired outcomes: access, affordability, and quality. As part of our approach to advocacy, we will evaluate the ECE components of the reconciliation bill, the Child Care for Working Families Act and other relevant federal legislation, as well as proposed preschool policy initiatives at the state level to confirm these key components are represented in the final legislation.</p>
<p><b>Are we supporting a mixed delivery system or federal operated universal pre-K?</b></p>	<p>Our vision for ECE as a public good includes a mixed delivery system of public and private providers. There are various types of pre-K systems. This includes state public preschool for 3-4 year olds within the existing school system, large private centers, home-based providers, and federally supported programs like Head Start. Ultimately, we want Black parents to have flexible choices that all accomplish the same outcome for their children, without driving certain providers out. The Biden Administration's American Families Plan does account for funding to providers that might be impacted by increased public options for pre-K. "A pre-k needs to be put into existing programs and not separate from them." - Linda Smith, Bipartisan Policy Center</p>
<p><b>What age range is our solution targeting?</b></p>	<p>While "child care" typically focuses on birth to age 2 and "preschool" focuses on age 3 to age 4, we encompass both (birth – age 5) in our definition of Early Childhood Education. We acknowledge that the landscape of proposed legislation and the data are mostly aimed at preschool for 3-4 year olds. Our belief is that comprehensive solutions are necessary. Where legislation is targeted exclusively on 3-4 year olds, we will work to confirm the impacts on birth to 2 year olds also are considered.</p>

Question	Answer
<b>What impact or unintended consequences could universal preschool have on daycare centers and providers?</b>	<p>We have identified several unintended consequences should preschool for 3-4 year olds be transitioned from daycare providers to the local school system. This list includes but is not limited to access to transportation, loss of year-round care/programming, potential half-day programs, lack of capacity within K-12 facilities, disconnection of data for birth – 2 year olds and K-12, and increased costs for birth – 2 year old child care. For instance, the required teacher to child ratio is 1:4 for infants and 1-10 for 3-4 year olds. The cost of care for older children offset the costs for younger children. Therefore, pulling 3-4 year olds out would further destabilize the child care system. Also, “Surveys have shown the preference for over 70% of parents is to put pre-k into child care programs.” – Linda Smith, Bipartisan Policy Center</p>

## Impact to Businesses

Question	Answer
<p><b>What are the benefits to companies for supporting ECE policies?</b></p>	<p>ECE benefits for employees can give employers an advantage in an increasingly competitive market to attract talent. In the short-term, parents would benefit from affordable ECE options to return to work and increase productivity. Employees with children need flexible and affordable options for ECE in order to be present and effective at work. As our country rebounds from the economic effects of the COVID-19 pandemic, enhancing our ECE system is essential to getting employees back to work. In the long-term, quality ECE supports the pipeline of talent for our future workforce.</p> <p>There's also a disproportionately negative impact on mothers/female care givers. At the onset of the pandemic, the share of mothers actively working decreased more than the share of actively working fathers. The share of mothers declined 21.1 percentage points while the share of fathers dropped 14.7 points in April 2020 compared to the previous month and to the same month the previous year <a href="#">viii</a>.</p>

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