Child Care Update

Senate Standing Committee on Families & Children

Eric C. Friedlander
Secretary, Cabinet for Health and Family Services
January 9, 2024
## Investments to Child Care

### Additional Funding

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARES</td>
<td>$67.7M</td>
</tr>
<tr>
<td>CRRSA</td>
<td>$192.5M</td>
</tr>
<tr>
<td>ARPA</td>
<td>$763M</td>
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<tr>
<td>Stabilization</td>
<td>$470M</td>
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<tr>
<td>Discretionary</td>
<td>$293M</td>
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<tr>
<td>State Funds</td>
<td>$76M</td>
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<tr>
<td>Family copays</td>
<td>$26M</td>
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<tr>
<td>Stabilization</td>
<td>$50M</td>
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</tbody>
</table>

### Services

- **CARES**: Sustainment payments, cleaning stipends, and hero bonuses (liquidated by 9/30/2023)
- **CRRSA**: Sustainment payments, background check fees, training and technical assistance (CPR/first aid and trauma-informed care and resiliency) (liquidated by 9/30/2023)
- **ARPA**:
  - Increased CCAP reimbursement rate
  - Increased CCAP eligibility threshold making more families eligible
  - Increased add-on incentives for those providing care to children with special needs; providing care during non-traditional hours; and program who are accredited
  - Offered start-up grants for center based and family child care programs
  - Offered public preschool partnership grants
  - Piloted an infant and toddler contracted slots program
  - Provided an array of training opportunities at no cost
  - Increased scholarships to those employee in child care settings
  - Offered technology grants to assist programs with administration
  - Offering free access to a child care management system
  - Supported registered apprenticeship programs
  - Stabilization payments liquidated by 9/30/2023, other funding liquidated by 9/30/2024
Annual cost to maintain Child Care Investments

$200M  Recurring quarterly sustainability payments

$40M  Increased provider reimbursement rates (80th percentile of the Market Rate Study)

$40M  Increased CCAP eligibility threshold (200% of the federal poverty guidelines)

$20M  Facility reimbursement based on CCAP enrollment versus attendance

$30M  Income exclusion for child care facility staff

$330M  Total
Governor’s Budget Request for Child Care

• $40M each fiscal year to retain provider reimbursement rates at current level

• $35M over biennium to increase reimbursement rates to child care providers specifically for the care of children ages 0 through 3 not eligible for the Child Care Assistance Program (CCAP)

• $172M each fiscal year to finance universal preschool education for all four-year old children
Universal Preschool

Benefits

• Access to:
  • Transportation services
  • Family Resource and Youth Service Centers (FRYSC)
  • School nurses
  • Nutritional services
  • Intervention staff
  • Afterschool services
  • Access to extracurricular activities

• Improves kindergarten readiness