



July 17th, 2024

Commissioner Amy Jacobs
Georgia Department of Early Care and Learning
2 Martin Luther King Jr Drive SE
Atlanta, GA 30334

Re: Open Letter on the Child Care and Development Fund (CCDF) Plan for Georgia FFY 2025-2027

Dear Commissioner Jacobs:

The Georgia Infant-Toddler Coalition, a group of over 60 organizations seeking to advance the well-being of the state's infants and toddlers, wishes to extend sincere gratitude to the work of the team at the Georgia Department of Early Care and Learning (DECAL) in supporting the state's youngest learners and the child care professionals, including family child care, early educators, directors, and many more, who care for them. We recognize that the last few years have been a particularly difficult time for the agency, acknowledging that DECAL has faced recruitment and retention challenges like many sectors and had to disperse nearly \$2 billion in federal funds, stretching the capacity of your hard-working team.

We are reaching out regarding the draft Child Care and Development Fund (CCDF) Plan for FFY 2025-2027 released in May and the related public comment hearings. Although many members of the Coalition submitted their own feedback and/or participated in the public hearings, we want to amplify some shared concerns and outstanding questions as DECAL works to finalize and implement the plan over the next couple of years.

As you know, the CCDF state plan acts as the primary mechanism used to determine state compliance with federal rules and serves as a formal application to receive federal funding that is primarily used to fund a large portion of Georgia's Childcare and Parent Services (CAPS) Program and ongoing professional development and quality improvement activities. All states must submit a CCDF state plan every three years, with the draft plans submitted to the Administration for Children and Families (ACF) by July 1st for their review and the new plan going into effect on October 1st, 2024. We acknowledge that DECAL wrapped up their review of feedback from the public comment period in June as part of the process of finalizing their draft plan but hope the agency will take the contents of this letter into consideration in responding to any comments from ACF and, most importantly, in implementing this plan over the next three years.

The FFY 2025-2027 state plan comes at a critical juncture for Georgia's child care industry and families with the end of federal relief funding that has been a critical lifeline over the last few years. Given this, it is more important than ever to thoughtfully educate and engage stakeholders, particularly since the plan outlines several significant changes that were previously not announced by the agency. The public hearings and executive summary left key stakeholders with more questions than answers, emphasizing the need for additional and more

thoughtful engagement. Ultimately, we strongly believe that the design and delivery of programs and policies should be shaped by those who are most affected, namely child care providers and families. This type of authentic, meaningful engagement increases the effectiveness of publicly-funded services by making them more accessible, responsive, and tailored. We also believe that a more transparent approach in finalizing and implementing this plan, as well as planning future public comment periods, will help child care providers better plan for their program's sustainability and improve their trust in the agency itself. We also see this as an opportunity to better educate stakeholders on what is outside of the scope of this plan (e.g., the end of STABLE grants and other programs funded by federal relief). Beyond child care providers and families, there was a missed opportunity to successfully engage community partners, such as those represented on the Coalition, who can work in partnership with DECAL to help support the goals of this plan and provide solutions outside of the department's bandwidth (e.g. provider compliance, families' trust, etc.).

We acknowledge the difficulty of finding balance between improving quality and increasing access with available funding. We recognize that increasing reimbursement rates for CAPS, for example, inevitably leads to tradeoffs in other areas (e.g., fewer children served)_even with the most well-intentioned efforts. The members of the Coalition are committed to advocating to local, state, and federal lawmakers for the types of investments that providers, educators, and families need; however, we strongly believe that this plan can and should help set up our system up to better serve families and providers now and in the future if additional investments are made.

Of the changes included in the plan, we particularly want to highlight the increase in base reimbursement rates from the 25th to the 60th percentile of market rate. This increase was made possible due to recent additional state and federal investments in large part due to the advocacy of so many providers and families across the state. We urge DECAL to better communicate this increase to providers, including those not currently participating in CAPS, and other stakeholders. Strong communication is essential given the temporary suspension of provider rate changes has been in place since May 17th, 2021 through September 29th, 2024. While we applaud the increase of base payments to 60% of market rate, we are concerned that proposed changes to tiered reimbursement (i.e., 0/5/10% vs. 10/20/40% for 1-, 2-, and 3-star ratings) could counteract the benefits of the increase in base payment. We encourage DECAL to provide additional transparency regarding the anticipated combined impact of these changes, as well as proposed Quality Rated revisions, on the average rates for providers.

Additionally, the FY 2025-2027 CCDF Plan incorporates questions aligned to new rules released by ACF earlier this year designed to increase access to and quality of child care subsidies. Although the rules went into effect on May 1st, many states, including Georgia, requested temporary waivers for extensions of up to two years to ensure there is enough time to execute the steps to comply. States are required to implement several new rules, including:

- Paying based on enrollment instead of attendance;
- Paying prospectively;
- Paying some scholarships as grants or contracts; and
- Implementing subsidy eligibility policies and procedures that minimize disruptions to families.

These policies represent a positive step forward in increasing access to high-quality and affordable care for families and supporting the economic stability of child care providers. We recognize and celebrate that DECAL has previously implemented some of the new rules, including implementing the Quality Rated Subsidy Grant Program from 2015-20 and paying providers based on enrollment instead of attendance during the pandemic. This is why, in part, we were disappointed that the draft plan DECAL released in May does not outline plans to comply with the new requirements listed above, even though the extension will end during the three-year time frame of this plan.

For example, paying child care providers based on enrollment instead of attendance and paying prospectively, mirroring the way in which private pay families pay their tuition, will help bring additional providers into the subsidy system and supports the financial stability of providers by ensuring payments are consistent and timely, which is of particular importance in light of the payment challenges experienced over the last year and the impact to providers during the COVID-19 pandemic (e.g. decreased enrollment, teacher shortages). Grants for child care subsidies can increase the supply, stability, and quality of child care, particularly for infants and toddlers, children with disabilities, and families needing nontraditional hour care. Additionally, the implementation of eligibility policies and procedures that minimize disruptions to families is of particular importance given the high drop-off rate at redetermination; in particular, we urge the agency to increase the eligibility period for CAPS to at least 18 months, as several other states have done (e.g., Louisiana allows eligible households to be certified for up to 24 months), to support both continuity of care for families as well as the capacity of the agency to improve customer service and support families through a two-generation approach.

We encourage the agency to outline plans to begin working towards eventual implementation of these new requirements in finalizing the state plan, as several other states have done, and provide opportunities for stakeholder feedback in working towards implementation.

In addition to the new requirements, ACF encouraged states to:

- Waive the family fee for additional populations, including families with income up to 150% of the federal poverty level (currently waived at only 10% of the federal poverty level in Georgia), children who are in foster and kinship care, those experiencing homelessness, those with a child with a disability, and those enrolled in Head Start or Early Head Start; and
- Use a family's enrollment in or verification used for other public benefits programs to confirm eligibility for CCDF, as child care is likely to be one of several systems asking recipients to comply with similar requirements. This aligns to Georgia Gateway's initial goal for integrated eligibility to streamline processes for families and reduce the administrative burden on the state.

Similarly to the required rules, we encourage DECAL to re-evaluate the current policies related to these recommendations to support families' access. For example, waiving the family fee for additional priority groups, particularly families in the very low-income priority group, would not have that much of an impact on DECAL's bottom line and can be the deciding factor on whether a family can access child care. For new rules that are both required and encouraged, we would greatly appreciate it if DECAL provided the Coalition with projected costs for implementation as we work to ensure a well-funded system and avoid the tradeoffs mentioned above.

We appreciate your work to ensure that the plan reflects our shared commitment to high-quality early learning for Georgia's children and an appropriately prepared and supported ECE workforce. We are always available to speak with the DECAL team to discuss these suggestions in further detail, clarify any suggestions, or answer questions.

On behalf of the following members of the Georgia Infant-Toddler Coalition:

9to5 GA

Caring Across Generations

CDF Action

GEEARS: Georgia Early Education Alliance for Ready Students

Georgia Association for the Education of Young Children (GAEYC)

Georgia Budget and Policy Institute

Georgia Head Start Association

Low Income Investment Fund

Poder Latinx

Professional Family Child Care Alliance of Georgia

Reach Out and Read Georgia

Southern Education Foundation

Travers Educational Consulting