

Overview: 2025 Fiscal Year Budget for the Georgia Department of Early Care and Learning

By: Ife Finch Floyd, Director of Economic Justice

Introduction

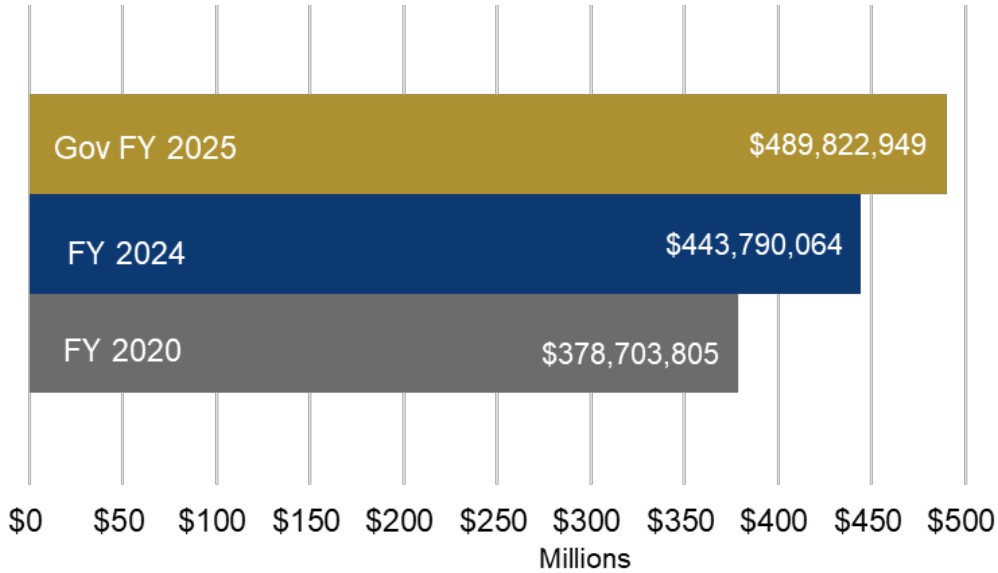
The Department of Early Care and Learning (DECAL) administers Child Care Services; the Georgia Pre-kindergarten Program; Nutrition Services, which administers the federal Child and Adult Care Food Program; the Summer Meals program for low-income children in daycare facilities; and Quality Initiatives, which works to improve the quality and accessibility of child care programs. State funds support Child Care Services and the Pre-K Program.

The Governor proposed sending \$523 million to DECAL in his Amended Fiscal Year 2024 budget and \$557 million in his Fiscal Year (FY) 2025 budget.

The Governor would send \$46M more to Pre-K to increase pay and reduce class sizes

The Governor's proposed FY 2025 budget would increase lottery funding for the Georgia Pre-K program to \$490 million, about \$46 million more than in FY 2024.

The Governor Proposes to Send \$490 Million to the Georgia Pre-K Program



Source: The Governor's Budget Reports, Amended Fiscal Year 2024 and Fiscal Year 2025 and Amended Fiscal Year 2020 and Fiscal Year 2021.

The increases would include:

- \$23.6 million for a \$2,500 increase in base salaries for Pre-K lead and assistant teachers.
- \$11 million for the first year of a four-year plan to reduce class sizes from 22 to 20.
- \$6.1 million for the Summer Transition Program that provides supplemental support to certain rising pre-K and rising kindergarten students.
- \$243 thousand for state employees' 4% cost-of-living-adjustment (COLA).

Governor's Proposed Budget Continues Support for Pre-K Lead and Assistant Teachers

The governor's continued effort to support pre-K teachers is critical to maintaining an experienced early childhood education (ECE) workforce and enhancing program quality. Many Georgia pre-K teachers are leaving for higher-paying jobs in public schools or the private sector. Offering higher compensation could attract more qualified candidates and retain experienced teachers, which would enhance the quality of instruction for children.

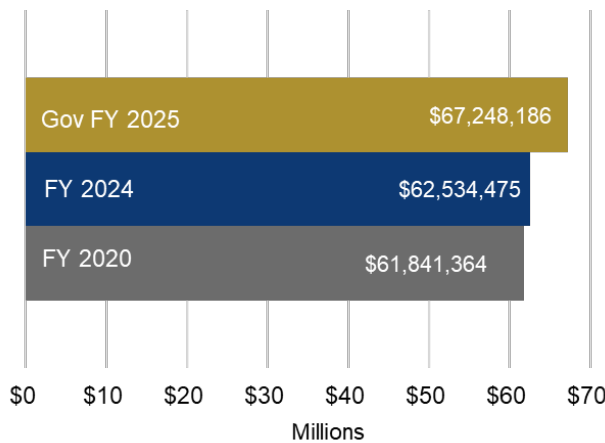
The issue of pay for pre-K assistant teachers needs more attention. If the governor’s proposal is approved, assistant teachers’ base salary would increase from \$20,190 to \$22,690. While an additional \$2,500 will help these teachers cover more of their expenses, legislators should boost teachers’ base pay significantly more and consider adjusting compensation according to their experience and credentials.

According to DECAL Commissioner Jacobs, reducing class sizes from 22 children to 20 children would add about 400 classrooms over four years. Once fully implemented, smaller class sizes will allow teachers to give more attention to each student and have more capacity to plan for lessons.

The Governor Proposes a Modest Boost to Child Care

The Governor proposed about \$67.2 million for the Childcare and Parent Services (CAPS) program, up from \$62.5 million in FY 2024. CAPS includes the state’s child care subsidy program and support to child care providers.

The Governor Proposes to Send \$67 Million to Child Care Services



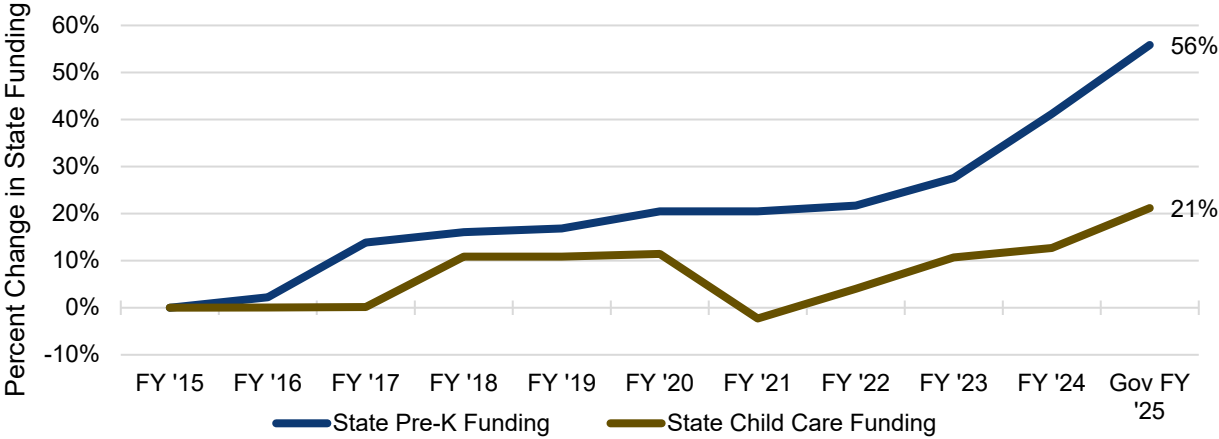
Source: The Governor’s Budget Reports, Amended Fiscal Year 2024 and Fiscal Year 2025 and Amended Fiscal Year 2020 and Fiscal Year 2021.

The most significant increase in the proposed budget is \$4.6 million to raise CAPS reimbursement to the 50th percentile of market rates for child care providers, which is the federal standard. Historically, the state has reimbursed providers at around the 25th percentile, well below the federal standard and even further below what providers need. This has made it hard for many child care businesses to invest in their staff and classrooms.

State Investments Must Reflect the Reality that Quality Child Care Is the Foundation of ECE and is Essential to Children and Families

Child care is the foundation of early childhood education (ECE) in Georgia. The child care system often serves as the starting point for children who will participate in the pre-K program and eventually enter kindergarten. However, since FY 2015, the percent change in state funding for pre-K has outpaced child care and, in recent budget cycles, has increased significantly more than child care.

State Investments in Early Childhood Education Systems Are Imbalanced



Note: Analysis includes nominal dollars

Source: The Governor's Budget Reports including the proposed Amended Fiscal Year 2024 and Fiscal Year 2025 budgets

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The two systems are funded differently. The lottery funds the Georgia Pre-K program almost entirely, and state general funds and federal funds cover CAPS. Additionally, CAPS received federal relief dollars to stabilize the programs during the pandemic. Those funds have started to unwind and will end completely in September 2024.

However, even with federal resources, child care has never had enough funding to help lower costs for most low-to-moderate-income families or reimburse providers at the true cost of quality care and education. The child care system serves far more children (360,000 children) than Georgia Pre-K (84,000 children).¹ Before DECAL temporarily boosted CAPS subsidies with federal relief funding, Georgia only served about 18% of eligible children.² As previously noted, Georgia has been unable to reimburse providers at the federal baseline standard. When the

providers do not receive adequate reimbursement from CAPS, they are forced to raise costs for families paying for their child's full tuition to cover their center's operational expenses.

There are also racial inequities created by how little the state funds child care. A 2016 report on Georgia's ECE system found that infant, toddler and 3-year-old lead teachers are more likely to be Black, and GA pre-K lead teachers are more likely to be white.³ Therefore, there is a greater likelihood of Black ECE teachers getting paid less overall because of the classes they teach.

GBPI analysis found that in all but five counties, the cost of care was more than 7% of family medium income, the federal government's standard of affordable care.⁴ The growing costs place greater economic pressure on women, who are often the primary caregivers, even if they are working. Further, women of color tend to have lower incomes than their white counterparts and are less likely to be able to afford the high cost of licensed child care. As a result, women either work less than they want to or rely on informal care arrangements that may be inconsistent or do not meet quality standards.

Although the state cannot make up for the loss of millions of dollars in federal relief payments, it can still increase funding beyond modest increments or stagnant spending. As an initial downpayment, the state can increase its funding to CAPS by at least \$20 million to add more subsidized slots for children and increase resources to child care centers.

¹ ChildCare Aware. (2021, January). *State fact sheet: Georgia*.

<https://www.childcareaware.org/wp-content/uploads/2021/05/2021-State-Fact-Sheets.pdf>

² Analysis completed by the Center for Law and Social Policy for GBPI.

³ Georgia State University Andrew Young School of Policy Studies, Bright from the Start, Carl Vinson Institute of Government at the University of Georgia. (June 2016). *Economic impact of the early care and education industry in Georgia*. Georgia Department of Early Care and Learning. <https://www.decal.ga.gov/documents/attachments/EconImpactReport.pdf>.

⁴ GBPI analysis of county-level median child care prices are from the Women's Bureau, U.S. Department of Labor. National database of childcare prices 2016-2018.

<https://www.dol.gov/agencies/wb/topics/featured-childcare>; GBPI analysis of county-level median family income are from the Census Bureau, 2022 American Community Survey 5-year estimates, Table B19113, data.census.gov.