CONNECTICUT BLUE RIBBON PANEL ON CHILD CARE

On March 17, 2023, Connecticut Governor Ned Lamont issued Executive Order 23-1 creating a diverse Blue Ribbon Panel on Child Care and charging the group with the development of a Five-Year Strategic Plan for the state's child care and early education system. In preparation for its initial report, due January 1, 2024, the Panel will:

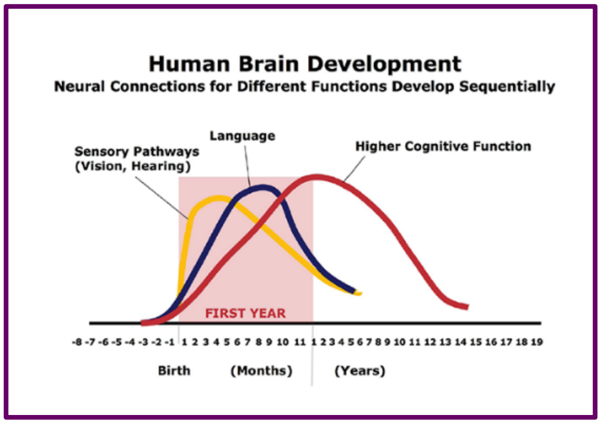
- Create a sustainable framework for coordination among all Connecticut stakeholders,
- Explore state agencies and municipalities' efforts to develop equitable, high-quality child care and early education systems that address unmet needs, enhance the state's early care infrastructure, and improve health, educational and economic outcomes in the state,
- Develop recommendations on state and federal statutory reforms to support the improvement of child care and early education services, including -but not limited to – streamlining funding sources and reducing statutory and regulatory burdens, and
- Put forward an initial plan to support the implementation of recommendations after the planning year.

The Panel's work will be supported by The Hunt Institute, a nonpartisan education policy support to the nation's governors and state lawmakers founded in 2001 by four-term North Carolina Governor Jim Hunt.

In preparation for the Panel's first meeting, this short issue brief is designed to introduce panel members to the current child care landscape – both in Connecticut and nationwide.

THE SCIENCE OF EARLY LEARNING AND ITS IMPLICATIONS FOR CHILD CARE

For decades, America's child care policy has been premised on an erroneous belief that child care and education are separate and distinct. To wit, child care has often been viewed as a custodial setting in which children can be attended safely while their parents participate in the workforce, while learning has been widely considered the domain of the public schools beginning at kindergarten entry.



Decades of research on the developing brain, however, directly contradict this notion. With the benefit of science, we now understand that the period from prenatal to age three is a uniquely consequential window of human development during which the fundamental architecture of the brain is "wired" in ways that will either promote – or hinder – children's long-term success in school and life.

Further, the field has come to understand the error of its oft-stated goal that children "come to kindergarten *ready to learn*." Indeed, current research demonstrates that children begin learning in utero, with babies able to distinguish the native language of their mothers only hours after birth and soothing, for example, to songs played frequently during the final months of pregnancy. Put simply, children are born learning – with the optimal development of the brain's neural circuitry highly dependent on their interactions with adult caretakers during the first months and years of life.

Among newborns' most critical needs are nurturing "serve and return" interactions through which attentive caregivers – both inside the home and elsewhere – respond to babies actions and expressions with supportive language, gestures, and facial expressions that build and strengthen connections within the infant's brain.

Taken in combination, these scientific understandings demand we rethink our conceptions of child care itself – acknowledging early childhood classrooms as, perhaps, humankind's most important learning environments and the quality of early caregiver interactions of lasting consequence for children in both school and life.

CHILD CARE AS AN INSUFFICIENT AND BROKEN MARKET

In light of these understandings, the insufficiency of the nation's current child care model comes into sharp relief. At precisely the time young children most require stable, responsive relationships with well-trained early childhood educators, America's existing child care system provides many just the opposite: a revolving door of poorly compensated and minimally trained adults with an estimated annual attrition rate as high as 40%.

The industry's shortcomings are the result of a fundamentally broken economic model, in which high-quality early care and education costs more to provide than the majority of working families can afford. Indeed, the cost of infant care now exceeds the cost of in-state college tuition in more than half of American states and routinely outpaces the cost of housing, especially for lower- to middle income working families. Child care providers, meanwhile, scrape by on the narrowest of profit margins – which economists at the Minneapolis Federal Reserve estimate at less than 1% for most child care businesses.

The industry's precarious economic model is ultimately subsidized by its low-income workforce, almost all of whom are women and a majority of whom are women of color. These employees subsist on a median national salary of $13.22 an hour, according to the most recent available data from the Bureau of Labor Statistics – or 59 cents an hour less than animal caretakers.

It is important to note that this broken economic model existed before – and has been badly exacerbated by - the COVID-19 pandemic. In an increasingly tight labor market, other low-income employers including fast food restaurants and big box stores have been forced to elevate their own starting pay, creating new competition for employees. As a result, while employment levels (writ large) now generally exceed pre-pandemic levels, the same cannot be said of the child care industry, which continues to operate some 8.4 percent below February 2020 figures – leaving classrooms vacant due to lack of staffing, even as parental demand continues to skyrocket.

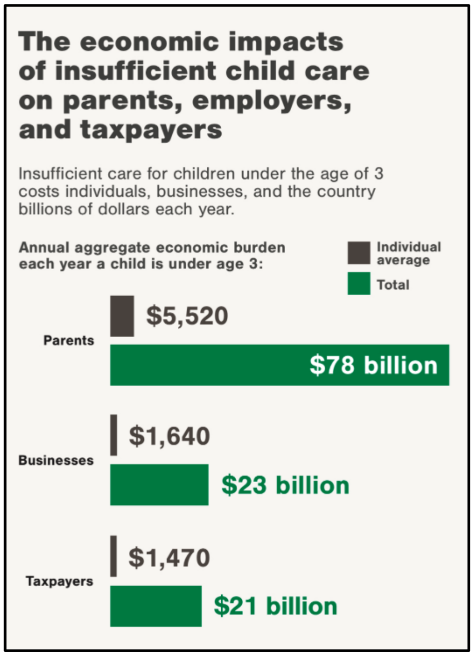
At present, many of America's child care providers remain solvent by virtue of one-time COVID-relief dollars distributed to stabilize the industry via the American Rescue Plan Act. But with these dollars set to expire by 2024, states find themselves in the urgent position of needing to step in to ensure the industry's ongoing stability and workforce participation of millions of American parents.

SPOTLIGHT ON CONNECTICUT

- According to the **Economic Policy Institute,** the **annual cost of infant care in Connecticut is $15, 501 (or $1,292 per month).**
- Connecticut is ranked **5th out of 50 states for most expensive infant care**.
- Infant care in Connecticut **costs $3,146 (25.5%) more per year than in-state tuition for four-year public college.**
- In Connecticut, infant care costs **10.9% more than the average rent.**
- **73% of Connecticut's young children** live in households where **all available adults participate in the workforce**, making child care a daily necessity for a majority of CT families.

THE ECONOMIC CASE FOR EARLY INVESTMENT

The nation's child care access crisis is simultaneously fueling a financial crisis. According to a 2023 analysis by Ready Nation, insufficient infant/toddler care has a $122 billion annual impact on the American economy – **with a $1.5 billion impact to Connecticut itself.** (Because this analysis is focused exclusively on children under the age of three, the authors note that its topline figures are likely a gross underrepresentation of the problem's full scale.)



The bulk of this impact - $78 billion annually – is shouldered directly by parents in the form of lost or foregone wages resulting from lack of child care access. According to the Ready Nation analysis, 44% of American parents have had to reduce their regular work hours as a result of child care-related challenges, with 41% forced to forego professional advancement/promotions and 36% missing out on professional training. Employers and taxpayers share this annual burden to the tune of $23 billion and $21 billion respectively in the form of lost productivity/profitability and unrealized tax revenue.

In addition to these real-time impacts, the long-term case for early investment is compelling. Nobel Prize winning economist James Heckman, formerly of the Minneapolis Federal Reserve, notes that taxpayers can expect a return on investment of 7-13% annually as a result of public investment in high-quality early childhood programming – with the greatest returns realized by the earliest investments.

CONNECTICUT'S CURRENT CHILD CARE LANDSCAPE

In December 2022, the National Association for the Education of Young Children released telling, state-by-state results of a nationwide child care provider survey. With federal pandemic relief funds nearing depletion, 82% of Connecticut child care centers and 92% of family child care homes reported having received stabilization grants from the state – with nearly 36% reporting that their programs would have closed permanently without grant funds.

In anticipation of the end of these supports, 52% of Connecticut providers report that they will be forced to raise tuition to maintain operation, with 42% reporting that they will be forced to cut wages or discontinue recent salary increases. Meanwhile, programs are struggling to staff to even existing capacity. One in three Connecticut providers reported being under-enrolled at the time of the survey, with 63% reporting staffing shortages. As a result, 41% of those surveyed indicated that they are considering leaving the field, with this number reaching still greater heights within minority-owned programs (71%), family child care providers (52%), and those in the field for less than five years (70%).

Connecticut's full results can be viewed here.