

John C. Carney
Governor of Delaware
Carvel State Office Building
820 N. French Street
12th Floor
Wilmington, DE 19801

November 1, 2021

Governor Carney:

Thank you for your commitment to early learning. As you know, the Vision Coalition's 10-year plan for education created in collaboration with over 4,000 Delawareans, *Student Success 2025*, prioritizes quality early learning for all children in Delaware. We are grateful for your administration's investments in high-quality, affordable care for all children and families.

We especially appreciate the investments of enhanced reimbursement and stabilization grants to support the **one-time costs incurred during the COVID-19 pandemic through the summer**. These investments have helped stabilize the child care industry and enabled workers to continue to provide essential services and build back our economy. However, these **one-time investments only address newly emerged costs**, which have increased about 40 percent, including personal protective equipment (PPE), facilities maintenance, cleaning supplies, smaller ratios of children, and quarantines to prevent unemployment. Federal investments in the child care industry were spent on costs that were incurred months ago. These increased expenses continue and require additional investments.

While the pandemic has created new challenges and expenses, the child care industry was in crisis long before the pandemic. **To address the ongoing and exacerbated crisis, it is imperative that the state raise rates for its child care subsidy.**

The state continues to invest well below the ongoing costs of child care. The state rate for child care pays about 60 percent of the cost of basic care (not high-quality educational opportunities). Not only does the current rate of investment fail to drive improvement in quality, it prohibits providers from offering subsidized care to families at affordable rates. Fifty percent of providers are turning away families, and hundreds more children on wait lists could be served in each county if the rates were increased to meet the actual cost of care. The state is now serving less than 10 percent of children ages 0-5 through Purchase of Care—30 percent lower than the number served previously.

In addition, the child care workforce is paid on average \$10.60 per hour (and most workers do not receive benefits or paid time off). This hourly wage is too low to attract new workers and does not fairly compensate professionals responsible for educating the future workforce of our state. Ninety-six percent of child care centers in Delaware report staffing shortages, mostly attributed to low wages, which are largely driven by the state's underinvestment in the field.

Our state's child care industry estimated last year they needed \$40 million to both keep up with current costs and to be paid based on student enrollment (not attendance)—and now, many child care workers' wages will increase, as they should, because of minimum wage increases. **We request you include a significant increase to the ongoing state investment in your recommended FY23 budget—to increase subsidy rates, pay providers for enrollment not attendance, and to support increased**

compensation for teachers. This investment is essential to support the foundation to our economy which build's Delaware's workforce of today and tomorrow.

Additionally, President Biden has made investments in child care a top priority, as evident in his Build Back Better plan, the American Families Plan, and the current reconciliation bill. If and when the reconciliation bill passes Congress, Delaware must be prepared to meet the federal government's investment in quality child care in order for our shared vision of high-quality, affordable child care for all children to be actualized.

We request that a member of your team work with Vision Coalition Leadership Team chair, Bettina Tweardy Riveros, to set up a time in November or December to discuss this important topic. We look forward to working with you to advance these issues in Delaware.

Sincerely,

Vision Coalition Leadership Team

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CC:

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Enc: Current crisis illustration (PDF attached)