

RECOMMENDATIONS FOR POLICYMAKERS

Child care challenges can affect parents' participation in the workforce and have far-reaching effects for families, employers, and Georgia's economy. Starting in 2018, GEEARS: Georgia Early Education Alliance for Ready Students and the Metro Atlanta Chamber set out to better understand the prevalence, nature, and impact of child care challenges through a survey and series of focus groups with parents of young children. **The results are alarming.**

Child care challenges lead to at least
\$1.75 BILLION IN LOSSES
in economic activity
annually and an additional



\$105 MILLION
in lost tax revenue.



OVER A QUARTER
of surveyed parents of
children under 5 reported a
SIGNIFICANT DISRUPTION
to their or a family member's
employment (quitting, not taking,
or greatly changing a job) in the past
year due to child care challenges.

Parents described a range of challenges that led to such disruptions, including general pressure to meet the demands of both career and child rearing, a lack of affordable and accessible child care options, and limited flexibility in the workplace. The survey and focus group findings underscore a need for stakeholders, specifically policymakers, employers, and higher education, **to work together** to address child care challenges.

Child care challenges affect both young children and their parents or caregivers. **Policy-based solutions to such challenges can have a two-generation impact that promote the educational success and economic stability of the whole family.** The recommendations that follow—vetted by parents themselves—are specific opportunities for **policymakers** to address such challenges and help assure Georgia's place as a top place to do business and raise a family.

"There is no better way to invest in the long-term health and future of this state than in our young kids. Creating environments for them to thrive, both with family and their larger communities, is critical to building a foundation for them to succeed as they grow and become productive members of society."

- Father, Atlanta

Child Care Affordability

Expand Childcare and Parent Services (CAPS)

Georgia's child care subsidy program, Childcare and Parent Services (CAPS), helps some low-income working families afford child care through scholarships and is primarily funded through the federal Child Care and Development Block Grant. Focus group participants agreed **that too few families qualify for CAPS** because income eligibility is too strict. Initial family eligibility for CAPS is set at or below 50% of the state median income based on family size. Parents must also participate in 24 hours/week of allowable activities, such as work or education.

Focus group participants agreed **that too few families qualify**. Due to limited funding, however, the Georgia Department of Early Care and Learning (DECAL) is unable to enroll all income-eligible families. **Only an estimated 14.8% of income-eligible, working families are served by CAPS in Georgia.**¹

RECOMMENDATIONS

- Expand the income limit for CAPS to 85% of the state median income.
- Increase state investment in CAPS by \$20 million, which would allow for more than 3,000 new infants and toddlers to receive a CAPS scholarship.

Strengthen and Expand Georgia's Pre-K

Parents were generally aware and supportive of Georgia's Pre-K, the lottery-funded, "universal" (i.e., not need-based) pre-kindergarten program for 4-year-olds. Georgia's Pre-K serves approximately 60% of Georgia's 4-year-olds² through a mixed delivery system, with classrooms in both private child care centers and public schools. In addition, parents overwhelmingly stated that **education starts at birth** and expressed the desire for a program similar to Georgia's Pre-K for younger children.

RECOMMENDATIONS

- **Strengthen Georgia's Pre-K by:**
 - Decreasing the maximum class size from 22 to 20, which was the maximum prior to funding cuts in 2011.
 - Supporting school districts and communities in enrolling at-risk children whose parents may be unaware of the program.
- Continue Georgia's history of supporting education—from early childhood through postsecondary education (e.g., Georgia Lottery)—by using additional revenue sources as they become available (e.g., gambling) to support education, specifically for young children.

"I would like to experience my tax dollars being used to broaden the Georgia lottery Pre-K program to include children from birth to 4-years-old. Every child has the right to fair education and a brighter future."

- Mother, Atlanta

Access to High-Quality Child Care

Support and Strengthen Quality

Administered by DECAL, **Quality Rated** is Georgia's voluntary quality rating and improvement system for child care programs designed to assess, improve, and communicate the level of quality of a child care program. The three-star rating system helps parents and families find high-quality child care through a free, online tool so they can make the most informed choice for their child. Of the 4,782 eligible, licensed child care programs in Georgia, 3,483 are participating in *Quality Rated* (as of November 2019).³ By December 31st, 2020, all eligible child care providers that participate in CAPS must have received their star rating.

RECOMMENDATIONS

- Continue to support *Quality Rated*, and encourage non-participating child care providers to become *Quality Rated*.
- Ensure that parents and community leaders are aware of *Quality Rated* and utilize the free, online tool when searching for child care.

Bolster the Child Care Workforce

Early care and education professionals, particularly infant and toddler teachers, **make significantly less than their counterparts** in similar professions, which leads to high turnover rates and lower program quality.⁴ To retain and better support early childhood teachers, DECAL developed **DECAL Scholars**, which provides a range of scholarships, grants, educational counseling, financial help, and rewards to qualifying early childhood teachers.⁵

“I shouldn’t have to worry about my child’s well-being because I can’t afford quality care.”

- Mother, Columbus

RECOMMENDATIONS

- Strengthen the capacity of the early learning workforce through ongoing professional development and skill building, particularly in high-need areas (e.g., trauma-informed care).
- Increase pay and financial incentives, such as DECAL Scholars, for early childhood professionals, particularly for those serving infants and toddlers or employed at a child care center that accepts CAPS.

Tax Benefits for Families with Young Children

Focus group participants were supportive of improving existing tax benefits, such as the Child and Dependent Tax Credit (CDCTC), the Earned Income Tax Credit (EITC), and the Child Tax Credit (CTC), which can help offset the cost of child care.

Child and Dependent Care Tax Credit (CDCTC)

The federal Child and Dependent Care Tax Credit (CDCTC) and Georgia’s CDCTC can **help eligible families offset their out-of-pocket expenses for child and dependent care** by lowering the amount of taxes a family owes. Georgia’s CDCTC is 30% of the federal CDCTC a family has received⁶ and is **non-refundable**, which means that the credit does not help low-income individuals who often need the most help affording child care.

RECOMMENDATION

- Improve Georgia’s CDCTC by:
 - Increasing the percentage of the federal credit used to calculate the state credit, and making it refundable to benefit low-income families with little to no state income tax.

Earned Income Tax Credit (EITC)

The federal Earned Income Tax Credit (EITC) **rewards work and reduces poverty by decreasing taxes for low- and moderate-income individuals**, particularly for those with children. Georgia is one of 21 states that does not have a state EITC.⁷

RECOMMENDATIONS

- Create a state EITC that supports low-income working Georgians and their families.
- Encourage eligible individuals, particularly young parents (of which only 35 percent in Georgia claimed EITC in 2017⁸), to take advantage of the federal EITC.

Paid Family Leave

Despite widespread support, the United States has no national paid family leave law. Only an estimated 40% of Georgians are eligible for and can afford to take unpaid leave under the Family and Medical Leave Act,⁹ the federal law requiring certain employers to provide 12 weeks of unpaid leave to eligible employees. In July 2019, Georgia House Speaker David Ralton announced a new paid family leave policy that will allow House employees to take three weeks of paid leave when welcoming a new child into their family,¹⁰ representing a critical step forward for working families in Georgia.

RECOMMENDATION

- Provide eight weeks of paid family leave to eligible state, city, and/or county employees, thereby setting an example for the private sector to follow suit.

“Paid maternity and paternity leave is needed and it provides many benefits to families and the community. Being able to spend time with your kids helps create bonds [for] a lifetime.”

- Father, Atlanta

System Coordination and Leadership

The challenges that families face are often interconnected, affecting both children and parents. Increased coordination and collaboration among government agencies that serve Georgia’s young children and their parents can help maximize resources and better serve both children and parents.

RECOMMENDATIONS

- Increase data sharing, coordination, and analysis to better understand how different programs and factors affect short- and long-term child outcomes.
- Leverage funding from philanthropic and private sectors in coordination with government-funded programs to better serve families, particularly those most in need (e.g., student parents).
- Coordinate and streamline policies, programs, and funding across state agencies to provide more young children and families with the services they need to thrive.
- Take the lead in implementing family-friendly policies for state employees to serve as a model for other sectors to follow suit.

Moving Forward

The impact of child care challenges is significant and felt by Georgia families, employers, higher education institutions, work training programs, and the state as a whole. By adopting a two-generation approach—considering the workforce of today and tomorrow—Georgia’s policymakers can move the needle for the state’s families and bolster the economy.

For more information, references, and to read the full report, go to www.opportunitieslost.org.