

Early Childhood Education & the 87th Session

childrenatRisk



HB 1964 (Lopez)

Understanding the REAL cost to provide high-quality child care programs

High-quality early childhood education is the foundation for future academic success, especially for children living in low-income households.[i] Children participating in early childhood education on average, have:



higher high school graduation rates



lower enrollment in special education programs



lower rates of behavioral issues later in life

While the benefits of quality early childhood education are grounded in the best research, the real cost to child care centers of providing high-quality child care is less understood. Several factors go into determining how much it actually costs child care providers to offer high-quality care to kids from adequate wages for quality early educators to sustainable funds for supplies, curriculum, and business operations. A clear picture of the costs will help adequately and efficiently invest public funds in high-quality care.

At least every 2 years, the Texas Workforce Commission conducts a statewide market rate survey of child care providers to measure regional prices. Market rates for child care reflect prices that families pay for child care. Market-rate surveys usually do not reflect the real costs incurred by child care providers, who absorb additional costs. Simply put, in many communities market rates do not purchase actual quality child care. Taxpayers, parents, and most importantly young children suffer as a result.

Quality child care is expensive to provide, and market prices typically represent what parents can afford to pay. Children from low-income families need and deserve high-quality child care. Child care providers participating in the subsidy program receive reimbursements for the care they provide to children with working parents. Setting reimbursement rates based on a cost-of-quality study would ensure public investments are sufficient to cover high-quality operating costs.



POLICY RECOMMENDATION

Require the Texas Workforce Commission to conduct a true cost-of-quality study.

For an effective cost-of-quality study, the state must engage stakeholders such as providers, advocates, and families and seek their input on what to include in the study.[ii] It should also carefully explore increasing compensation for educators, as early childhood educators are some of Texas's most economically vulnerable professionals. Looking at rent and property values is also essential to understanding child care providers' economic situation in different regions.

[i] Elango, S., García, J. L., Heckman, J. J., & Hojman, A. (2015). Early childhood education. In *Economics of Means-Tested Transfer Programs in the United States*, Volume 2 (pp. 235-297). University of Chicago Press.

[ii] Center for American Progress (2019). *Conducting a Child Care Cost of Quality Study*.

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The following organizations and individuals are signed on in support.

Austin/Travis County Success By 6 Coalition

Brighton Center

Catholic Charities of Dallas

Child Care Associates

CHILDREN AT RISK

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CHILDREN AT RISK

Speaking Out + Driving Change for Children
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