

The Task Ahead: IC 12-17.2-3.8-5

- Establish child development and educational goals, including the development of standards and objectives for early education programs that receive state or federal funds.
- Design and maintain an approach to measuring progress towards goals, including objective measures of academic quality.
- Assess the attainment of goals and evaluate the efficacy of state and federal spending.
- Assess whether licensing requirements are equitable, reinforce established goals and support system sustainability.
- Conduct periodic needs assessments.
- Identify opportunities for/barriers to collaboration among agencies.
- Design workforce strategies and assess effectiveness.
- By November 30th, develop and make recommendations to the Governor and the Legislative Council.



Early Care and Education Overview & Situational Analysis

Early Learning Advisory Council
August 2022



Office of Early Childhood &
Out-of-School Learning

Situational Analysis



Funding Model

- Funding sources
- Estimated FY2023 budget
- Federal relief dollars



Ecosystem Overview

- Licensing
- Quality Rating and Improvement System
- Supporting infrastructure



Data Snapshot

- System supply
- Current market demand
- State of learning



Funding Model

- Funding Sources
- Estimated FY2023 budget
- Federal relief dollars



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Funding Streams

Authorized by the Child Care and Development Block Grant Act (CCDBG), the Child Care and Development Fund (CCDF) is the primary federal program providing families with child care subsidies and funding supports to states to improve quality. **CCDF is jointly financed by federal and state governments and consists of three funding streams:**



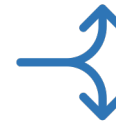
Mandatory

State funds are allocated according to a formula based on each state's share of children under age 5 each state's share of children receiving free- or reduced-price lunches, and state per capita income.



Matching

To access matching funds, states must provide a share of the matching funds (based on the Federal Medical Assistance Percentages rate) and spend at their required maintenance of effort (MOE) level.



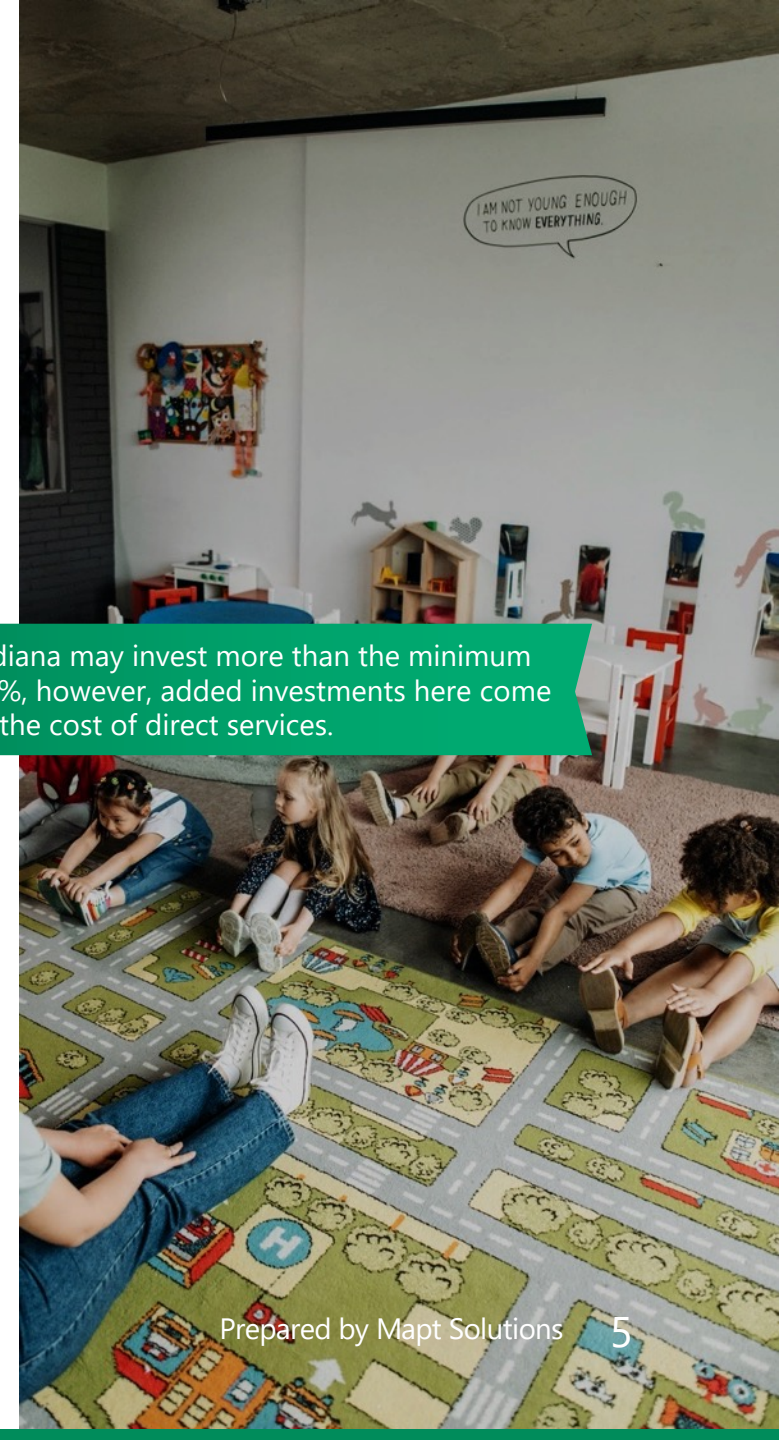
Discretionary

Additional funding provided to states under the CCDBG Act to improve the quality of early care and education and afterschool programs. Discretionary allocations include a per-child amount based on the child count declaration.

Estimated Budget for FY2023

Total Mandatory, Match & Discretionary federal	\$198,785,446.00
Less: 30% Match transferred to PreK	(\$10,656,164.00)
Plus: TANF transfer to CCDF	\$61,835,002.00
Total Federal	\$249,964,284.00
Less: Admin Earmark 5% Cap	(\$13,031,022.40)
Less: Quality Earmark 9% min	(\$23,455,840.32)
less: Infant & Toddlers 3% min	(\$7,818,613.44)
Total Federal Earmarks	(\$44,305,476.16)
Plus: State MOE requirement	\$15,356,947.00
Plus: State Matching requirement	\$24,667,256.00
Less: 30% State Match transferred to PreK	(\$5,655,123.00)
Total State	\$34,369,080.00
Total available for services FY23	\$240,027,887.84

Indiana may invest more than the minimum 12%, however, added investments here come at the cost of direct services.



Federal Child Care Relief Funding

Additionally, in response to the COVID-19 pandemic, states received federal child care relief funding through three streams including:

March 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	December 2020 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act)	March 2021 American Rescue Plan Act (ARP Act)
Awarded \$4 billion for child care programs and Head Start	Awarded \$10 billion for child care programs and Head Start	Awarded \$39 billion for child care programs
Indiana's appropriation: \$78M	\$225M	\$888.9M
Funds remaining: \$0	Funds Remaining: \$76.1M	Funds Remaining: \$347.9M

Remaining CRRSA and APR funds must be obligated by September 30, 2022.



Ecosystem Overview

- Funding sources
- Regulatory environment
- Supporting infrastructure



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Provider License Types

Indiana operates a mixed-delivery system, enabling parents to choose among several provider types. **There are currently 4,145 licensed or registered providers with an estimated capacity of 171,000 seats.**

License Center-Based

A nonresidential building where at least one child receives child care from a provider: while unattended by a parent, legal guardian,, or custodian; for compensation; and more than four hours a day, 10 consecutive days.

683

Total Programs

73,407

Licensed Capacity

License Family Child Care

A residential structure where more than five children (not including those related to the provider); while unattended by a parent, legal guardian,, or custodian; for compensation; and more than four hours a day, 10 consecutive days at any time receive child care from a provider.

2,161

Total Programs

28,168

Estimated Capacity

Unlicensed Registered Child Care Ministry

Meets the center definition but is operated by a church or religious ministry that is a religious organization exempt from federal income taxation under Section 501 of the Internal Revenue Code.

655

Total Programs

59,162

Recommended Capacity

Exempt Child Care Programs

They meet the definition of a center or home but must prove that they meet one of the exemptions on list (IC 12-17.2-2-8) not to be licensed.

OR

They do not meet the definition of a home or center. (Example: nine days operating)

646

Total Programs

10,263

Estimated Capacity

Regulatory Considerations

While Indiana's system offers choices for families, the regulatory structure has clear areas for improvement. Some opportunity areas include:

- ▶ **Most of Indiana licensing regulations are 20+ years old.** Current regulations do not account for how the ECE system, workforce and business practices have changed.
- ▶ **Regulations are based on individual facilities,** creating little advantage for providers to operate with administrative scale as part of a network.
- ▶ **Regulatory requirements are uneven across provider types** and often extend beyond health and safety considerations.
- ▶ **Workforce requirements make it difficult for providers to operate** and staff classrooms, particularly at the infant and toddler level.
- ▶ **The strictest requirements exist for child care centers,** which often creates added burden for programs and encourages others to work outside the structure by operating center-like programs under other auspices.
- ▶ At present, there are **few incentives for providers to expand and operate more efficiently.**

Beyond the licensing structure, providers are accountable to other compliance structures, including Paths to QUALITY™, accreditation, the Child and Adult Care Food Program, On My Way Pre-K and CCDF. Providers often struggle to understand and comply with the varying requirements of these programs.

Workforce Requirements for Licensing

- The required adult-to-child ratio in a pre-kindergarten classroom is 1 to 12, making these classrooms critical revenue centers for programs. However, **the ongoing expansion of public pre-K has eroded pre-K enrollment in community programs, making it difficult for providers to operate and continue providing services to infants and toddlers.**
- Low staff-to-child ratios in **infant and toddler rooms make services costly and often loss leaders.** This reality often prevents providers from shifting under-enrolled capacity or expanding services to meet growing market demand.
- Also, **constraining infant and toddler supply is the age requirement of 21 years or older for staff.** Other age groups require a minimum age of 18.

Child to Staff Ratios for Licensed Centers & Unlicensed CCDF Providers with more than 16 Children Enrolled

Age of the Youngest Child	Maximum Children Per 1 Caregiver	Maximum Children in 1 Class
Infant (Birth-11 Months)	4	8
Toddler 1 (12-23 Months)	5	10
Toddler 2 (24-35 months)	5	10
<i>30-36 months</i>	7	14
Pre-School (35-47 months)	10	20
Pre-K (48-59 months)	12	24
Kindergarten (60-71 months)	15	30

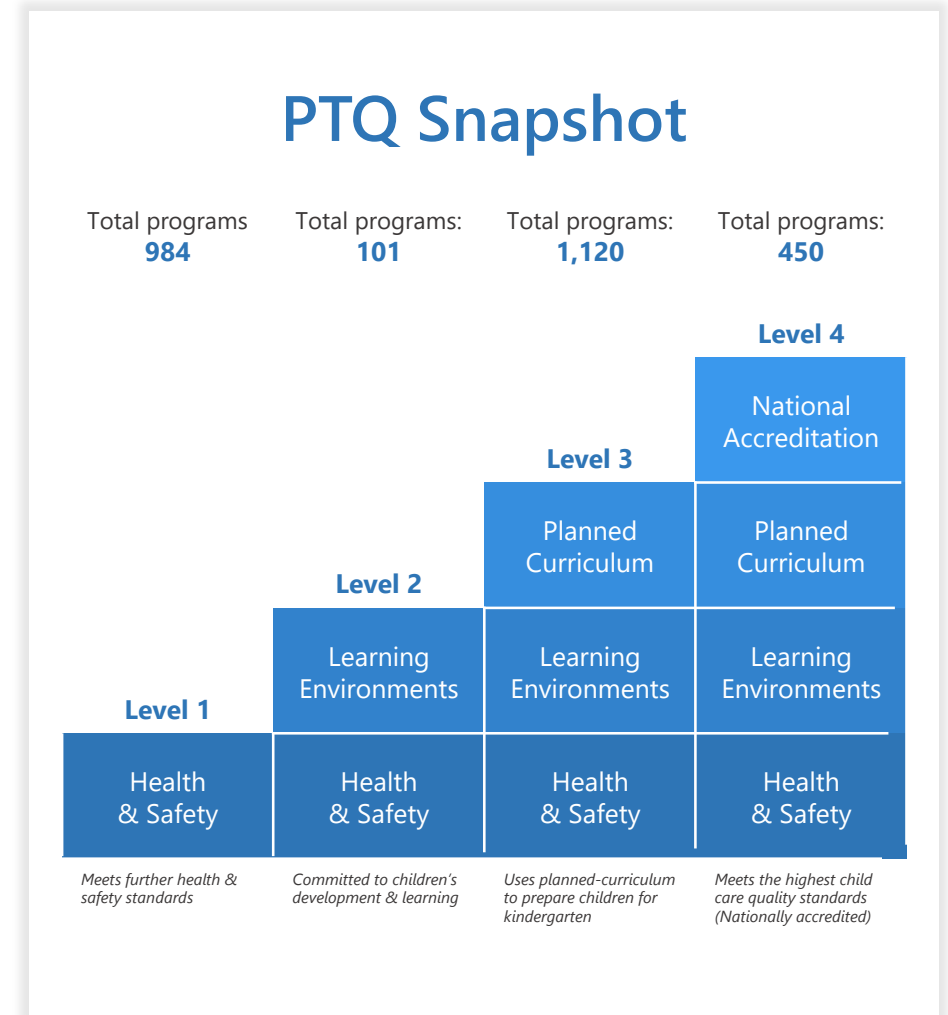
Child to Staff Ratios for Child Care Homes and Mixed Age Groups

Children 16 months & Over

	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
0	2	2	2	2	2	2	1	1	1	1	1	1	1	1	1	1
1		2	2	2	2	2	1	1	1	1	1	1	1	1	1	1
2			2	2	2	2	2	1	1	1	1	1	1	1	1	1
3				2	2	2	2	2	1	1	1	1	1	1	1	1
4					2	2	2	2	2	2	2	2	2	2	2	2
5						2	2	2	2	2	2	2	2	2	2	2
6							2	2	2	2	2	2	2	2	2	2
7								3	3	3	3	3	3	3	3	3
8									3	3	3	3	3	3	3	3
9										3	3	3	3	3	3	3
10											4	4	4	4	4	4
11												4	4	4	4	4
12													4	4	4	4
13														5	5	5
14															5	5
15																5

Paths to QUALITY™

- Paths to QUALITY™ is Indiana’s Quality Rating and Improvement System (QRIS). The system is voluntary and consists of four levels, each building on the foundation of the previous one. While all participating programs meet basic health and safety standards, those with higher levels do more to support child learning.
- All programs participating in Paths to QUALITY™ meet standards designed to support children’s healthy growth and development. Programs are visited annually to verify the level of care and education they are providing.
- Currently, **64% of licensed early care and education providers participate in Paths to QUALITY™**. Nearly 40% of PTQ providers remain at Level 1.
- Many **providers who remain outside the quality rating framework either lack the intrinsic motivation or foundational infrastructure** to succeed in the program.
- Additionally, while the program was an important first step in establishing Indiana’s commitment to quality improvement, **it is now more than a decade old and does not correlate to learning outcomes based on nationally-recognized measures.**



Related Workforce Requirements

- Recognizing the most important determinant of early learning outcomes is the effectiveness of educators, **the Paths to QUALITY™ program requires programs to comply with specific staff development and training standards.** For example, PTQ Level 3 workforce requirements for centers, homes and ministries are below.

Child Care Center	Child Care Home	Registered Child Care Ministry
<ul style="list-style-type: none"> 50% of teaching staff have either a CDA or equivalent certificate, an early childhood degree or equivalent degree OR completed 60 clock hours of educational training leading to an early childhood/child development degree or CDA credential. At least 50% of teaching staff, including the Director, participate annually in a minimum of 20 clock hours of educational or in-service training focused on topics relevant to early childhood. 	<ul style="list-style-type: none"> Lead Caregiver has at least 12 months experience as a caregiver in a licensed child care setting or in a child care setting that is accredited by one of the Bureau of Child Care approved, nationally-recognized organizations. Lead Caregiver will have a current CDA or equivalent certificate, OR an early childhood degree or equivalent degree; OR have completed 60 clock hours of educational training leading to an early childhood/child development degree or CDA credential within the past three years. At least 50% of caregivers, including the lead caregiver, annually participate in a minimum of 20 clock hours of educational or in-service training focused on topics relevant to early childhood. 	<ul style="list-style-type: none"> 50% of teaching staff have either a CDA or equivalent certificate, OR an early childhood degree or equivalent degree, OR have completed 60 clock hours of educational training leading to an early childhood/child development degree or CDA credential. At least 50% of teaching staff, including the Director, annually participate in a minimum of 20 clock hours of educational or in-service training focusing on topics relevant to early childhood.

- Pre-pandemic, with turnover rates of 30+% and workforce shortages projected to top 9,000, providers struggled to meet PTQ workforce requirements. **Due to the current environment, more than 375 have dropped from the program due largely to these requirements since January of 2021.**

Supporting System Infrastructure

In addition to providing direct assistance to families, Indiana contracts with several entities to provide operational and quality improvement support for the early care and education system.

These include:



SPARK Learning Lab

Develops, offers and maintains system-wide professional development offerings and provides direct technical assistance to programs to improve their quality level.

\$11.6M



Indiana Association for the Education of Young Children

Provides support for workforce development efforts including managing the non-formal CDA and TEACH projects, overseeing the Training and Trainer Approval System, and providing staff and career coaching.

\$8.3M



Early Learning Indiana

Manages the state's consumer education site and related support channels. Provides central office support, including marketing, data and coordination services, for the state's CCR&R network.

\$3M



Child Care Resource and Referral Network

Provides direct care-finding and education support for families. Supports local capacity-building and stakeholder engagement efforts.

\$5.2M



Eligibility Determination Offices

Processes applications, determines family eligibility and performs reauthorizations for CCDF and On My Way Pre-K.

\$4M



Data Snapshot

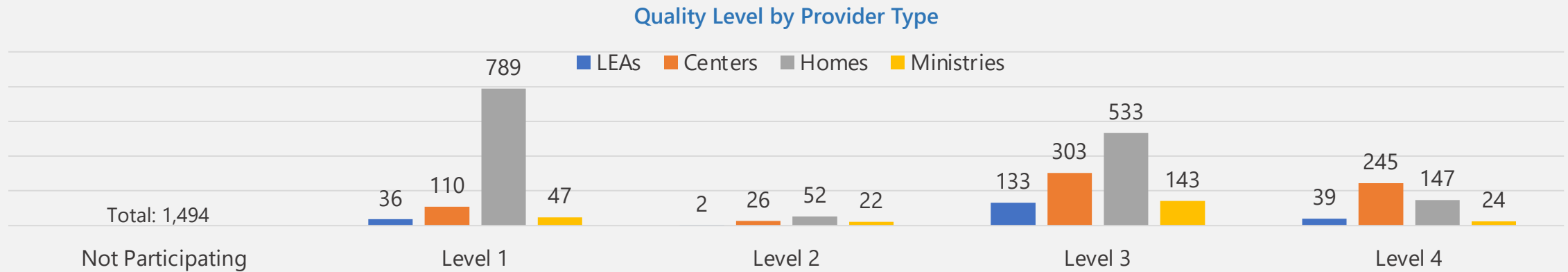
- System supply
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System Supply

- Currently, there are 4,145 licensed or registered early care and education providers in the state with an estimated capacity of 171,000 children.
- **89% of these providers are CCDF-eligible**, meaning they have met the initial requirements to serve subsidy children. Currently, however, **almost a quarter of them are not currently serving any subsidy children**.
- The chart below illustrates providers by Paths to QUALITY™ level:

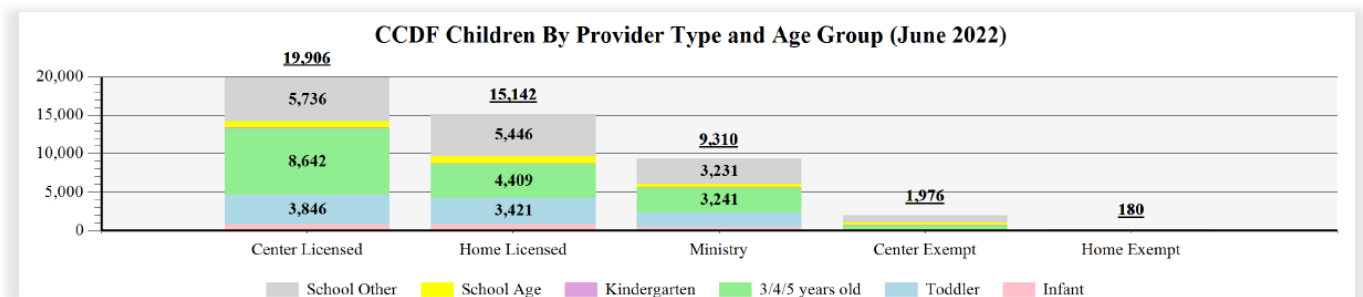
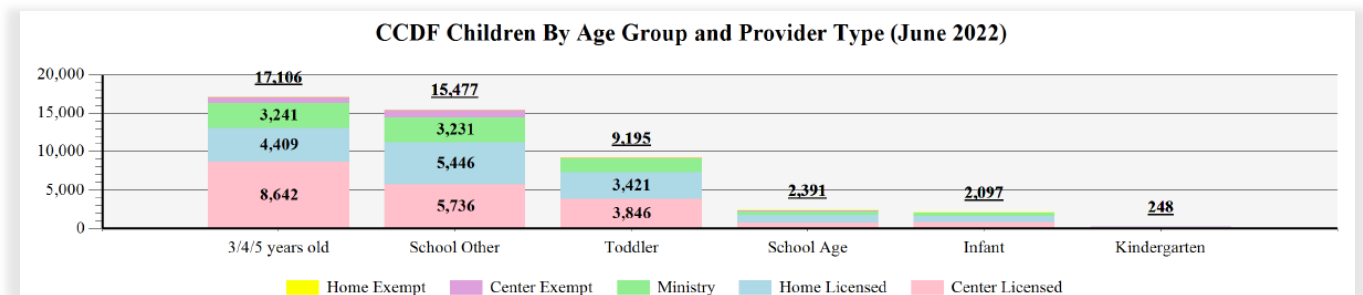


- There are **currently more than 3K open teaching positions reported within the system**, directly constraining available system supply.

In April 2021, OECOSL introduced an enrollment reporting tool to collect data regarding supply and demand and inform ongoing relief efforts. View at brighterfuturesindiana.org/scholarships/enrollment.

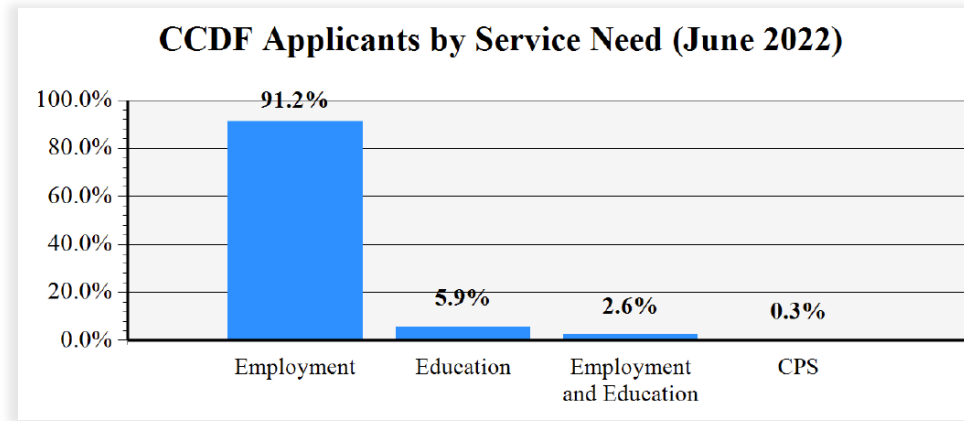
Current Demand Levels

- As of June 2022, **44,437 child care subsidy vouchers have been authorized in the state**. 40,699 of these are for CCDF, and 3,738 are for On My Way Pre-K.
- As of July 2022, **4,731 of these vouchers remain in pending status** due partly to families' inability to find and access care.
- Of the vouchers in use, 43% are being used in child care centers, 32% in homes, 20% in registered ministries and 5% in other care settings.
- Currently, the **average time a child is on a CCDF voucher is 27 months, with an average weekly cost of care of \$172.36**.
- More than a quarter of subsidy families have a copay at an average of 9% of income.
- **More than 50% of CCDF families also have overages**. Across all age groups and provider types, the voucher overage is \$38.65. The highest overages are in the infant and school-age child groups, \$43.37 and \$43.06, respectively.

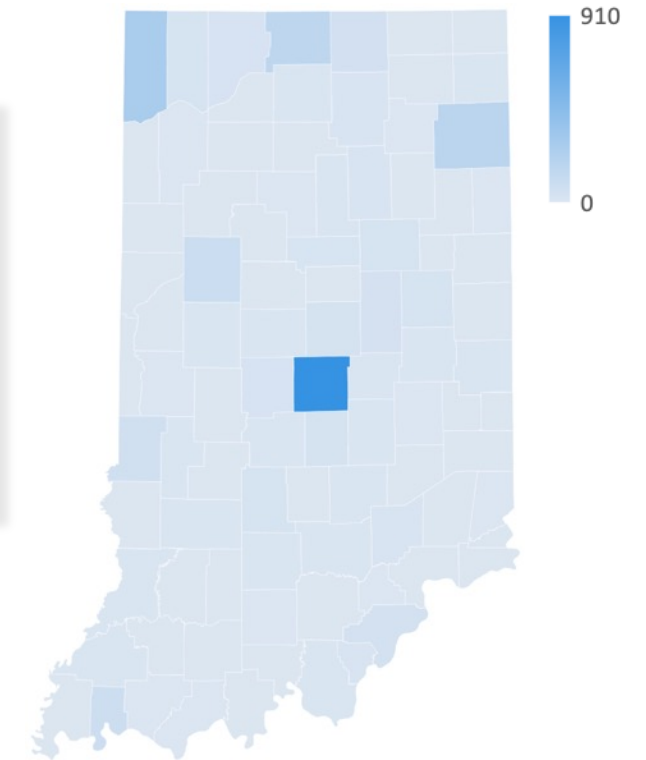


Demand Levels (Continued)

An additional 2,592 subsidy applications have been submitted and are being processed by eligibility determination offices.



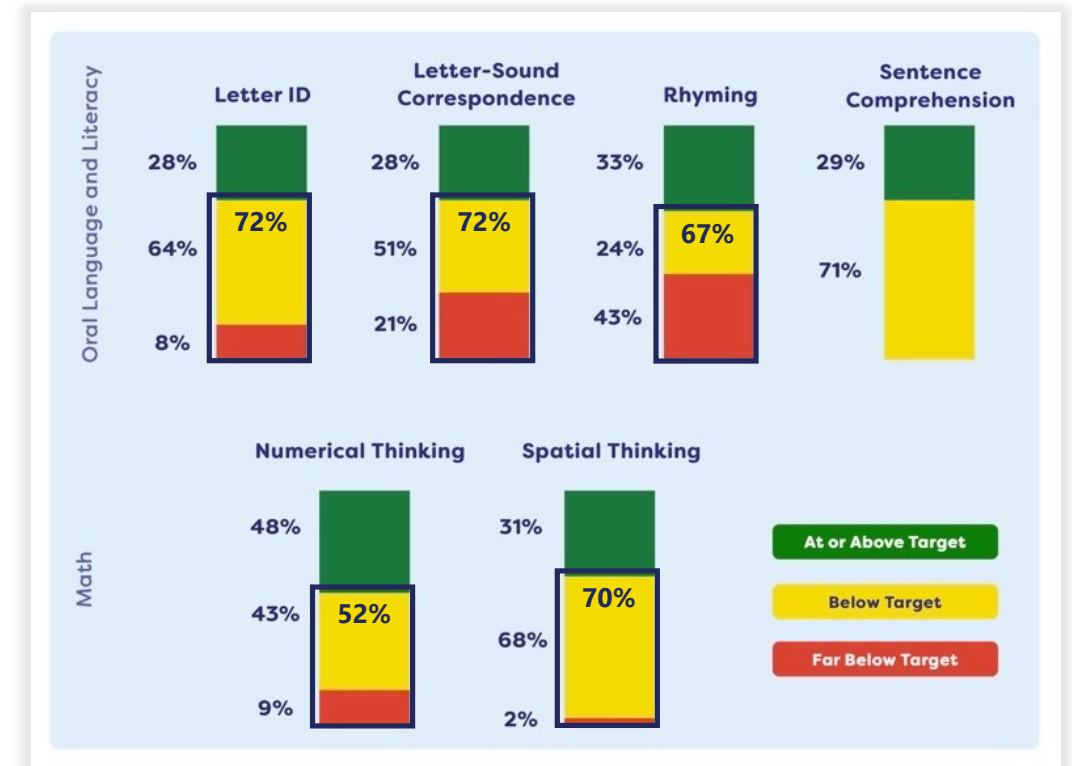
Pending Applications by County



OECSL invested \$1M in Early Learning Indiana's new care-finding marketplace to provide families with a modern tool to find and access care.

State of Learning: 2020-21 KRI Data

- **On My Way Pre-K is Indiana's State Funded pre-K program** that was signed into law in 2014 to provide 4-year-old children from low-income families with access to high-quality pre-kindergarten opportunities.
- **In 2019, the Indiana State Board of Education adopted the Kindergarten Readiness Indicator (KRI)**, an assessment meant to measure selected foundational academic skills needed for success in kindergarten, to collect aggregated data on kindergarten readiness for the On My Way Pre-K program.
- KRI aims to assess children's understanding of six oral language, literacy and math skills in the spring prior to kindergarten entry.
- **1,608 of the 2,476 students enrolled in On My Way Pre-K programs across Indiana were assessed in the Spring of 2021.** Students in this sample come from 320 programs in 55 counties.
- The figure to the right illustrates student performance on each KRI skill. Students in green are at or above target scores; students in yellow are below target scores; and students in red are far below target scores.





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Prepared by Mapt Solutions

Birth to Five Strategic Plan: Four Prioritized Work Streams

- **Infrastructure:** Stabilize the childcare and education provider network to provide consistent, high-quality childcare and education for Hoosier families by reviewing the current B-5 infrastructure.
- **Quality:** Improve the overall quality of early childhood care and education programs by building upon Indiana's current definition of "high-quality" early childhood care and education and updating Paths to QUALITY to link quality standards to outcomes-driven standards. This includes tying Paths to QUALITY Level 4 to Indiana defined standards rather than achieving accreditation from a national organization.
- **Kindergarten readiness:** By the end 2021, determine both formative and summative assessment options that inform early childhood care and education teachers and families by providing information about the readiness of children to enter kindergarten. This information should be able to inform resource allocation and policy decisions, training programs for early childhood care and education teachers, and strengthen curriculum development and instructional practices for the early childhood care and education system.
- **Data Integration:** Improve service delivery and reduce administrative duplication for families by increasing inter-agency collaboration and coordination through proactive data sharing via an Early Childhood Integrated Data System (ECIDS) Includes an action step to evaluate the use of a unique identifier (e.g. Student Testing Number) in order to facilitate children's transitions between birth-5 programs.








Informing the Path Forward

Early Learning Landscape Review

Indiana Early Learning Advisory Committee
August 2022



National Context

-  Public recognition for the importance of ECE and the need to address issues underpinning system progress has never been greater. **States are taking unprecedented action to advance and prioritize ECE policy.**
-  **Despite more than \$50 billion in federal aid, the system remains in a precarious state.** The labor market is more competitive than ever, operating costs continue to rise, and more families are struggling to pay for child care.
-  Providers' needs and operational positions have never been more varied, **widening the gap between providers with sound operational capacity and those without.** Compounding the fragmentation is a lack of technology, which creates challenges in understanding the current landscape and designing solutions.
- ★★★ Today's young children are more likely to live in poverty than any other generation. And due to pandemic disruptions, **parental focus on and perceptions of quality early learning experiences have been substantially altered.** This leaves many children without the educational experiences needed for success in kindergarten.
-  Rising costs and broad care shortages, especially within infant and toddler age groups, continue to influence **change in care-finding behaviors and drive increased demand for alternative care models.**
-  Stresses in the current operating environment are causing providers to focus less on instruction and quality, evident by **declines in both QRIS participation and public pre-K learning outcomes.** Additionally, the pandemic and reckoning over racial equity have raised urgent questions related to the structure of these programs.



From Restoration to Transformation

Policy Environments

- Focusing on kindergarten readiness
- Modernizing regulatory requirements
- Strengthening subsidy programs
- Revising quality structures
- Evaluating infrastructure investments

Building the Supply and Sustainability of High-Quality Care

- Building access for subsidy families
- Encouraging operational efficiency and scale
- Expanding high-quality supply
- Driving business sector support

Strengthening the Early Learning Workforce

- Addressing recruitment and retention
- Supporting new training and preparation models
- Deploying system-level supports



Trending in Policy Environments

A focus on kindergarten readiness

States are using this moment to look to the future and re-establish the function and purpose of early learning systems – to support children in arriving ready for school. This shift is strengthening the connective tissue between ECE and K-12 programs and reshaping public perceptions of the early years.

- ▶ Redefining kindergarten readiness standards and related assessments
- ▶ Strengthening governance and accountability structures
- ▶ Instituting data systems to help identify barriers, monitor progress and inform future decisions
- ▶ Enacting legislation to address data collection, specifically targeting program quality and effectiveness

Washington Builds Preschool-to-Third Grade Outcomes

By fall 2023, DCYF and the Office of Superintendent of Public Instruction will launch an integrated report with recommendations for aligning and integrating high-quality early learning programs administered by both agencies and building coordination for improved P-3 outcomes.



Modernizing regulatory environments

States increasingly recognize that before the deployment of transformational efforts, specific prerequisites, such as the regulatory environment, must be met to help create the necessary foundation to build. In addressing regulatory structures, states are identifying short-term opportunities to support ongoing system recovery efforts while acting on more comprehensive, long-term redesigns.

- ▶ Issuing temporary changes/waivers for regulations impeding providers' ability to regain sustainability
- ▶ Reconciling regulations across provider types to address access barriers and inequities
- ▶ Addressing areas of undue regulatory burden for providers (e.g., documentation, staffing restrictions)
- ▶ Creating new license types for networked providers
- ▶ Incentivizing operational efficiencies (e.g., use of CCIMS, business automation, reporting systems)
- ▶ Creating temporary flexibility for new and expanding providers to meet licensing requirements



Massachusetts Overhauls ECE Regulatory Environment

As part of the state's first ECE strategic plan, MA is conducting a comprehensive review and revision of the state's regulatory environment. Through this effort, the state plans to adopt principles of simplicity, coherence and alignment while solving access, quality and safety issues. Additionally, the state hopes to integrate licensing and accountability structures in ECE policy.

Strengthening subsidy programs

As states work to support the development of a healthy and sustainable system for all families, they prioritize those most in need. In recognition of the growing needs of these children and families, states are making strategic investments to expand access to high-quality services and better support continuity of care.

- ▶ Expanding income eligibility and amending related requirements
- ▶ Redesigning eligibility determination structures
- ▶ Increasing subsidy reimbursement rates to incentivize providers to serve the most vulnerable children
- ▶ Removing copays and extending voucher periods within agreement center models
- ▶ Amending and/or instituting measures that limit or prohibit suspension of subsidy children



New Mexico Closes Affordability Gap for Vulnerable Families

Last year, NM announced a dramatic expansion to the state's child care assistance program using federal discretionary dollars. The effort nearly doubles eligibility, bringing it to 300% of FPL with a phase-out at 400%. Additionally, the state instituted a new cost estimate model for setting subsidy rates, increasing rates across all settings and incentivizing providers to meet growing access and quality demands.

LA

MS

GA

Three States to Watch in QRIS Reformation

Mississippi has been working to drastically scale back and redesign its QRIS following a memo submitted to the U.S. Commission on Civil Rights, which unpacked some of the racist structures within the state's QRIS system.

In **Louisiana**, just a single criterion is measured – adult-child interactions. They have chosen to focus on what studies show as the key driver of child learning outcomes.

Georgia has introduced graduated rate structures to incentivize lower adult-child ratios and provide support for adult-child interactions.

Revising quality structures

Quality Rating and Improvement Systems (QRIS) aim to increase the availability of high-quality ECE programs, facilitate professional development and strengthen parents' understanding of their options. The pandemic and the reckoning over racial equity have raised urgent questions about whether QRIS criteria are equitable, and whether systems succeed in expanding transparency and accountability. As a result, states are redesigning quality structures for increased outcomes.

- ▶ Establishing operational sustainability as a prerequisite for quality
- ▶ Centering teacher-child interactions (e.g., introducing rate structures that incentivize lower adult-child ratios)
- ▶ Replacing incentives that widen inequities with investment in workforce compensation and upfront funding for providers
- ▶ Retiring star ratings in favor of micro-credentials or specialization “badges”
- ▶ Requiring greater coordination between school and community providers
- ▶ Promoting job-embedded training and professional development

Evaluating infrastructure investments

Amid transformation efforts, states are evaluating current infrastructure investments and opting for technology and market-based solutions over historic programmatic investments. Additionally, as states step out of the pandemic, industry stakeholders are noticing subtle changes in how states see their own roles in ECE moving forward.

- ▶ Making intentional cultural shifts toward the use of technology, data analytics and evaluation
- ▶ Re-orientating operations and staffing structures to emphasize user centeredness, equity and service
- ▶ Supporting the creation of modern care-finding tools
- ▶ Reassessing the role CCR&R networks
- ▶ Changing or diversifying professional development investments (e.g., allotting funding directly to providers to obtain professional development versus funding professional development providers)
- ▶ Investing in new system-level workforce supports

States Refocus CCR&R Investments

With new investments in technology and care-finding solutions, states are refocusing the scope and role of CCRR networks to increase accountability and build support for the most vulnerable families. Additionally, some states are opting to embed support in the expansion and success of systems that already exist to support families.




Supply Building

Increasing reimbursement rates and introducing new strategies for contracted subsidy slots

States are increasingly focused on reinforcing and growing the supply of high-quality care for low-income families by increasing subsidy reimbursement rates and introducing new strategies to guarantee slots in high-quality programs for subsidy children.

- ▶ Instituting new methodology for determining subsidy reimbursement rates (e.g., cost and quality formulas)
- ▶ Allowing for enrollment-based subsidy payments
- ▶ Establishing a base level of high-quality supply for subsidy children using contracted slot models



Georgia established a Quality Rated Subsidy Grant program to address a shortage of infant and toddler care. The initiative provided programs with higher reimbursement rates at approximately 50% above the traditional rate for granted slots. Providers were required to meet certain quality, staffing and enrollment standards and assumed responsibility for recruiting families and verifying eligibility. Families were not required to pay copays, and their voucher was effective through age 3, when the child would be eligible to transition to the state's preschool program. Before being paused due to the pandemic, the program funded about 3,000 slots across 141 child care providers. Early data indicated that children transitioning from the program and advancing through the preschool program had more robust learning gains.

Promoting operational efficiency and scale

States are increasingly recognizing the inextricable link between a program's achievement of operational sustainability and its ability to focus on teaching and learning. This realization is driving states to deploy changes to address the fragmentation and inefficiencies that make ECE providers so economically fragile.

- ▶ Addressing regulatory requirements that create undue operational burden for providers
- ▶ Promoting the use of technology through new reporting practices (e.g., interoperability and data sharing opportunities that ease reporting requirements for a providers using a CCIMS)
- ▶ Incentivizing economies of administrative scale (e.g., organizational licenses that create operational and process efficiencies for networked providers)
- ▶ Supporting the development of family child care networks
- ▶ Offering grants to support providers in building business efficiencies



Minnesota Launches Child Care Regulation Modernization Project

In 2021, MN passed legislation and allocated federal funding to support the modernization of child care regulation practices. The effort includes three components: key indicator systems for abbreviated inspections, risk-based tiered violation systems and revised licensing standards. Throughout each, there's a focus on addressing the regulatory requirements that create an undue operational burden for providers.

Supporting the expansion of high-quality care

In addition to providing support for existing high-quality care, states are working on expanding the supply of programs in a variety of ways.

- ▶ Financially incentivizing high-quality providers to expand into key geographies
- ▶ Establishing tax credits to provide breaks for families enrolled in high-quality care, staff working in high quality programs or businesses supporting access to high-quality care programs
- ▶ Addressing common financial and physical barriers to expansion (e.g., tax issues and exemptions, incentivizing the repurposing of vacant space in priority communities, etc.)
- ▶ Launching public-private partnerships to support drive large-scale seat expansion



Iowa Addresses Barriers to high Quality Care Expansion

In the 2021 Governor's Taskforce Report, Iowa outlined a series of strategies for strengthening its child care system, including several aimed at addressing common financial and physical barriers to provider expansion. These include:

- Instituting a new sub-category to treat child care center property tax as residential property
- Creating a sales and use tax exemption on building materials used for the construction or expansion of licensed child care centers
- Establishing a pilot project to transform vacant school buildings into child care centers using local and state resources

Louisiana's School Readiness Tax Credits

Louisiana offers a package of tax credits known as the School Readiness Tax Credits, which allow tax breaks for families, child care providers, staff and businesses that support high-quality care. The effort is a critical strategy in driving participation in the state's voluntary QRIS and building private sector support for child care financing.

Mobilizing the Business Sector Support

The private sector has a vested interest in the success of early learning programs, and as such stands to play a critical role in helping finance the growth of high-quality child care. States are fostering this engagement and providing clear ways for the private sector to meaningfully contribute to system progress.

- ▶ Instituting tax credit programs to encourage employers to financially support or increase access for employee populations
- ▶ Expanding/updating tax code provisions to enable businesses to further contribute to system progress (e.g., removing existing caps and adjusting DCAPs to allow businesses to claim a tax credit to offset the costs of setup and their employer contributions)
- ▶ Supporting the development of technical assistance supports for employers seeking to support child care
- ▶ Implementing employer designations to recognize business support



Workforce Development

Addressing recruitment and retention

The recruitment and retention of a qualified workforce are some of the most perplexing issues states are working to address as they focus on ECE. Early childhood workers have historically been among the lowest paid U.S. workers, significantly limiting the talent pool. As they grapple with unprecedented worker shortages, states are acting in various ways to solve this problem.

- ▶ Increasing subsidy reimbursement rates
- ▶ Introducing target compensation scales
- ▶ Implementing sign-on and retention bonuses structures
- ▶ Establishing matching workforce funds (e.g., \$1-to-\$1 state/local matches)
- ▶ Providing wage supplements to enhance educators' regular pay
- ▶ Leveraging tax credits to support workforce recruitment and retention
- ▶ Exploring new workforce staffing models



New Mexico Raises Subsidy Rates to Stabilize Providers and ECE Workforce

Alongside expanded subsidy eligibility, NM acted quickly to raise subsidy reimbursement rates across all settings and age groups using a cutting-edge cost estimate model. Doing so has helped to stabilize providers and encourage them to permanently increase compensation levels.

Introducing new workforce training models

Alongside recruitment and retention efforts, states are exploring how to strengthen workforce training and preparation models. This includes making teacher training programs more affordable and realistic in terms of time and completion. These shifts aim to increase overall effectiveness.

- ▶ Defining pathways for career entry and advancement
- ▶ Promoting portable and stackable credentials
- ▶ Supporting competency-based, job-embedded training models (e.g., apprenticeship models)
- ▶ Encouraging regional partnerships that engage high school students (i.e., CTE programs)
- ▶ Investing in educator-led coaching models
- ▶ Expanding leadership development opportunities with a focus on P-3 coordination



Massachusetts Defines Comprehensive ECE Workforce Development Plan

In its ECE roadmap, MA outlines plans for an educator credentialing framework which includes:

- Creating a standardized set of stackable, transferrable and nationally-aligned competencies to be gathered through education, training and in-field experience
- Partnering to ensure pathways are aligned to the needs of the field and that entry barriers are reduced
- Building the capacity of local and regional partners to provide credential-aligned programming

Expanding workforce supports

As they take on a more active role, states are supporting the creation of new system-level workforce solutions. While efforts vary widely, they all aim to address systemic issues and challenges that prevent ECE workers from entering or remaining in the field.

- ▶ Instituting centralized job search/application sites
- ▶ Fostering shared substitute teacher pools
- ▶ Offering new benefit programs for low-income child care workers (e.g., health, mental health, etc.)
- ▶ Expanding professional development resources and opportunities (e.g., flexible PD allotments)
- ▶ Introducing system-wide social-emotional practices, training and supports in partnership with K-12

Washington's Health Insurance Program

Administered by the Washington Health Exchange, in partnership with DCYF, the health insurance program is available to any child care employee working in a licensed child care program who has an annual income below 300% of FPL and does not qualify for the state's Medicaid plan.



Key Takeaways

- ▶ **States feel an urgency to act**, even while recognizing the extended time window for transformative change. In doing so, they are free to put all aspects of their ECE landscape on the table for critical evaluation.
- ▶ The increasing focus on **kindergarten readiness is centering ECE in broader education and workforce conversations**, including growing the conversation and expanding stakeholders who are part of it.
- ▶ **States are playing position, focusing on policy levers and challenges they are most uniquely equipped to solve**. They are focusing strategic investments on support for low-income children while enabling market-driven solutions to support the entire continuum of families.
- ▶ **States are launching their efforts with the prerequisites for change**. This work includes evaluating the regulatory environment to ensure a strong foundation from which to build.
- ▶ While states are developing comprehensive, longer-term roadmaps for change, they are **not letting shorter-term gains slip by**. They are staying responsive to opportunities to stabilize the system even as it is rebuilt for the future.



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