

McClellan's Universal Child Care & Early Learning Plan

Summary

1. Rebuilding Virginia starts with supporting our families and children. To create a more equitable and inclusive Virginia, we must start by providing affordable, high-quality child care. Everyone who wants to work should be able to do so in Virginia, but to make that possible, the barriers to Virginia's child care access must be broken down. Sen. Jennifer McClellan's *Universal Child Care & Early Learning Plan* invests a historic \$4 billion in our early childhood education system, calling for child care to be recognized as a public necessity that will be affordable and accessible for all Virginia families.
2. This is the first step of Sen. McClellan's 3-part comprehensive Virginia education plan from birth to employment. McClellan's complete education plan is the foundation of rebuilding a thriving Virginia economy after the COVID-19 health pandemic and for generations to come.
3. Virginia faces a child care crisis that has been worsened by the COVID-19 pandemic. Prior to the pandemic, Virginia was ranked 40th in the country in child care affordability.¹ Access to quality child care was already not available to many families throughout the Commonwealth due to availability and the prohibitive cost of child care.
4. The scope of the problem has become even more severe over the course of the pandemic crisis as child care facilities have closed, job losses have increased and families have been left without vital child care resources. More than 40% of Virginia child care providers were closed for a period during pandemic, and nearly 1,000 facilities remained closed as of January. While every family in the Commonwealth has felt the impact of this crisis, those most vulnerable have felt the hardest impacts. The child care industry relies heavily on women of color. Facility closures due to this crisis have left many of them jobless and many working parents to fend for themselves. Unfortunately, 35% of child care workers have reported a decrease in pay since late spring of 2020.²
5. The lack of child care options have been a major contributing factor to women dropping out of the workforce during COVID-19. According to CNN, in December of 2020, women have disproportionately been impacted by job loss during the pandemic. Meanwhile in December, men gained 16,000 jobs while women lost 156,000 nationally.³ Women of color have been disproportionately impacted: Latina women currently have an unemployment rate of 9.1% and Black women have an unemployment rate of 8.4% while white women have an unemployment rate of 5.7%.⁴
6. As governor, Jennifer McClellan will deliver universal child care by 2025: ensuring that every Virginia child has access to affordable child care. Her plan will provide increased access to affordable child care for more than 500,000 Virginia children. Under McClellan's plan, every family with a child from birth through 4 years old will have access to affordable quality child care. Families that make up to 200% of the Federal Poverty Limit ("FPL") will receive free child care. Families that make over 200%

¹ [The Cost of child care in Virginia](#), Economic Policy Institute.

² Griffey, Emily. [2021 General Assembly Session: Early Care And Education Priorities](#), Voices For Virginia's Children.

³ Kurtz, Annalyn. [The US economy lost 140,000 jobs in December. All of them were held by women](#), CNN Business.

⁴ Kurtz, Annalyn. [The US economy lost 140,000 jobs in December. All of them were held by women](#), CNN Business.

will pay no more than 7% of their income regardless of their family size. Child care is a social necessity where every dollar spent provides a 13% return on investment. This investment is beyond financial with its evidence-based impacts on higher education, employment rates, better individual health outcomes for participants, lower drug use and reduced crime rates.

7. Child care is an essential element of a successful economy. Creating a statewide system that makes child care more affordable while improving quality will accomplish the following:
 - a. Enable parents and Early Childhood Educators greater opportunity to participate in the workforce and earn livable wages;
 - b. Create a state-invested and -administered infrastructure that builds an early education and developmental foundation for our children, with the objective to drive long-term social and economic outcomes and K-12 school preparedness.
 - c. Promote small business growth and enable public/private partnerships across the commonwealth to build the necessary infrastructure.
 - d. Create more than 80,000 jobs and invest in workforce development for Early Childhood Educators.
 - e. Take Virginia out of the bottom 10 in the country for child care affordability and make the Commonwealth a national leader on child care policy.

I. The Problem

A. COVID-19 Impacts on Child Care

The health pandemic exacerbated child care access difficulties, leaving Virginia in a state of crisis for our families and early childhood education providers. It has reduced family, educator and provider incomes, significantly impeding child care providers' ability to operate at full capacity, cutting hours for the educators, and closing the doors for many providers with uncertainty of when and if possible to re-open. More than 40% of Virginia child care providers were closed for a period of time during the pandemic with 994 child care facilities still closed as of January 2021.⁵ These facilities closed due to uncertainties regarding safety, liability, finances, and staffing needs.

Lack of child care access has created a ripple effect across the Commonwealth. Families experience daily setbacks as their necessary socio-emotional support of limited child care, subsequently result in mental health struggles, isolation, and inability to earn an income, which in turn impact our children. Similarly, early childhood educators and providers, continuing to provide for children and families, suffer the stressors of worrying about their safety and health and that of the children. Approximately 1 in 4 child care centers in Virginia laid off employees, most of whom were women.⁶ Further, due to safety guidelines reducing space, some children who were pulled out of programs as a precaution early in the pandemic, do not have a spot in the newly socially distanced child care center they once attended.⁷ Unfortunately, 35% of child care workers have reported a decrease in pay since late spring of 2020.⁸ Between February and July of 2020, Virginia lost 140,339 workers, these individuals are not likely to re-enter the workforce.⁹ Because state issued child care subsidies are typically only available to actively employed parents, many Virginians lost access to their subsidy when they lost their employment.¹⁰

5 [Update on Early Childhood Care and Education \(ECCE\)](#), Presentation to the Joint Subcommittee on ECCE, December 1, 2020.

6 Masters, Kate. [Child care providers are still closed and Virginia's labor force is declining. What happens if parents can't go back to work?](#) Virginia Mercury.

7 Griffey, Emily. [2021 General Assembly Session: Early Care And Education Priorities](#), Voices For Virginia's Children.

8 Griffey, Emily. [2021 General Assembly Session: Early Care And Education Priorities](#), Voices For Virginia's Children.

9 Griffey, Emily. [2021 General Assembly Session: Early Care And Education Priorities](#), Voices For Virginia's Children.

10 Griffey, Emily. [2021 General Assembly Session: Early Care And Education Priorities](#), Voices For Virginia's Children.

These factors combined create economic challenges that will slow down our wider economic recovery including: lost revenue, lost employment, closed businesses, and less consumer purchasing power overall.

The pandemic has made the already existing inequities and vulnerabilities in Virginia's early child care system more prominent, but many of these issues predate the COVID-19 health pandemic. A study published by UVA found that 40% of early educators employed by child care centers reported incomes of less than \$25,000 a year.¹¹ Our child care system has been under-resourced for decades. In a system where child care is properly funded and valued, providers would be less at risk for shutting down and closing permanently when crisis arises. To date, Virginia has allocated approximately \$170 million in federal relief funds to a combination of public preschool and child care facilities, providing needed stabilization to child care across Virginia.¹² But, the child care crisis is not over, and it continues to impact Virginia families, child care providers, workers, and Virginia's economy. Virginia must take action now to stabilize child care, and make major long-term investments to ensure the child care system is accessible for all Virginians. Sen. McClellan will invest in and support Virginia's early childhood educators so that our Commonwealth will have a child care system that works for every family.

B. COVID Stabilization and Child Care

During the 2021 session, Sen. McClellan laid the groundwork for her *Universal Child Care & Early Learning Plan* by introducing legislation to create greater flexibility in federal subsidy dollars to ensure providers and early educators can be paid for the true cost of quality care based on enrollment not attendance. This legislation will also establish a workgroup to consider effective financing strategies that support the systemic costs of high-quality child care services resulting in school readiness for children prior to kindergarten. Portable background checks are also necessary to enable early childhood educators to work at more than one facility. This will help child care facilities more easily obtain qualified early educator substitutes who have been safely credentialed to work with children.

McClellan's *Universal Child Care & Early Learning Plan* will establish a fund of state-dedicated revenue to create and increase quality child care access and affordability, but will also aid in the on-going continued stabilization of child care in Virginia during and after the COVID-19 recovery.

C. Where We Are Now

COVID-19's impact on our economy has been devastating. The ongoing underfunding and lack of safety net for the child care system has left families, early childhood educators and providers vulnerable and with limited options. During the COVID-19 pandemic in 2020, a total of 2,672 child care programs closed temporarily. As of January 2021, 994 child care centers remain closed.

Facility closures have affected more than just the child care industry. Families who lost care due to closed or reduced capacity in facilities have faced job loss and, in cases where working from home is possible, experience the daily imbalance of caring for children and work. Placing caregivers in a constant state of stress in the face of impossible time constraints on work and family responsibilities. The organization, Mental Health America noticed a 93% increase in people seeking help through online screenings over last year.¹³ Further, during September of 2020, Mental Health America recorded a 9% increase in children participating screenings compared to September of 2019.¹⁴ Businesses also suffer the consequence of the lack of child care, as some workers are unable to return to work because they must remain home to care for young children. Those who have lost their job(s) or have fewer work hours generate less income and therefore have less disposable income overall. This will lead to a slower economic recovery. Rebuilding Virginia starts with our families and children. To create a more equitable and inclusive Virginia, we must start by providing every family access to affordable, high-quality child care. Sen. McClellan's child care plan is the first essential step to a family-focused, sustainable economic recovery in Virginia.

11 Griffey, Emily, [2021 General Assembly Session: Early Care And Education Priorities](#), Voices For Virginia's Children.

12 Griffey, Emily, [2021 General Assembly Session: Early Care And Education Priorities](#), Voices For Virginia's Children.

13 Griffey, Emily, [2021 General Assembly Session: Mental Health Priorities](#), Voices for Virginia's Children.

14 Griffey, Emily, [2021 General Assembly Session: Mental Health Priorities](#), Voices for Virginia's Children.

II. The Solution

A. The Future

McClellan's Universal Child Care & Early Learning Plan ensures caregivers will be able to find reliable, high-quality child care and get back to work. But this plan goes further than getting us back to where we were. Pre-pandemic Virginia failed to adequately provide for families' needs due to extremely high costs and limited supply of quality child care. Virginia is the 10th most expensive state for infant care nationally.¹⁵ The current average cost of child care (\$14,063 per year) is equivalent to the cost of rent (\$14,333) in Virginia, and even exceeds the cost of in-state college tuition (\$12,637) per year. Under McClellan's plan, all Virginia families will have access to affordable and high-quality child care that suits their individual needs.

B. The Price of Child Care

The average annual cost of infant care in Virginia is \$14,063, or \$1,172 per month.¹⁶ The average two-parent family in Virginia spends 13.7% of its income with one child in care, while single parents pay 48% of their income for child care.¹⁷ According to the U.S. Department of Health and Human Services ("HHS"), child care is considered affordable when it is no more than 7% of a family's income.¹⁸ By this standard, only 11.1% of Virginia families can afford infant care in Virginia.

A more productive and equitable Virginia relies on accessible child care that does not make caregivers choose between child care, rent, or food.¹⁹ Nationally, lack of child care costs working parents \$37 billion a year, an average of \$3,350 per working parent.²⁰ In Virginia, for 620,000 working mothers alone, the net loss is more than \$2 billion annually.²¹ These lost earnings, due to lack of child care, also impact businesses by an average of \$1,150 per working parent.

Sen. McClellan's plan ensures no family will have to pay more than 7% of its income towards child care. A family of 4 making less than \$52,400 a year will receive a waiver for free child care in Virginia. Approximately 33% of all families will receive free, quality child care under McClellan's plan. The remaining 67% of families will have access to the most affordable child care in the history of the Commonwealth. By capping the cost of child care to no more than 7% of a family's income, McClellan's plan ensures no family is left without quality child care.

The tables below provide a breakdown of child care costs for families under McClellan's plan.

¹⁵ [The Cost of child care in Virginia](#), Economic Policy Institute.

¹⁶ [The Cost of child care in Virginia](#), Economic Policy Institute.

¹⁷ [The Cost of child care in Virginia](#), Economic Policy Institute.

¹⁸ U.S. Department of Health and Human Services Administration for Children and Families, "[Child Care and Development Fund \(CCDF\) Program](#)," Federal Register 81 (190) (2016): 67438–67595.

¹⁹ Belfield, Clive, [The Economic Impacts of Insufficient Child Care on Working Families](#), Ready Nation, Council for a Strong America.

²⁰ Belfield, Clive, [The Economic Impacts of Insufficient Child Care on Working Families](#), Ready Nation, Council for a Strong America.

²¹ Child Care [Aware of America. State Child Care Facts for the State of Virginia](#).

Table A. The Income Threshold for Free Child Care

Poverty Threshold ²²	Above 200% Poverty Threshold	Family Size	Annual Child Care Cost
\$17,240	\$34,480	2	FREE
\$21,720	\$43,440	3	FREE
\$26,200	\$52,400	4	FREE
\$30,680	\$61,360	5	FREE
\$35,160	\$70,320	6	FREE
\$39,640	\$79,280	7	FREE
\$44,120	\$88,240	8	FREE

Table B. Child Care Cost for Families Paying no more than 7% of their Adjusted Gross Income

Poverty Threshold	200% Poverty Threshold	Family Size	Annual Child Care Cost
\$17,240	\$50,000	2	\$3,500
\$21,720	\$55,000	3	\$3,850
\$26,200	\$60,000	4	\$4,200
\$30,680	\$65,000	5	\$4,550
\$35,160	\$75,000	6	\$5,250
\$39,640	\$85,000	7	\$5,950
\$44,120	\$90,000	8	\$6,300

C. The Benefits

McClellan’s child care plan is an investment in our community infrastructure for long term economic, social and developmental outcomes. This investment has proven immediate benefits: higher education outcomes for mothers, increased parental labor force participation and subsequent increase in family income. Additionally, this investment has life-long benefits among participating children resulting in lower drug use, reduced crime rates, better long-term health, higher education and employment rates.²³

Early childhood education programs serving marginalized communities demonstrate the long-term success of child care and early education. Early childhood education has the following positive outcomes: a 39% increase in IQ rates by age 5 and a 17% increase in high school graduation rates.²⁴

D. Supply and Child Care

At least 80,559 jobs will be needed to ensure everyone has access to quality child care. These jobs will pay at least \$15/hour. This community focused approach will provide jobs, partnerships and funding to small local businesses and home-based providers, while also investing money into our families and trusted early childhood educators.

22 U.S. Federal Poverty Guidelines Used To Determine Financial Eligibility For Certain Federal Programs, [HHS POVERTY GUIDELINES FOR 2020](#).

23 Heckman, James. [There's more to gain by taking a comprehensive approach to early childhood development](#).

24 Heckman, James. [QUANTIFYING THE LIFE-CYCLE BENEFITS OF A PROTOTYPICAL EARLY CHILDHOOD PROGRAM](#) Pg. 29.

Table C. Potential Job Creation of the McClellan’s Plan

Age Group	Ratio of Children to Adult ²⁵	Jobs Needed
0 - 15 Month Old	1:4	37,228
16 - 24 Month Old	1:5	9,965
2 - 3 Year Old	1:8	23,780
3+ Year Old	1:10	20,586

Our society has historically undervalued caregiving and domestic work which is overwhelmingly performed by women and women of color. In 2017, the median wage for child care workers in Virginia was \$9.82 per hour. During the COVID-19 pandemic, 35% of early childhood educators reported a decrease in pay since May, 2020.²⁶ It is past time to invest in early childhood educators. Early childhood educators are often akin to family playing a critical role in the care and educational foundation of our youngest learners’ development.

The cost of child care is not the only obstacle to creating quality child care for all Virginia families. In order to provide affordable quality child care, it is essential to grow the supply of facilities and early childhood educators across the Commonwealth. Limited child care access is exacerbated by child care deserts, lack of early childhood educators, long waitlists, and facility closures. Before the pandemic, 40% of children in Virginia lived in a child care desert, which are considered areas with an insufficient supply of licensed child care providers.²⁷ Since the pandemic, 16% of all child care providers throughout the Commonwealth have closed with no plans to reopen.²⁸ These untimely closures amplify the need for an already limited supply of child care in Virginia.

McClellan’s plan stipulates an unprecedented investment in critical social infrastructure.

As the Commonwealth commits to building a state administered universal child care system, increasing the supply of child care will be essential. This will be done by building a network of partnerships including public-private partnerships. The Commonwealth will partner with local governments, nonprofit providers, tribal organizations, community colleges, small business, home based providers, and other community entities to support, enhance and credential, and license existing child care facilities. This will aid in creating new places of care to meet the supply and demand of a universal child care system. McClellan’s plan will guarantee the staff in these existing and new facilities will receive competitive wages. These investments, combined with new employee training and incentives, will ensure that there is lower employee turnover which will reduce or eliminate waitlists. Under McClellan’s plan, it will not be long before we exceed pre-COVID-19 quality child care access.

McClellan’s plan builds a foundation of equity for children, families, and child care educators. Through unprecedented public-private partnerships, McClellan’s plan will allocate adequate public funding to establish child care and early learning as a public necessity for all families. McClellan’s plan ensures equitable access to child care, while prioritizing flexibility to accommodate the diverse needs of every family throughout the Commonwealth. Increasing the number of in-home providers and diversifying the pool from which early childhood educators are recruited will encourage diverse options for care to meet families’ needs. These needs may include home-based providers, alternate hours of care and wrap-around services to support children with special needs. Parents will have an expansive and diverse range of provider options so that no matter what ZIP code they live in, they can find a quality arrangement that meets their economic, linguistic, and cultural needs.²⁹

25 Code of Virginia, 22VAC40-185-350. Staff-to-children ratio requirements.

26 Griffey, Emily. 2021 General Assembly Session: Early Care And Education Priorities, Voices For Virginia’s Children.

27 Malik, Rasheed and Hamm, Katie. Mapping America’s Child Care Deserts.

28 Masters, Kate. Child care providers are still closed and Virginia’s labor force is declining. What happens if parents can’t go back to work? AND Virginia PDG B-5 Evaluation, Partnerships Report September 2020, Study of Early Education Through Partnership.

29 Alliance for Early Success, Build Stronger, A Child Care Policy Roadmap for Transforming Our Nation’s Child Care System Pg. 5-6.

E. Equity in the Workforce

The care and responsibility of children has historically and disproportionately been carried by women and women of color, both in and out of the home. The disparate impacts of structural racism and sexism in our care for children fall heavily on children, families and the early childhood educators in marginalized communities. When structured through the lens of equity, implementation of a statewide universal child care and early learning system has unlimited potential to empower women, particularly women of color, to enter or re-enter the workforce with more job security and financial stability.³⁰

Approximately 90% of early childhood educators are women and are typically paid low wages without access to benefits; of these educators, even when controlling for education levels, educators of color are often on the lower end of the wage scale.³¹ Early childhood educators need support to enable them to do their jobs effectively and safely with compensation and benefits that reflect the value of their work. McClellan's plan will invest in early childhood educators' vocational and career advancement to ensure equity and accessibility in recruitment, career development, and compensation. This will include state-wide streamlined processes and funds for equitable post secondary levels of credentialing and degree programs. This will include credit for past and present early childhood educators' experience, access to on-going incentives for professional development, mentoring and coaching that is income neutral so engaging in this credentialing process does not result in lost work days. McClellan's plan will prioritize addressing the on-going negative impacts of the wage gap on women and people of color.

Traditionally, when a family cannot find affordable child care and early learning, women leave their jobs before their domestic partners. Thus, women are disproportionately disadvantaged regarding promotions, experience, and job mobility overall. Creating a Virginia with affordable, accessible, high-quality child care will allow women to re-enter the workforce knowing with access to quality child care. Job loss since the beginning of the COVID-19 pandemic has disproportionately impaled women and women of color in particular. According to CNN, in December of 2020, men gained 16,000 jobs while women lost 156,000.³² Latina women currently have an unemployment rate of 9.1% and Black women have an unemployment rate of 8.4% while white women have an unemployment rate of 5.7%. In order to empower all Virginians, it is imperative that child care and early learning be treated and invested in as a public necessity. As governor, Jennifer McClellan will secure investments and incentives to promote a more equitable and improved child care system for all Virginians.

30 Schochet, Leila, [The Child Care Crisis Is Keeping Women Out of the Workforce](#).

31 Alliance for Early Success, Build Stronger, [A Child Care Policy Roadmap for Transforming Our Nation's Child Care System](#) pg. 4.

32 Kurtz, Annalyn. [The US economy lost 140,000 jobs in December. All of them were held by women](#). CNN Business.