

Overview: 2023 Fiscal Year Budget for the Georgia Department of Early Care and Learning

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In his Fiscal Year (FY) 2023 budget, Gov. Kemp proposed \$461 million for the Department of Early Care and Learning (DECAL). It includes more state resources for Child Care Services and pay raises for pre-Kindergarten teachers and assistant teachers. The FY 2023 proposal increases investment in the agency by \$21 million more than the approved FY 2022 budget. Most of the recommended increases come from additional lottery funds used to pay for a \$2,000 bump in the base salary for pre-K teachers and assistant teachers. The proposed improvements in DECAL come after two years where the state pulled back its resources during a time when school districts and child care centers were struggling. To move towards an equitable recovery, additional state lottery dollars should promote pay parity between pre-K teachers and K-12 teachers. Also, more state funds can be used to bolster federal resources and fill in the gaps where necessary to help child care providers maintain staff and help families afford child care.

In addition to Child Care Services, which is responsible for licensing for child care providers and child care subsidies, and the pre-K program, DECAL also includes divisions for Nutrition Services, which administers federal Child and Adult-care food programs, and Quality Initiatives, which works to improve the quality, affordability and accessibility of child care. Both are fully funded with federal dollars. Child Care Services is funded largely by federal resources, and the state contributes enough to meet the match for federal funds. The largest share of state funding for DECAL is the pre-K program funded by the lottery. The pre-K program makes up 87 percent of state resources for the agency and 42 percent for DECAL's overall budget.

Pay for early education teachers and the costs of child care are major racial and gender equity issues. Most early educators are women, but they get paid less on average than other public school teachers.¹ Pay is also too low for child care teachers, most of whom are women of color, and costs are too high for many Georgia families, especially those with low income who are more likely to be Black or Brown.² Furthermore, Black and Brown communities were hit the hardest by the twin health and economic crises of COVID-19.³ A

lack of affordable child care will only make it harder for women, often the primary caregiver, to regain or maintain their economic security.

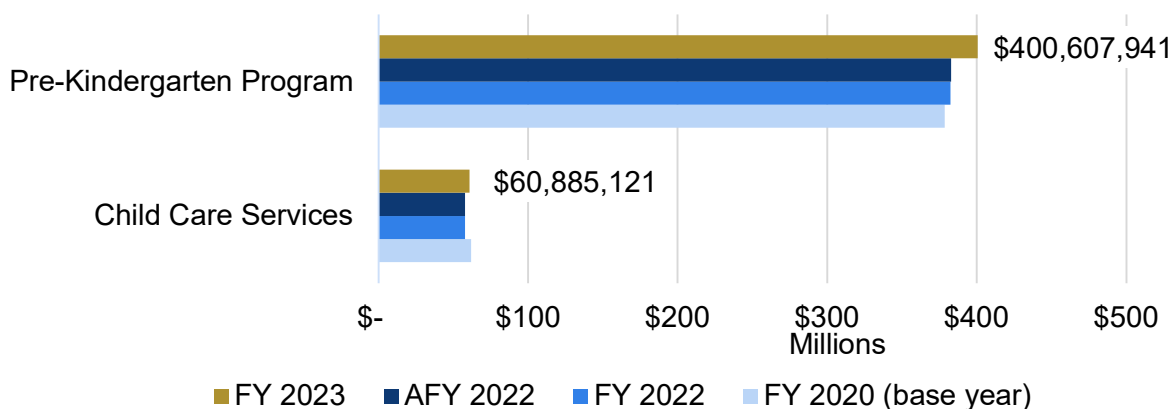
Amended 2022 Fiscal Year Highlights

- The Amended Fiscal Year (AFY) 2022 budget is \$417,000 more than the FY 2022 budget.
- All of that proposed increase over FY 2022 is from the \$5,000 cost of living adjustment for state workers in Child Care Services and Georgia’s Pre-K program.

2023 Fiscal Year Highlights:

- \$21 million increase over FY 2022.
- \$19.4 million for a \$2,000 increase in Pre-K teachers’ base salary.
- \$3.1 million adjust for the reduced Federal Medical Assistance Percentages (FMAP) and to draw down available federal Child Care and Development Funds.⁴
- A \$2.1 million reduction in formula funds for Pre-K teachers’ training and experience.
- \$578,000 for the COLA for state workers in Child Care Services and the pre-K program.

FY 2023 Budget Proposal Includes \$461 Million to the Department of Human Services



Source: Governor's Budget Report Fiscal Year 2023, pages 169-173.

Proposed Funding for Pre-K and Child Care Is a Step in the Right Direction but State Needs More Robust Investments to Advance Equity

The proposed budget for DECAL is welcome given the underfunded budgets of the past two years of the pandemic where teachers, schools systems and child care providers struggled greatly. The governor's \$2,000 pay increase is available to any pre-K teacher or assistant teacher whose role is covered by Georgia Lottery funds. The inclusion of assistant teachers is especially important because they have been left out of previous salary increases and have a base salary of \$16,190 annually regardless of credentials and experience.⁵ The governor's recommended increase in the state match will ensure the state maximized the resources from the federal Child Care and Development Fund, a key funding resource for Childcare and Parent Services (CAPS) scholarships, Georgia's child care subsidy program.

However, while these proposals are important, the state must do more to advance racial and gender equity. First, the pay raises would not fully address the issue of pay parity between early education teachers and kindergarten teachers. The average annual pay for preschool teachers is about \$33,000, while the average pay for kindergarten teachers is about \$57,000.⁶ Currently, there are resources available to begin to close the pay gap since Georgia has about \$1.67 billion in the lottery reserves, and only about \$619 million is required in case of a shortfall.⁷ Policymakers could even consider prioritizing raising assistant pre-K teacher pay first as an initial step.

Second, the child care system needs far more state investment than it currently receives. While the governor's proposal increases funding for child care services from FY 2022 to FY 2023, it is still about \$1 million less than where it was pre-pandemic in FY 2020. And the child care industry is even more unstable now than before the pandemic. Exhausted child care workers, who are mostly women of color, are leaving the profession due to low pay and stressful conditions.⁸ Families not only struggle with the temporary closures of child care providers due to COVID outbreaks, but many still cannot afford quality care as costs continue to grow.⁹ This adds greater economic pressure on women and especially women of color who tend to have lower incomes than their white counterparts. Over the long term, there needs to be significantly more investment in the child care system not just from federal resources, but from the state as well. Robust federal and state funds could reduce the cost of child care for families with low and moderate income and funnel additional dollars into providers so they can invest in their business and staff.

Endnotes

¹ Georgia State University's Andrew Young School of Policy Studies, the University of Georgia's Carl Vinson Institute of Government and Bright from the Start, Department of Early Care and Learning. (June 2016). *Economic impact of the early care and education industry in Georgia*. <https://www.decal.ga.gov/documents/attachments/EconImpactReport.pdf>

² Ibid.

³ Derbigny Sims, D. (2021, November 18,). *Unequal recovery: How the COVID-19 pandemic has impacted economic security for Black women and Latinas*. Georgia Budget and Policy Institute. <https://gbpi.org/unequal-recovery-how-the-covid-19-pandemic-has-impacted-economic-security-for-black-women-and-latinas/>

⁴ Determines the amount of federal matching funds for state spending on certain social services.

⁵ Department of Early Care and Learning. (2021). *Georgia's Pre-K program, 2021-2022 school year, Pre-K providers' operating guidelines*. <http://www.decal.ga.gov/documents/attachments/Guidelines.pdf>.

⁶ Georgia's Preschool Development Grant – Birth through Five (2020). *The early childhood education workforce in Georgia needs assessment: report 7*. Department of Early Care and Learning. http://www.decal.ga.gov/documents/attachments/PDG_B-5_NEEDS_ASSESSMENT_REPORT-Section7_earlychildhoodeducationworkforceinga.pdf.

⁷ Lee, J. January 27, 2022. *Overview: 2023 fiscal year budget for lottery-funded programs*. Georgia Budget and Policy Institute. <https://gbpi.org/overview-2023-fiscal-year-budget-for-lottery-funded-programs/>.

⁸ Long, H. (September 19, 2021). *'The pay is absolute crap': child-care workers are quitting rapidly, a red flag for the economy*. The Washington Post. <https://www.washingtonpost.com/business/2021/09/19/childcare-workers-quit/>

⁹ Thier, J. January 28, 2022. *The cost of childcare has risen by 41% during the pandemic with families spending up to 20% of their salaries*. Fortune. <https://fortune.com/2022/01/28/the-cost-of-child-care-in-the-us-is-rising/>