

## SIZE OF THE SECTOR

### Number of Providers in Georgia <sup>1</sup>

- 717 Georgia's Pre-Kindergarten (Pre-K) Program sites located in the public school system
- 24 military early care and education centers
- More than 9,000 licensed private for-profit and nonprofit early care and education centers and registered family child care homes
- 339 Early Head Start and Head Start sites
- 44 military family child care homes
- Family child care homes are the largest subgroup of child care establishments and include 5,831 individual licensed homes, while there are 3,171 private for-profit and nonprofit early care and education centers in Georgia.<sup>2</sup>
- 247 group child care homes

In Georgia, there are 339 Early Head Start and Head Start sites that serve approximately 23,500 children. The state-funded Pre-K was one of the earliest publicly funded Pre-K programs in the United States. The Program currently serves over 75,000 children in Georgia during the school year.<sup>3</sup> Georgia's Pre-K Program classrooms are located in public schools and private child care centers, many of which offer care before and after the school day.

### Types of Child Care Providers.<sup>4</sup>

- **Georgia's Pre-K Program** may be offered at local public schools or through child care learning centers. Pre-K programs usually operate on the regular school system calendar for the length of a typical school day.
- **Child Care Learning Center** is operated by a person, corporation, or institution to provide child care for children less than 18 years of age for less than 24 hours per day. Child Care Learning Centers are licensed for 19 or more children.
- **Group Child Care Home** is operated by a person, corporation, or institution, to provide child care for children less than 18 years of age for less than 24 hours per day. Group Day Care Homes are licensed for seven to 18 children.
- **Family Child Care Home** is operated in a private residential home to provide child care for children less than 18 years of age for less than 24 hours per day. Family Day Care Home providers care for three, but no more than six children for a fee.
- **Informal Child Care** providers offer less than 24-hour care for one or more children in the child's own home, the caregiver's home, or the home of a friend, neighbor, or other relative; limited to two children unrelated or six children related to the caregiver.

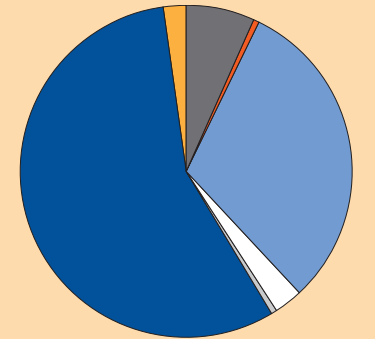
**Gross receipts.** Gross receipts measure the total amount of resources that go into the early care and education industry. Gross receipts is the sum of parent fees, federal, state and local government payments to providers, and other contributions from companies, philanthropists and other entities.<sup>5</sup>

$$\text{PARENT FEES} + \text{FEDERAL, STATE, AND LOCAL GOVERNMENT DIRECT PAYMENTS TO PROVIDERS} + \text{GOVERNMENT-FUNDED PROGRAMS} + \text{OTHER CONTRIBUTIONS} = \text{GROSS RECEIPTS}$$

**Parent Fees.** In many studies, parent fees are the largest component of gross receipts. These fees are generally calculated as follows:

$$\text{TOTAL ENROLLMENT} \times \text{THE AVERAGE PRICE OF CARE (APC) BY TYPE OF CARE AND AGE OF CHILD} = \text{PARENT FEES}$$

Distribution of Child Care Establishments in Georgia (2006)



- Public school Pre-K (7%)
- Military early care & education centers (<1%)
- Early care & education centers (31%)
- Early Head Start & Head Start (3%)
- Military homes (<1%)
- Family child care (57%)
- Group child care homes (2%)

SOURCE: Bright from the Start Administrative Data (2007)

**Federal and State Funds.** There are a variety of federal and state funds that are part of the total gross receipts of the early care and education industry. Table 1 reports these components of gross receipts of the early care and education industry in Georgia for a 12-month period for fiscal year 2006 or 2007, depending on the available source.

The federal government provides funds through its Child Care and Development Fund (CCDF), administered in Georgia by the department of Human Resources (DHR) and BftS. For 2006, those funds are estimated at \$15.7 million. The Georgia Department of Human Resources administers federal Temporary Assistance for Needy Families (TANF) funds, allocated to a variety of early care and education programs, including after-school care. DHR estimates that \$14 million in TANF funds were allocated to different programs related to child care in 2006 (DHR, 2007). Head Start and Early Head Start are administered by the federal government through the Administration for Children and Families, Department of Health and Human Services. Reported expenditures in Georgia in 2007 were \$169.2 million (DHHS, 2008).

In addition to the federal Child Care and Development Fund, BftS administers other programs as well. BftS administers Georgia’s Pre-K Program, the universal, voluntary pre-kindergarten program for 4-year-olds. This program is state-funded through the Georgia Lottery for Education, and BftS reports that 2006-07 expenditures were \$309.6 million. BftS also administers two nutrition programs: the Child and Adult Care Food Program (CACFP), and the Summer Food Service Program (SFSP). The CACFP is designed to reimburse providers for nutritious meals served to children or adults in a child care environment, while the SFSP provides nutritious meals to children during periods when schools are closed for vacation. In 2006, these public funds amounted to \$92.7 million.

**Other Contributions.** The final component of the gross receipts calculation is donations. These funds could come from the private sector in the form of cash or other contributions, and from the nonprofit sector. It has proven very difficult to estimate the value of contributions, and, as a result, the total amount is under-reported.

One source of contributions is from businesses in terms of their support of child care for their employees. Such support may come through subsidies for child care or the direct provision of child care. Quantifying this support has not been possible, so it is not included in this analysis. Businesses also provide subsidies to the industry by providing space rent-free or at reduced rates, or by subsidizing other operating expenses such as utilities or training. Estimates of these contributions are not available. Estimates of contributions handled by United Way (statewide) are available. The estimate of United Way-administered contributions to the child care sector in Georgia is \$11 million.<sup>6</sup> These contributions support programs including training for teachers, substitute teachers, and staff for “Early Reading First.”<sup>7</sup>

Finally, an estimate of other monetary contributions to nonprofit child care centers is made using data from Georgia’s Philanthropic Collaborative. The Collaborative collects information about grants to nonprofit child care centers, which it

**Table 1.**  
**Estimated federal and state funds for the early care and education industry in Georgia**

Federal Child Care and Development Fund (CCDF)	\$15,726,695
TANF – Direct (used for grants to school-aged care/youth programs)	\$14,000,000
Head Start/Early Head Start	\$169,203,527
Georgia’s Pre-K Program	\$309,598,387
Child and Adult Care Food Program	\$82,724,334
Summer Food Service Program	\$9,926,419
DFCS subsidies (CCDF devoted to DFCS subsidies)	\$183,157,419
<b>Total</b>	<b>\$784,337,156</b>

**Table 2.**  
**Estimated gross receipts for the early care and education industry in Georgia**

Parent fees	\$1,593,979,178
Federal and state funds	\$784,337,156
Other contributions	\$12,538,040
<b>Total gross receipts</b>	<b>\$2,390,854,374</b>

estimates at \$1.6 million for 2006 (Foundation Center, 2007).

**Total Gross Receipts.** Annual total gross receipts for the early care and education industry in Georgia are estimated at \$2.4 billion. As shown in Table 2, parent fees make up the largest share, totaling \$1.6 billion, followed by federal and state funds (\$784 million), and charitable contributions (almost \$13 million). The level of gross receipts for the industry in Georgia is not dissimilar to the findings in other states.<sup>8</sup>

<sup>1</sup> Based on data provided by Bright from the Start (BftS)

<sup>2</sup> BftS supplied data, 2007

<sup>3</sup> BftS tabulations of actual Pre-K enrollment by county

<sup>4</sup> U.S. Department of Health and Human Services (DHHS), 2008

<sup>5</sup> From the 2007 child care market rate survey report, from the DFCS Web site under CAPS/public documents

<sup>6</sup> The data provided by United Way cover the 12-month period of 2006-07

<sup>7</sup> The goal of Early Reading First is to enhance the early language, literacy and pre-reading development of young children, particularly those from low-income families, through strategies and professional development that are grounded in scientifically-based reading research and family literacy.

<sup>8</sup> Studies for Illinois (2005), New Jersey (2006), Ohio (2004), North Carolina (2004), Minnesota (2003), and Massachusetts (2004) report gross receipts of (in billions of dollars, respectively): 2.12, 2.55, 1.95, 1.5, 0.96, and 1.5. The study in Illinois can be found at <http://www.chicagometropolis2020.org/documents/FullEISStudy.pdf>. The studies for NJ, OH, NC, MN, and MA are all available through the National Economic Development and Law Center, [nedlc.org](http://nedlc.org).

*Economic Impact of the Early Care and Education Industry in Georgia. Child Policy Partnership.*