

Testimony of Celia Hartman Sims
before the
Subcommittee on Early Childhood, Elementary, and Secondary Education
Hearing on “Child Care and the American Workforce: Removing Barriers to Economic Growth”
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Introduction

Chairman Kiley, Ranking Member Bonamici, and members of the subcommittee, thank you for convening this important hearing on the critical connection of child care to the economy. I appreciate the opportunity to speak with you all today.

I am Celia Hartman Sims, President and Founder of the Abecedarian Group, and have the privilege of working with organizations at the federal, state, and local levels to develop and improve policies in the fields of child care, education, child welfare, and family violence. I am also a former U.S. Senate education policy director and senior advisor to Senator Richard Burr with whom I had the honor of working extensively on the Child Care and Development Block Grant (CCDBG) which is the federal government’s largest child care program. I would be remiss if I did not also mention the privilege during that time of watching the bipartisan partnership forged between Senator Burr and Senator Barbara Mikulski as they worked to secure passage of the 2014 CCDBG reauthorization, a program that up until then had gone almost two decades without being reauthorized.

Child Care, the Workforce, and the Economy

To get straight to the point, parents of young children cannot work without child care, and because child care is directly tied to the ability of parents to work, child care is inextricably tied to employers being able to hire and local communities being able to thrive. The benefits of child care are many – increased workforce participation, reduced reliance on public assistance, career advancement and higher earnings, businesses being able to attract and retain employees, improved employee productivity and performance, increased household income and consumer spending, and boosted economic growth.

Breakdowns in child care result in parents arriving late for work, leaving early, not showing up at all, as well as being distracted while at work leading to workers missing out on income and promotions and lost productivity for employers. While this connection between child care, work, and the economy has been known for decades, it was during the COVID-19 pandemic that child care gained significant attention. K-12 school closures made clear to anyone who had not recognized the fact prior that parents with young children need child care to work. While COVID stay-at-home orders forced many Americans to work from home, nurses, EMTs, firefighters, grocery store clerks, and sanitation workers had to be on time each and every day and not be

distracted. The child care sector, unlike K-12, understood this, kept its doors open for young and school-age children alike throughout the pandemic, and demonstrated to parents and the public the truly essential service that child care provides for workers, employers, and the broader economy.

In a focus group project of rural communities across six states in which I was recently involved, participants clearly tied child care access to economic opportunity at the individual level and economic development at the local community level. With limited availability of child care, towns lose residents and businesses.

Multiple focus group participants spoke of local businesses that wanted to expand but cannot if employees cannot find child care. One focus group in a rural North Carolina county described how for multiple reasons post-COVID (inability to keep staff, subsidy lists too long, families not being able to afford the cost of care), the county lost half of its center-based child care providers and eighty percent of its home-based providers. With so little care now available, residents are having to find child care in a more populous neighboring county. If people feel they have to go to another county for child care, they may decide it better all around to move and seek work in that neighboring county. Small communities such as this one worry they cannot survive let alone grow without accessible child care.

In these communities, child care access is also directly tied to the services counties must be able to provide their residents to be sustainable and thriving communities. A Nebraska law enforcement leader described how desperate he was to have back on staff his one bilingual employee who was out on maternity leave. The employee wanted to return to work, but could not until a child care spot opened. Likewise school superintendents raised the difficulties they are having recruiting teachers due to lack of child care. Public schools are often the lifeblood of a small community, and community leaders are seeing the drain of qualified teachers, leaving their districts for neighboring school districts that have child care options. Once these teachers are established in a new community, they rarely come back, even when their children are of school age. The domino effect of understaffed schools ripples across the local economy, damaging business opportunities and economic development.

Child Care Priorities and Preferences

While parents need child care to work, they do not want just any old place to leave their children – parents have clear priorities and preferences for child care. Nothing is more personal to a parent than deciding with whom to leave your child while you go to work, and without a doubt, the number one criterion for parents in choosing a child care provider is trust. The strength of the relationship between a family and their child care provider is deeply important and the reason parents spend so much time selecting the right provider for their child.

After trust, survey after survey of parents' decision criteria, show that parents' views on the quality of caregivers and safety, followed by affordability are the most important criteria for parents in making a child care decision. Parents are not simply looking for the cheapest, most convenient, or most flexible child care arrangement – they will sacrifice time, convenience, and money to ensure their children are in a quality, safe environment. This holds true for low income all the way to higher income families.

Given the very personal nature of making a child care decision, it is not surprising parents have varying child care preferences, indicating strong support for our nation's mixed delivery system of child care, a system that is inclusive of child care centers, small family child care homes, faith-based providers, for-profit, nonprofit, public, and private providers. No two families or children are alike. Thus, what is best for one family or child will not be best for another. Parents, not government, are and should remain the ones who choose what is best for their child.

Bottom line – parents want choice in the care of their children. Respecting and honoring parent choice in child care is the core tenet of the federal CCDBG program and the reason the program has garnered such strong bipartisan support over the decades. CCDBG should remain the federal government's hallmark child care program to support America's working families.

Child Care Affordability

Affordability is the greatest barrier for working families to access the child care they need and want. Parents consistently rank affordability well above quality and safety, scheduling and hours of operation, lack of convenient options near home, and provider enrollment capacity as the greatest barrier to access.

So why is child care so expensive? People – plain and simple. Staff salaries are by far the greatest budget line item for a child care provider, comprising anywhere from sixty to eighty percent of their budgets. In focus groups, parents and community members express a great deal of understanding about why child care is expensive. They clearly understand that labor is the greatest expense child care providers face and that cutting the number of teachers in a classroom is not the solution – yes, a provider might reduce the number of teachers in a classroom, but fewer teachers in a classroom is bad for child safety and likewise results in burnout for teachers who become overwhelmed by the stress of watching over too many young children at once.

To be sure, there are as in any regulated sector rules and regulations that can and should either be cut or streamlined to help reduce costs. But unless we find ourselves in the environment of the Jetsons with an army of Rosey the Robots, the largest child care cost – teachers – cannot be reduced. Understanding this, focus group participants expressed a desire for a variety of solutions

across all levels of government and communities to help offset the costs for families to afford the quality child care they must have to work.

Addressing Child Care Affordability – No One Size Fits All and All of the Above

Among parents, business owners, and the broader community there is consensus that tackling child care affordability for working families is a public-private endeavor including government (federal, state, local), parents, business, and religious and other community organizations.

In focus group conversations, a common theme in the six states visited was the need for local flexibility in developing and implementing child care solutions for their residents. While all acknowledged the importance of government support, that support must first get to the local level (i.e., not get stuck at the state level) and second be flexible enough to meet their communities' unique needs and contexts.

The local communities visited have each begun to tackle the child care access and affordability problem in varying ways. In Washington state, through a combination of private, state, and federal funding, a local community was able to repurpose a former nursing home area within a local hospital to create a new child care center. For this local community, making the connection between building more child care supply to ensure workers -- healthcare or otherwise -- could access child care and come to work was key to gaining support for their project. In North Carolina, a rural community is presently working to secure funding for building one facility to house six small autonomous child care centers that will rent space in the facility. While there will be common areas for use, each center will be fully independent of the other. A local agency will manage the building, ensure compliance with facility regulations, assist with training and business support, and provide a substitute pool if an employee for one of the centers is unable to come to work. One center housed in the facility will provide care during non-traditional hours. Key to each of these projects getting off the ground has been understanding the unique child care needs in their communities and designing solutions that meet those specific needs.

At the federal level, parents, business owners, and the broader community show support for a multi-pronged federal strategy to assist working parents afford the child care they need to work. The good news is that all the solutions for which they show support are existing federal programs – thus, we do not need new federal programs to address child care affordability. We need to continue to support and promote the programs we presently have. These policy solutions that already exist in federal law include (1) child care vouchers provided under the Child Care and Development Block Grant (CCDBG), the federal government's hallmark federal child care program; (2) federal tax credits including the employer-provided child care credit (sec. 45F, IRC), the Child and Dependent Care Tax Credit (CDCTC), and the Dependent Care Assistance Programs

(child care flexible spending accounts) all of which are presently included for enhancement under the House and Senate reconciliation bills; and (3) a host of current federal programs under numerous agencies (e.g., Agriculture, Small Business Administration) that can be used to expand child care in underserved communities.

Closing

In closing, parents, business, and the broader community see child care as a kitchen-table issue, one they clearly tie to an individual parent's ability to work and to the broader health of the economy. For working families, child care is a must-have versus a nice-to-have and is a service that pays immediate economic benefit for individuals being able to work, employers being able to hire, and communities being able to grow.

Thank you for the opportunity to testify. I am happy to answer any questions you may have.