

**CCDBG REAUTHORIZATION: HELPING TO MEET  
THE CHILD CARE NEEDS OF AMERICAN FAMILIES**

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**HEARING**

BEFORE THE

SUBCOMMITTEE ON CHILDREN AND FAMILIES

OF THE

COMMITTEE ON HEALTH, EDUCATION,  
LABOR, AND PENSIONS

UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

ON

EXAMINING THE CHILD CARE AND DEVELOPMENT BLOCK GRANT  
REAUTHORIZATION, FOCUSING ON HELPING TO MEET THE CHILD  
CARE NEEDS OF AMERICAN FAMILIES

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JULY 26, 2012

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**THURSDAY, JULY 26, 2012**

U.S. SENATE,  
SUBCOMMITTEE ON CHILDREN AND FAMILIES,  
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:03 a.m. in room SD-426, Dirksen Senate Office Building, Hon. Barbara Mikulski, chairman of the subcommittee, presiding.

Present: Senators Mikulski, Burr, Murray, Bingaman, Hagan, Merkley, Franken, and Blumenthal.

OPENING STATEMENT OF SENATOR MIKULSKI

The CHAIRMAN. The Subcommittee on Children and Families will now come to order. I'm pleased to be able to convene this hearing, and it's the third in a series of hearings that we are holding on early childhood development, with the hope that we could reauthorize the Child Development Block Grant, something that has not been reauthorized since the 1990s.

At our first hearing, we focused on the Federal return on investment in early childhood and what the benefits are to society as well as to the child. The second one was to focus on how to improve the health, safety, and quality of these CCDBG programs.

At this final hearing, we're going to focus on how we can improve childcare without sacrificing the access to the program. With only so many dollars, where do we spend our money to really improve the quality of childcare programs and at the same time not shrink the number that we have.

In our previous hearings, witnesses often mentioned a tension between access and quality. If we invest in one, sometimes they say it ends up at the expense of the other. Well, I think we need to rethink how we talk about it and what we do about it. We need to look at how we can encourage States to ensure that all CCDBG providers have some measure of quality, some concrete specific measures. That way, when you invest in access and expand childcare slots you're also ensuring quality.

This subcommittee is working on a bipartisan basis and I thank Senator Burr and his very professional staff for their collegiality and the way we've really looked at the issues from the standpoint of our children, our families, and their budget and our budget, both

of which are having some tight times. We are in this tough fiscal climate and we don't want to push families out of childcare.

So we're going to ask our witnesses to give us their time, to give us recommendations with those two factors in mind. Childcare is something that all parents care about. Parents want childcare that is affordable and high quality. At the Federal level, we often expect far too little. Some have no expectation that childcare workers have pre-service training, no expectation that the facilities have regular inspections or those who work in them have background checks.

Remember, we're talking about protecting vulnerable populations, often infants and toddlers who can't speak for themselves, and we must speak up and first protect them in that environment; second, we must ensure that they have a shot at learning opportunities. We want to promote healthy development, both cognitively, emotionally, and physically.

CCDBG has not been reauthorized since 1996. The law often reflects old thinking, that childcare is primarily a work support program. Yes, that's one of the anchors. People turn to childcare because they work. But at the same time, it is an opportunity to help kids get learning ready or they're already learning; we need to be ready for the kids. We know that 80 percent of the brain development occurs before age 3 and 90 percent before age 5. More than half of the children that benefit from this block grant are from infants up to 5, meaning that they're in these facilities at the time when their learning ability is growing the most, at the fastest pace.

So we need to use this, not as a problem to be solved, but as an opportunity to grasp and to nurture. That's why Senator Burr and I have been working with members of the subcommittee, particularly Senators Harkin and Enzi, to reauthorize the program and to involve all members. Two have been very active who are here now, Senators Franken and Bingaman, and I'm going to note Senator Bob Casey, one of the leading advocates. These three men and others on the other side of the aisle have been active in it.

We want to increase participation. We want to promote better administration of the program. We want to ensure program integrity and accountability. But most of all, we want to improve the quality and coordination of this program.

We don't have much time left in this Congress, but we hope we can find general agreement on this. And with members working on both sides of the bill, we hope that we can come to the ability to have a framework for reauthorization, take it to the committee, and take it to the Senate. It's one of these bills that I would hope would pass with unanimous consent, but I'm a dreamer, and I think dreams come true.

Having said that, I'd like to turn to Senator Burr, who's been so active in this and has brought so many good ideas to the table. This is the characteristic here. We focus with collegiality, with civility, and presuming that we both have great ideas and working with everybody that we can get the job done.

I also want to particularly note his very strong advocacy for protecting vulnerable populations, both here, in the Census program, and so on.

Senator Burr.

## STATEMENT OF SENATOR BURR

Senator BURR. Chairman Mikulski, I thank you for your willingness to work with me and, more importantly, for your staff's hard work and for their focus over the last year looking at what I think are commonsense changes that need to be made in the childcare development block grant. Had I known this was a dream, I might not have been on board.

[Laughter.]

But I think it will become a reality because of the input of many over the last year. It was a little over a year ago when we held the first hearings looking at critical changes that need to be made in CCDBG to boost quality for children and working parents. I'm heartened at the progress the HELP Committee is making in looking at these changes and we can finally reauthorize this important program and make it current with some of the realities on the ground.

Madam Chairman, in our first committee hearing last year you pointed out that you wanted this subcommittee to be rich in policy and substance and to set a standard with CCDBG reauthorization. In our first year under your leadership with CCDBG reauthorization efforts, I can say you and your staff have done exactly that.

While more work needs to be done, I believe we're on the right track to achieving a sensible bipartisan reauthorization. Again, I want to thank you and your staff for their work over the past year.

In the past two hearings, a common question was raised in how we reauthorize CCDBG, how much quality can we ask for without dramatically reducing the number of children or slots for care. Through the helpful testimony of the past two hearings' witnesses and the feedback from the field, I believe there are basic upgrades we can make to this program that give us and parents peace of mind that when they drop their kids off and head off to their job their children are safe.

Like most people, I'd like to ensure that every low-income parent who needs childcare in order to maintain work and be a productive member of society gets it. But as the waiting lists in many States, nearly 40,000 in my State of North Carolina, show, the demand is far outstripping our limited ability to supply care.

Meanwhile, we know that nearly 1.7 million children currently receiving subsidies are not receiving quality care and in some cases are in conditions unbecoming a Federal taxpayer investment. Stories of children dying in locked vans, conditions in facilities that lack basic health and safety protections, are heartbreaking to me and to most.

In this time of limited Federal resources, examples of this type of abuse of the public's and parents' trust that children are being well-served cry for this program to be reformed. As Linda Smith, who's here today—and some all around the world consider her to be an expert on this issue; I certainly do—said during our first June 2011 subcommittee hearing:

“We can make basic low- and no-cost changes to this program that will go a long way toward ensuring the health, safety, and quality in the setting parents leave their children.”

I'm pleased that Janet Singerman of North Carolina's Child Care Resources is here today. North Carolina has been hard at work for years to improve the delivery of childcare, trending to better the workforce quality, access, health and safety standards, as well as a personal concern of mine, background checks for childcare workers. I encourage my colleagues to listen carefully to Ms. Singerman's testimony on how States can upgrade quality of services incrementally so as not to jeopardize the number of children served or slots.

One area where I know we can force quality with minimal costs is the Child Care Protection Act, legislation which would require background checks for all childcare workers who receive Federal subsidies through CCDBG. This legislation, which I drafted and has the support of Senator Enzi, Chairman Mikulski, Senators Roberts, Kirk, and Bennet on this committee, and I think others, would go a long way to improving CCDBG overall.

No one can deny the need for this change is necessary and immediate. In March of this year, Dateline brought their undercover cameras into a childcare facility receiving these Federal funds and uncovered settings where individuals caring for children in unsupervised settings had arrests in their background, including battery, domestic violence, and drug-related charges, leaving children to someone's sometimes fatal chance. In North Carolina alone, we annually turn down 500 individuals with criminal or sexual offenses in their background who have applied to work in childcare.

We have a moral responsibility to fix these issues and to provide poor working parents with basic assurances that their children are not being cared for by convicted felons. In fact, 21 States do not conduct fingerprint checks, 43 States do not conduct sexual offender registry checks, and 24 States do not conduct fingerprint checks for family childcare providers.

For a federally funded program intended to protect children, this is unacceptable and it, frankly, must be changed. If I had my way—and I know the chair would agree—this legislation would be law today so that parents throughout the country are sure that when they're using Federal dollars to find childcare the workers in those settings haven't committed heinous crimes, particularly against children, in their past.

I'm hopeful that all of my colleagues will support this reasonable legislation as we move forward with the reauthorization. I'm certain of one thing: When Chris Hansen and the undercover Dateline cameras have spotlighted something policymakers have done, they're going to say that we've done our job, and this legislation will be a key ingredient to that, as well as the reauthorization.

With that said, I look forward to today's testimony. Again, Madam Chairman, I thank you and your staff for their cooperation.

The CHAIRMAN. Thank you very much, Senator Burr.

Before I turn to Ms. Smith, Senator Bingaman, did you want to say something? You have such a long history of being an advocate in this area and I know as you are now summarizing this incredible career you've had, first of all, we want to thank you for your role here. Your legislative director, Dr. Trudy Vincent, is somebody who was on my staff in the nineties when we worked on this bill. We have a long association with you and your staff.

But I think all of us, as we have this last hearing on this topic, really just want to thank you for your contribution and look forward to your engagement as we work on the bill. Would you like to say something?

STATEMENT OF SENATOR BINGAMAN

Senator BINGAMAN. Well, thank you very much, Madam Chairman, and thank you for having the hearing. It's a very important issue. I look forward to learning from the witnesses whatever can be done, and I'm particularly interested in these low-cost and no-cost changes that might be made. I think, given our fiscal reality here in Washington, I think that's where a lot of the focus needs to be.

Thank you.

The CHAIRMAN. You're welcome.

We'd now like to turn to Linda Smith, the Deputy Assistant Secretary and Inter-Departmental Liaison—wow—for Early Childhood Development, for the Administration on Children and Families. That sounds almost like you're a treaty negotiator between the bureaucracies.

Ms. Smith has a long history of working in early childhood development both at DOD and also with the private non-profit organization, the Child Care Resource and Referral Agency. She kicked off our first hearing, and brought such great testimony. Today as we now look for some very concrete ideas, we look forward to hearing how the administration's principles can help us improve the quality of childcare without sacrificing access.

Ms. Smith, a really cordial welcome to you once again and we look forward to hearing from you.

**STATEMENT OF LINDA K. SMITH, DEPUTY ASSISTANT SECRETARY AND INTER-DEPARTMENTAL LIAISON FOR EARLY CHILDHOOD DEVELOPMENT, ADMINISTRATION ON CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES, WASHINGTON, DC**

Ms. SMITH. Thank you, and I have to say that I've been teased about that title. People ask me if my cards are five by eight, and it needs to be.

Chairwoman Mikulski, Ranking Member Burr, and members of the committee: I'm pleased to be back today to discuss reauthorization of the Child Care Development Block Grant, CCDBG. I now represent the Administration for Children and Families at the Department of Health and Human Services. We administer the CCDBG program. Reforming it is critical to our efforts to support low-income working families and to close the achievement gap of our Nation's poorest children.

Over the last 3 years the administration has worked hard to ensure that more low-income children receive high-quality early care and education. We have partnered with the Department of Education to administer the Race to the Top Early Learning Challenge, which promotes nine States in developing new approaches to improving early learning programs.

We also implemented the bipartisan reforms Congress called for in the Head Start Reauthorization Act to ensure taxpayer dollars

go to programs that provide the best quality education to our poorest children.

Reauthorization of CCDBG provides another opportunity to improve the early learning opportunities for millions of low-income children in our childcare programs in all 50 States, the territories, and the tribal communities. Childcare is both an essential work support for parents and an early learning program for children. High quality childcare, as you know, is very expensive and many low-income families cannot afford it by themselves. Childcare subsidies provided through the CCDBG allow families to access care that they could not otherwise afford.

Research shows that parents who receive subsidies are more likely to work, work more hours, maintain employment, and earn more. In addition, high quality care promotes a child's development and learning, helping to ensure that the next generation has skills necessary to compete in an increasingly global economy.

Unfortunately, many children, particularly low-income children, have already fallen behind even before they reach kindergarten. Research has shown that disparities between low-income children and their more advantaged peers start as early as 9 months, so that many low-income children enter school already behind. By promoting critical cognitive and social-emotional skills, quality childcare can help close the gap.

Recent findings from the National Institute of Child Health and Human Development demonstrates that the quality of childcare received by children in their preschool years has effects on their academic success well into adolescence.

In 2010, the latest data we have available, CCDBG provided assistance to 1.7 million children. All of the children served are low-income and half are living at or below poverty. New research finds that families receiving childcare subsidies are able to access higher quality care compared to families without subsidies, but the quality of that care is still lower compared to Head Start and State pre-K programs.

Although the children served by childcare subsidies and Head Start are demographically similar, Head Start children receive more support services and higher quality programs. In contrast, children receiving childcare subsidies may be in care that fails to meet even basic health and safety standards.

Parents understandably assume that providers funded by Federal subsidies are safe. However, some States lack basic requirements, such as comprehensive background checks, training in basic first aid and CPR, and even safe sleep practices. And in only half of the States do parents have ready access to licensing and inspection information.

On average, States spend nearly 12 percent of CCDBG funds each year in quality improvement efforts. They use these funds to build quality rating and improvement systems, develop higher standards, and to provide training to the workforce. These investments improve the care for millions of children, including those not directly subsidized by CCDBG.

However, we currently fall far short in our efforts to provide stable support for both work and optimal child development. Families in many States churn off and on childcare assistance programs

every few months, even when they remain eligible. This is because the burden of the redetermination process provides such barriers that they simply give up. This churning threatens the employment stability of parents and undermines child development by severing relationships with the child's caregivers.

We have already taken steps within current authorities to address some of these concerns. A year ago we revised the State CCDBF plan, which serves as the application for the CCDBG funds for the States. We increased the focus on health and safety, program improvement, and workforce preparation. We asked States to set goals for improving their programs, and for the first time we are asking States to report their annual progress on achieving their goals. We are asking for key data about efforts to upgrade childcare monitoring. Finally, States will now have to report for the first time on the quality of care each child receiving subsidy is getting.

But much still needs to be done. Current law does not reflect recent research on brain development in the early years, nor has it kept pace with current State practices. Reauthorization is an opportunity to build on State innovation, learn from the new research, and drive best practices. As such, we think that CCDBG reauthorization should be based on the five following key principles:

No. 1, improving quality by establishing a foundation to ensure health and safety in childcare and a systemic framework through which States can improve quality, increasing the funds dedicated to quality and incorporating into statute existing quality set-asides now included in appropriations language, ensuring that quality funds are spent on evidence-based activities that improve quality, including health and safety standards, ensuring that States have effective monitoring systems and protocols to ensure that providers meet State regulatory requirements, and expanding education and training opportunities of the workforce;

No. 2, supporting access. The combination of the end of the Recovery Act CCDBG funding and current State fiscal constraints have caused States to cut back on childcare assistance. We should work to counterbalance these pressures and maintain services to families while making quality improvements.

No. 3, increasing transparency for parents about the health and safety records of providers and other key quality indicators.

No. 4, promoting continuity of care, such as requiring longer eligibility determination periods for families receiving childcare subsidies.

And No. 5, ensuring program integrity by providing more assistance to States to prevent fraud, waste, and abuse.

In closing, let me emphasize that we are committed to better alignment of all early care and education programs. We have formed strong partnerships with the Department of Education, USDA, DOD, the Consumer Product Safety Commission, Maternal and Child Health, and other Federal agencies to reduce the barriers to more efficient and effective programs. Our overarching goal is to ensure that more low-income children have access to high quality care.

States are strong partners in these efforts, with many States leading the way on improving health and safety and setting higher early learning standards. The diverse range of States engaged in

these efforts, including those States represented on this subcommittee, demonstrate the bipartisan interest and support for improving the quality of care in order to keep our Nation's children safe, healthy, happy, and learning.

I want to thank the subcommittee for its leadership on this issue and we look forward to working with you to achieve reauthorization. Thank you.

[The prepared statement of Ms. Smith follows:]

PREPARED STATEMENT OF LINDA K. SMITH

Chairwoman Mikulski, Ranking Member Burr, and members of the subcommittee, I am pleased to appear at this hearing to discuss reauthorization of the Child Care and Development Block Grant (CCDBG) Act. It is my honor to serve as the Deputy Assistant Secretary and Inter-Departmental Liaison for Early Childhood Development at the Administration for Children and Families, U.S. Department of Health and Human Services, which administers the CCDBG. Prior to joining ACF, I worked for nearly 10 years as the executive director of the National Association of Child Care Resource and Referral Agencies (NACCRRA). I also spent a significant portion of my career at the Department of Defense helping to develop the military childcare system.

Reforming the CCDBG Act is a critical part of our Nation's efforts to support low-income working families and to close the achievement gap by improving the early learning opportunities of children at risk of falling behind in school. Over the past 3 years, the Obama administration has worked to ensure that more low-income children receive high-quality early care and education. The Department of Health and Human Services (HHS) has partnered with the Department of Education to administer the Race to the Top Early Learning Challenge grant competition. This partnership is currently supporting nine States' efforts to transform their early learning and development programs from a patchwork of disconnected programs with uneven quality into coordinated State systems that prepare children for success in school and in life. At the same time, HHS has implemented the bipartisan reforms Congress called for in Head Start to direct taxpayer dollars to Head Start programs that provide the best available early education services to children in every community. Reauthorizing the CCDBG Act provides an opportunity to build upon these efforts by improving the early learning and afterschool opportunities for millions of low-income children in all 50 States, U.S. territories, and hundreds of tribal communities.

Because childcare is both an essential work support for parents and a critical early learning program for children, shoring up our investments in childcare will improve the lives of families and promote the economic success of our country. First, childcare allows millions of parents to go to work every day. As the Nation's economy continues to recover from the deepest recession in decades, it is critical for families to have access to quality care so that parents have the peace of mind to seek and retain employment that will fuel the recovery. But due to the high cost of care, many low-income families cannot afford to pay for childcare by themselves. Childcare subsidies allow these families to access care that they could not otherwise afford. Research shows that parents who receive subsidies to help them pay for childcare are more likely to work, work more hours, maintain employment, and earn more (Schaefer, Kreader, and Collins, 2006).

Second, investing in childcare pays dividends because quality care promotes children's development and learning—helping to ensure that the next generation has the skills and abilities necessary to compete in an increasingly global economy. Unfortunately, many children, particularly low-income children, have already fallen behind even before kindergarten starts. Research has shown that disparities between low-income and more advantaged children start as early as at 9 months of age, so that low-income children enter school unprepared to learn and keep pace with their peers (Halle, et al., 2009). By promoting critical cognitive and social-emotional abilities, quality childcare can help close this school readiness and achievement gap. Recent findings from the National Institute of Child Health and Human Development (NICHD) find that the quality of childcare children receive in their preschool years has effects on their academic success and behavior all the way into adolescence (HHS National Institutes of Health, 2010). Programs with the highest quality of care have the largest positive impact later in life. For example, a recent followup study to the well-known Abecedarian Project, which began in 1972 and has followed participants from early childhood all the way through young adulthood, found that

adults who participated in high quality early childhood education are still benefiting. Participants have significantly more years of education than peers and were four times more likely to earn college degrees. (Frank Porter Graham Child Development Institute, 2012). Similarly, for school-age children, research shows that participation in high quality afterschool programs is correlated with positive outcomes, including improved academic performance, study skills, and work habits (Vandell, 2005).

Simply stated, quality early care and education is a fiscally sound investment in our future. Research by Nobel Prize-winning economist, Professor James Heckman of the University of Chicago shows significant returns on investment for early childhood education, particularly in a child's earliest years. Arthur Rolnick of the Federal Reserve Bank of Minneapolis, who testified before the subcommittee last summer, has concluded that early care and education is the best investment that this country can make. Although we currently face tight budgetary constraints, the Administration, in its fiscal year 2013 budget request, has prioritized significant investments for childcare, along with key reforms to maximize their effectiveness.

The subcommittee's progress in moving toward reauthorization of the CCDBG Act provides an important opportunity to improve the lives of children and families. The Child Care and Development Fund (CCDF), which is comprised of Federal funding for childcare under the CCDBG Act and the Social Security Act, provides both subsidies to families as well as resources to raise the quality of care and is therefore well-positioned to be the centerpiece of quality reform efforts. In 2010 (latest available data), CCDF provided childcare assistance to 1.7 million children from nearly 1 million working families and families attending school or job training. All of the children served are low-income, and half are living at or below poverty level. These children are all at risk of falling behind in school. In addition to funding childcare subsidies, States spend \$1 billion of CCDF each year in quality improvement efforts, exceeding the amount required by law. States are using CCDF to build Quality Rating and Improvement Systems (QRIS), which set voluntary higher standards for childcare and provide financial incentives and technical assistance to meet them. QRIS helps families find quality care and assists providers with moving up the levels of quality. States also are investing in professional development and workforce initiatives to improve the qualifications of childcare providers. These quality investments improve the level of care for millions of children, including children whose care is not directly subsidized by CCDF. Together with States, territories, and tribes, we are working to meet the Administration's overarching goal of helping low-income families access high quality childcare that fosters healthy development, school success, and meets the diverse needs of families.

However, in order to realize the full promise of CCDF, we must make overdue reforms to ensure that children are in safe, high quality care. New research finds that families receiving childcare subsidies are able to access higher quality care compared to families without subsidies, but the quality of care is still lower compared to Head Start and State Pre-K programs (Brooks-Gunn, Johnson, and Ryan, 2012). Although the children served by childcare subsidies and Head Start are demographically similar, Head Start children receive a wider range of support services in addition to higher quality care and early education, giving them and their families more tools for success in later life. While Head Start prioritizes school readiness and helps parents gain the skills necessary to be effective educational partners with schools, children receiving childcare subsidies sometimes receive care that fails to meet basic health and safety standards and to provide the early education they need to succeed in kindergarten and beyond.

To be sure, there are wonderful childcare programs that provide high quality care to low-income children, and those children gain the pre-academic and social and emotional skills they need to succeed. But, there are many low-income children receiving CCDF-funded care that are in poor quality programs where providers lack the skills and resources necessary to provide high-quality early care and education.

Currently, we fall short in our efforts to provide stable support for work and child development. Families in many States "churn" on and off childcare assistance programs every few months, even when they remain eligible, because of the burden of the eligibility re-determination process. This churning of clients threatens the employment stability of parents and undermines child development by severing children's relationships with their caregivers.

More troubling, some childcare providers who receive CCDF subsidies fail to meet health and safety safeguards, which I know has been a significant concern to you, Senator Burr. Parents understandably assume that providers funded by subsidies are safe. However, because the current statute does not define health and safety standards, some States lack basic requirements such as comprehensive criminal background checks, or training on First Aid/CPR and safe sleep practices. In fact,

there are 12 States that do not require CPR training and 10 States that do not require First Aid courses for teachers in childcare centers. Further, 29 States do not require SIDS prevention training. Far too often, this lack of accountability leads to tragedy. Unfortunately, in too many cases, it takes well-publicized deaths in childcare settings to prompt State action to strengthen their licensing standards to better address children's safety. These tragic losses emphasize the importance of health and safety standards and building a strong foundation for high quality care.

The HHS Office of Child Care has been moving forward within the authorities we have to address these concerns and to focus on the goal of ensuring that low-income children have access to high-quality care. A year ago, we revised the CCDF Plan, which serves as the application for CCDF funds and requires States, territories, and tribes to describe their childcare program and services. The CCDF Plan revisions enhanced the focus on health and safety, childcare program improvement, and the training and education of the childcare workforce. We now also ask States to set goals for improving their childcare programs over the 2-year life of the Plan. For the first time, we are asking States to track improvement in childcare quality by reporting their annual progress on their goals, as well as key data about their efforts to upgrade childcare monitoring, offer grants to programs, and provide training and scholarships to teachers.

In addition, States now will report data on State-defined quality measures for each child receiving a subsidy. For example, States that are implementing a QRIS will report the QRIS level of programs caring for children receiving subsidies, allowing us to chart improvements over time. Working through the application and the data reporting processes, we are encouraging States to be more purposeful and strategic in their spending and increasing accountability for Federal funds. To support their efforts, we recently launched a redesigned technical assistance network to help States, territories, and tribes achieve the goals that they have set for their childcare programs. We also expect that States funded through the Race to the Top Early Learning Challenge will serve as models for how to implement and use QRIS to improve program quality.

Despite these improvements, key reforms in the statute would have a much greater positive impact on children and families who rely on childcare. The CCDBG Act, last reauthorized over 15 years ago, does not reflect recent research findings about brain development in the early years and the critical importance of facilitating children's learning from birth. The statute also does not acknowledge current State practices, such as the implementation of QRIS and career pathways for early childhood and afterschool educators. We believe reauthorization of the CCDBG Act is an opportunity to build on State innovation, learn from new research in the field, and drive best practices. As such, we think that CCDBG reauthorization should be based on these key principles:

- *Improving Quality*—The Administration's reauthorization principles preserve State flexibility inherent within the block grant structure, while establishing a foundation that will assure health and safety in childcare and a systemic framework through which States and communities can improve the quality of childcare. This includes increasing the share of dollars dedicated to quality improvement and incorporating into statute existing quality set-asides included in appropriations language. Currently, the 4-percent minimum quality set-aside in the CCDBG Act and the customary appropriation set-asides combine to establish a quality spending requirement of approximately 7 percent. In fiscal year 2010, States reported spending 12 percent of total CCDF expenditures on quality activities. Increasing the share of funds spent on quality while ensuring that the funds are spent on evidence-based efforts to raise the bar on quality will support improvements in State health and safety standards.

Standards alone are not enough. We also need to ensure that States have effective State monitoring systems and protocols to ensure that providers meet regulatory requirements established by the State. Quality funds also should be used by States to support implementation of QRIS for childcare programs and to expand professional development opportunities for the childcare workforce.

- *Supporting Access*—In an uncertain economy, access to high quality childcare is more important than ever. The combination of the end of the Recovery Act CCDBG funding and State fiscal constraints have caused some States to cut back on childcare assistance. We should work to counterbalance these pressures and maintain services to families while making critical quality reforms.

- *Facilitating Informed Choices*—Parents also must have access to information on the quality of childcare programs, so they can make the best decisions for their families' needs. Increased transparency for parents about the health and safety track records of providers and key indicators of quality are an important component of a system based on parental choice.

- *Promoting Continuity of Care*—The basis of early learning is the relationship between the adult and the child, which takes time to develop. Research tells us that children have better educational and developmental outcomes when they have continuity in their childcare arrangements. The constant churn of families on and off CCDF subsidies disrupts these crucial relationships, undermining children’s learning, and making it harder for parents to stabilize their employment and progress in their jobs. Therefore, we suggest considering changes that would improve continuity for families, such as longer eligibility re-determination periods for families receiving childcare subsidies.

- *Ensuring Program Integrity*—We continue to focus on program integrity efforts and providing technical assistance to States, territories, and tribes to prevent waste, fraud, and abuse.

The key principles of our reauthorization proposal align closely with much of the Administration’s work on improving opportunities for early learning in childcare and education programs. These principles remove barriers to coordination with programs such as Head Start and State pre-kindergarten to allow States and communities to better address the comprehensive needs of children and families.

The Administration is aligning early care and education programs and raising the bar on quality so that more low-income children have access to high quality early education through our efforts in CCDF, Head Start, and the Race to the Top Early Learning Challenge. While there is much work to be done, States are strong partners in these efforts, with many States leading the way on improving health and safety standards and setting high standards for quality for childcare. The diverse range of States engaged in these efforts, including those represented in this subcommittee, represents the bipartisan interest and support for raising the quality of childcare to keep children safe, healthy, and ready to succeed in school. The Administration thanks the subcommittee for its leadership, and looks forward to working together as we take the next steps to achieve the CCDBG Act reauthorization.

The CHAIRMAN. Thank you very much, Ms. Smith.

My first set of questions will deal with access. Then, childcare is based on really the best people in the room doing the best practices for our children. You are an expert at information and referral. It goes back to your work in the nonprofit days. When we originally did this bill, one of the things we wanted was clear information and referral to parents so they could make an informed decision around cost, location and satisfaction.

The world of information has revolutionized since then because of the Internet. Do you envision working with the Administration and should we also get more elaborate in our own bill about really encouraging, No. 1, where is childcare, how much does it cost, and kind of a report card on the quality of it? Or do you think we should just let what we’ve been doing stand and leave it to you to write internal new rules regs?

Ms. SMITH. No, I actually think it might be a combination of both of those things, that we actually know a lot more, as we were saying, about the research and what actually we know works and what doesn’t work. For example, we know that certain safety requirements, just basic health and CPR training, will decrease the number of accidents in childcare programs. So we know certain things and I think those things we should go to the research and we should require.

I think there has been progress made in the childcare resource and referral community, and the next panel with Janet Singerman can address some of those, in terms of identifying key indicators and getting that information out to parents. But I think we’ve made progress. We have a long ways to go. The State efforts around quality rating improvement systems are providing much of that information to parents.

The CHAIRMAN. So how do we get it into the hands of parents in the best way?

Ms. SMITH. I think what we have to focus on is technology in many ways, to be honest with you.

The CHAIRMAN. How do we do it? Should we be prescriptive in the bill, descriptive in the bill, or silent in the bill?

Ms. SMITH. I think we should be—that's a really good question. I think I would have to say on this a little more prescriptive, since the information is out there and yet it hasn't taken in many cases—

The CHAIRMAN. Would you offer suggestions in this, because you really have such incredible experience and a range of people to consult with? Because this is the gateway to the program. This is how you make a decision. So if we're going to go to all this effort and there's one childcare provider that doesn't have the same first aid training or whatever you're going to put in there—but we want a one-stop shop, and not everybody has a phone and not everybody—I mean, not everybody has a Blackberry. Everybody does have a cell phone.

Ms. SMITH. That's true.

The CHAIRMAN. Everybody says, "Oh, it's on the web, they can go there." Often for poor women seeking, coming into the market or staying in the market, they don't have the \$1,000 a year to maintain a subscription to something like this. It's going to go into their childcare. So we need to meet people where we are, not where the young people working for the agency are. So let's do that.

The second is this churning. In our guise to make sure that only the most eligible get this, have we inadvertently created a bureaucracy that spends too much time in determining eligibility? In some places it's now every 6 months. What is this churning and how can we ensure that only those who are eligible get it, but that you don't have to prove it every hour and a half?

Ms. SMITH. In some cases it seems like that's what's happening to families, because I've actually been in States where families are required to recertify every 3 months. So I do think that we need to look at this. We have many programs in this country that are based on income that don't require 3-month or 6-month reauthorizations. For example, Head Start eligibility is determined and it's good for the child for a year.

We actually think that we can go to a 1-year eligibility with the States, then having the authority to go in and check randomly. I mean, if the State suspects that there are problems then there's nothing that would preclude them from going in and looking at or doing a random selection of people. But to require everyone to do it all the time is overkill.

The CHAIRMAN. And overkill for both the parent and that's a lot of bureaucracy to maintain around eligibility.

Ms. SMITH. And it prevents collaboration between programs, too. I think that's one of the things that we're concerned about between childcare and Head Start. When childcare people have to recertify so frequently, getting the childcare wrap-around services even to Head Start becomes a problem.

So we need to look at these eligibility requirements and see if we can't make them consistent across.

The CHAIRMAN. So your recommendation would be 1 year plus random sampling to determine whether.

Well, my time is up. I'd like to now turn to Senator Burr. Thank you very much, Ms. Smith.

Senator BURR. Linda, welcome. Thank you for your valuable input.

Let me just ask you, does the Administration support the Child Care Protection Act?

Ms. SMITH. Yes.

Senator BURR. Great.

Ms. SMITH. In a nutshell.

Senator BURR. That bill says that individuals determined through the background check process to have committed murder, rape, offenses against children, and other crimes should not be allowed to work in a childcare setting, but provides an exemption for individuals who have committed a drug-related offense, but after a 5-year cooling-off period. Do you think that's an acceptable exemption?

Ms. SMITH. Well, I do think that we have to allow some discretion within the States around some types of offenses. So I would say, yes. I think that we have a lot to learn on this. I would say the beauty, to be honest with you, of the law that's proposed is as preventative as anything else. I think it will be a deterrent to people to apply because, knowing that these things are going to be checked and exactly for what, one would assume that people will not apply.

I can tell you that my experience with the Defense Department showed that to be true. After we were required in DOD to implement background checks, that's exactly what happened, and people stopped applying. It also set a threshold for quality. So I think the act has lots of potential to improve many aspects of childcare.

Senator BURR. I think many employers in America would tell you as they interview potential applicants, when they notify them that there's a drug test involved many applicants don't complete the interview.

Ms. SMITH. Correct.

Senator BURR. Because they know the outcome.

If you had to characterize the State of the QRIS system nationally, the Quality Rating and Improvement System, are we at a Model T level or are we at Ferrari level, or somewhere in between?

Ms. SMITH. That's kind of a hard question. I don't know that I would put it as a Model T or where. I would put it—maybe in a race, we're maybe at the 30 percent mark, in part because we've got about half of the States now with QRIS and many of them are still in the developmental phases of quality rating improvement. Obviously, your State and some other States are well down the path on that.

But we're still learning on it. I would also say that we cannot actually characterize it as a national system because the States' QRISes vary greatly. It's one of the things that we're looking at ACF is to try and figure out where we can find consistencies among the State QRIS systems and how we can help States that are now moving toward that with lessons learned from States such as North Carolina.

Senator BURR. What do you think are the essential elements of a good QRIS?

Ms. SMITH. Well, I think that one of the essential elements has to be a connection to licensing. I know that in North Carolina's system that is true. To exclude the licensing system from the QRIS is creating yet another wedge within an already bifurcated system. So I really think that we need to look at linking it to licensing, to basic health and safety, and then moving people up in a progression toward a higher level, whether that be national accreditation or some other higher level as determined by the State.

Senator BURR. One final question. Would you agree that Head Start and the requirements we place on Head Start are very different from what we currently require and should require on CCDBG?

Ms. SMITH. Well, they're radically different, yes. But I would tell you that is another thing that we're looking very seriously at right now at ACF. One of the things that we are interested in is, as I said, how can we break down the barriers, is to begin to look horizontally at these programs and figure out what they have in common. For example, health and safety standards should not be different between Head Start and childcare and pre-K. A child should be no less safe or healthy in any one of those settings.

So how can we begin to build a platform or a foundation where we address the consistencies and the things that should be the same between early learning programs and then look at how we can further promote those kinds of activities. So it's something that we're very interested in. There are many others. There's the child-and adult-care food program, all food programs; why don't they all comply with those standards? Why don't all programs comply with the Consumer Product Safety Commission standards for playgrounds? Those things should not be any different based on whether it's Head Start, childcare, or pre-K.

Senator BURR. Thank you.

Thank you, chairman.

The CHAIRMAN. Thank you.

Let me just say how we're going to proceed: Senator Bingaman, Senator Franken, Senator Murray, Senator Blumenthal.

Senator BINGAMAN. Thank you very much.

Thanks for your testimony. I'm not as informed on this as the chairman and the Ranking Member. What does a person have to demonstrate to have his or her child eligible under this program?

Ms. SMITH. It varies by State, sir. The State is authorized to determine the eligibility levels based on the State's own decisions on what they view as their priorities. Essentially, most of the children, as I said, are right now at poverty or below, at least half of them are, or in that range.

Senator BINGAMAN. That is the eligibility cutoff for most States?

Ms. SMITH. The eligibility cutoff for most States is—I would have to get back to you on the average on that. But it has gone down over time, in part because the funding has stayed so flat in the childcare program. So as States have tried to maintain levels of children—and it gets to this access versus quality issue. As States have tried to maintain the levels, they have increased the eligi-

bility requirements, decreased the payments to providers, increased the co-pays.

So as I like to say, there are lots of levers in childcare and it's hard to say any one of those is the reason or is consistent between the States.

Senator BINGAMAN. You mentioned this. I think you referred to it as the burden of the redetermination process. The chairman was asking about that. Your recommendation, as I think you stated before, is that we have something in the Federal law that says States are only able to make this determination of eligibility once a year, and that they can then do random checks to be sure that people haven't gotten rich in the mean time and their kids should not be participating.

So that's your view, is that that should be mandated in Federal law in this reauthorization?

Ms. SMITH. I think "mandated" is a strong word. I think that we—but we would like to see that as a basic goal of CCDBG, yes.

Senator BINGAMAN. OK.

Is the much more frequent redetermination requirement done for a reason of trying to keep people out of the program? What is the reason why a State would require a redetermination of eligibility every 3 months?

Ms. SMITH. Well, in fairness to the States, we've put a lot of pressure on the States recently in terms of the program integrity requirements and monitoring them. The States are required to report and we go out and monitor program integrity, which means compliance with different features. They're all set, in fairness, by the States, what we monitor them to.

But, that being said, there is a big emphasis on program integrity, and I think what's been happening is the States are reacting to that and wanting to make absolutely sure that they are in compliance with the Program Integrity Act.

Senator BINGAMAN. I'm not understanding the words you're using very well. I've always thought of program integrity as the characteristics of the program, whereas I've thought the eligibility was something that the parent of the child had to be able to demonstrate. So why would the increased emphasis on program integrity cause the States to put more pressure on the parents who are trying to keep their kids eligible?

Ms. SMITH. Well, because the States are being monitored to make sure that children aren't getting subsidies that are not really authorized under current State policies. For example, if the State has set the income threshold at the poverty level in the State and someone goes out and monitors that State and that's their threshold and they find families that are above that, then they're really out of compliance. The States are really trying very hard—

Senator BINGAMAN. They're out of compliance with their own requirement. They're not out of—

Ms. SMITH. That's right.

Senator BINGAMAN [continuing]. Compliance with any Federal requirement.

Ms. SMITH. They're out of compliance with their own requirements as they set them. But they have set them and then we monitor to them. We're trying to work with the States on this and

we've been doing a lot of training to help educate the States on how to set their requirements and make sure that they're realistic.

Senator BINGAMAN. Thank you.

The CHAIRMAN. Senator Franken.

#### STATEMENT OF SENATOR FRANKEN

Senator FRANKEN. Just to followup on that—thank you, Madam Chair—is that a big problem, people suddenly getting a windfall of money? I mean, what kind of percentage of families does that happen to? It seems a little penny-wise and pound-foolish.

Ms. SMITH. I actually think that's a good way to describe it. I do think that we don't have data that actually supports—and we could go back and look and see in terms of the monitoring that we've done so far this year. But I do think that there is a tendency to be overly cautious at the State level to make sure that they're not out of compliance.

Senator FRANKEN. You certainly want this going to kids who need it.

Deputy Assistant Secretary Smith, as the chairwoman said in her opening statement, we know that birth to age 3 is an important time for brain development and for building a foundation for later learning. Since 1999 Congress provided CCDBG funds to improve the quality of care for infants and toddlers in annual appropriations bills. Because this money has been allocated through the appropriations process, there is little guidance on how States should use the funding.

Yesterday, I introduced legislation to authorize this funding stream and provide guidance to States on how to use it. Under my bill, States can use funds for evidence-based quality improvement initiatives. These could include supporting family childcare homes through staffed networks, integrating infant and toddler components into higher education and professional development programs, and helping childcare providers pursue accreditation or a higher rating on their State's quality rating system.

Can you talk about the importance of improving the quality of care, especially for infants and toddlers?

Ms. SMITH. I think, given what the research shows, there is nothing more important than improving the quality of infant-toddler care. As I said in my remarks, we know that by 9 months of age children are already starting to lag. So it is critically important, and we do need to pay attention to this.

I applaud your efforts around this. We also know that many, many of our youngest children are in family childcare settings. This is an area that we need to pay particular attention to because it's one that often falls outside of the licensing requirements in States or the threshold for what is monitored is very high. So I think that we need to pay attention to this. During the ARA funding years, we actually conducted a demonstration project between childcare and Head Start where we actually worked with family childcare, and we found amazing results by being able to support family childcare providers, get them the training that they need, and we saw amazing improvements.

I actually went out and visited a training with some of those childcare providers and it was quite impressive. Most of those pro-

viders were ELL, English language learners, too. So we still saw tremendous growth in those providers and in the quality.

Senator FRANKEN. And we'll see that pay off later.

You began your career in the northern Cheyenne reservation in Montana and have done a lot of childcare work in Montana. You saw firsthand the childcare options available to rural families and the unique challenges facing rural families looking for high quality childcare. We know that if low-income children cannot access high quality childcare and early education programs they are less likely to be ready for school when they enter kindergarten.

What kinds of obstacles do rural families face when they're trying to find high quality care, and what strategies are some rural communities using to help families access childcare?

Ms. SMITH. Yes, I can address this one from firsthand experience with my own children. As you said, I was working on the northern Cheyenne reservation and I had two children under the age of 5. One of my daughters was able to go to the program that I had, but my infant I had to find childcare for. There was one family childcare provider within about 150 miles, I think.

It just so happened that she was good, and she was State-licensed, believe it or not, which was interesting. But I do think that I remember facing those issues and the rural issues clearly. I think we need to think about family childcare again. We need to consider options, and we are thinking about this at ACF right now, about how we can encourage more grants and contracts to family childcare providers, because one of the problems with family childcare is the stability of the income. If a child drops out, their income goes down and they really need to look for alternate resources and ways to maintain their income.

So we're looking at how we might use grants and contracts, especially in rural areas, with family childcare providers. There are a number of other things that we're thinking about in terms of how do we braid, better braid the funding for all early care and education programs in rural communities so that we are not competing for the same children with small amounts of money. So there's a lot of things that we can do around this one.

The other thing I think we need to look at—and this is one of the reasons why I generally hesitate to say that we need to make too many overly aggressive requirements in Federal legislation—is because in rural communities we often need to consider things like, I know I was the only person with early childhood background for probably 150 miles. So to require a degree of a person in a rural setting is difficult.

We need to look at compensatory measures: How can we ensure that we get the training to the people that are isolated in such a way that they can afford it, have access to it, and that it helps children, without becoming too burdensome on some of the other kinds of requirements that may or may not lead to quality.

Senator FRANKEN. Thank you.

Thank you, Madam Chair.

The CHAIRMAN. Senator Murray.

## STATEMENT OF SENATOR MURRAY

Senator MURRAY. Thank you very much, Chairman Mikulski and Senator Burr, for holding a really important hearing. As you know, early childhood education is extremely important to me. I come to this topic not just as a Senator, a member of this committee, a former PTA member, a school board member, and a mom, but I am the only Senator who has been a pre-school teacher formerly, and actually that's where I learned most of the skills that I use here.

[Laughter.]

But this topic is extremely important, and I'm so glad you're looking at this, considering the reauthorization of the Child Care and Development Block Grant.

We've heard it up and down that childcare is one of the best investments that we can make as a Federal Government, and this reauthorization is a critical part of that. Everybody's talked about the research that shows how early childhood education benefits a child throughout their school career. And it is such an important resource for parents who are trying so hard to manage and work and do everything they need to do to make sure their kids get the best start.

Frankly, the bottom line is that as a parent, if you know your child is safe and in a good setting while you are at work, you do a better job for your employer. So childcare is just really a critical part of our economic recovery.

I did want to ask you today, because one of the things I've really focused on for a long time is the issue of homelessness. I saw an analysis recently that showed that homeless families receive childcare subsidies at a lower rate than families who are in homes and that homeless mothers are more likely to report quitting their job or school because of unreliable childcare.

That is really concerning to me, because homeless children are among the most vulnerable out there. Having a stable childcare situation would do wonders for a homeless family. It would allow their parents time to work or look for work and get their family into a home, and it would really actually lessen the time that a homeless child spends in their car or their tent or wherever they happen to be living.

So I wanted to ask you while you're in front of us today what you're seeing happening on the ground in terms of childcare for homeless families and what we can do in reauthorization to really address this critical issue?

Ms. SMITH. I appreciate you and your staff's interest in this, and we've had several meetings as a result of that interest in trying to examine what we can do to support homeless families. One of the things, as you know, we're working on Head Start and how do we ensure that homeless children have access and stability within the Head Start program.

That being said, we also need to look at childcare policies State by State, because we know that, while the regulation that we issue gives the States the authority to give grace periods for certain requirements for eligibility for childcare, two-thirds of the States use that option, one-third do not. We need to work with these States

to basically convince them of the importance of looking at these policies and the barriers that they're presenting to these families.

I think the other thing that we need to do is a better job in working with some of our other partner programs that support homeless families, to identify these families and prioritize them in the system, so that we don't make it harder for them to get that access.

I know that I have personally watched people walk through processes for applying for subsidies, and some of those policies present instant barriers to homeless families in terms of just even providing envelopes or something with your permanent address on it.

So we need to work with the States on these issues and it is on our radar screen for sure. We are giving it a high priority. I don't know that I can tell you right now that we have an absolute solution.

Senator MURRAY. Well, this is a very important issue. It addresses the most vulnerable of kids amongst us, and there are real barriers, like just not having an address you can put on a form to access.

Ms. SMITH. Right.

Senator MURRAY. So we really want to work with you on that.

Madam Chairman, thank you so much for doing this. I will submit some questions for the record. I know I hear from childcare providers at home that their major challenge is how do they balance quality and access. So that's something I think we really need to look at.

The CHAIRMAN. We're struggling with that.

Senator MURRAY. Yes.

Thank you very much.

The CHAIRMAN. Senator Blumenthal.

#### STATEMENT OF SENATOR BLUMENTHAL

Senator BLUMENTHAL. Yes, I'd like to join in thanking Senator Mikulski and Senator Burr for having this hearing on a critically important topic and for emphasizing the importance of both the employment benefits and the learning development benefits, the cognitive and social, emotional abilities that these programs offer.

I was struck by the observation in your testimony, and I'm quoting:

"There are many low-income children receiving CCDF-funded care that are in poor quality programs, where providers lack the skills and resources necessary to provide high-quality early education, early care and education."

I wonder what specific steps in this reauthorization will raise the quality of the providers, that is the staff, the people who do know what Senator Murray did in providing pre-school services in these facilities? What specifically will raise the quality?

Ms. SMITH. I think one of the first things that can be done is to take a look at State requirements around who must be regulated and who must comply with basic health and safety. We know that 19 percent of children receiving CCDF funds right now are in care that is outside the regulated system and for which we know nothing about the quality of care, the quality or safety of the programs that they're in.

That, to understand, equates to about 320,000 children that are receiving subsidies right now. So what can be done with that? Well, I think the first thing is to take a look at requiring programs that accept Federal funds to comply with certain fundamental basic health and safety standards and for States to require some kind of licensing and oversight of those programs. I think that's No. 1.

Senator BLUMENTHAL. So you're saying that almost 20 percent of all programs funded by the Federal Government have no requirements as to quality, in effect?

Ms. SMITH. Twenty percent of children subsidized right now, by our most recent data, 19 percent actually of children, are in programs that are neither regulated nor inspected by the States.

Senator BLUMENTHAL. So there's no, in effect, standard, no requirement for meeting certain minimal criteria?

Ms. SMITH. In some States, sir, it's possible—and this is another thing that is I think problematic. In some States it's possible for the State to mail out to a potential provider a checklist and for them to check off what they basically—whether they think they're doing these things or not, and mail it back in, and get a license in the mail, with no one ever having looked at that program.

Senator BLUMENTHAL. Which in effect is a sham.

Ms. SMITH. It is.

Senator BLUMENTHAL. Will this reauthorization legislation, the reforms that you make reference to in your testimony, correct that situation?

Ms. SMITH. It would be our hope and expectation that we would address that particular problem of who and how we spend our Federal money and requiring at least minimum health and safety.

Senator BLUMENTHAL. I'm not sure I understand what you mean by "hope and expectation." Will it? And I don't mean to—this is a friendly question, not a hostile question.

Ms. SMITH. I'm just saying that that would be what we would like to see happen, but I can't say what the committee or Congress is going to do on this one. But certainly our concern is that children not be placed in childcare that has never been looked at and that we know nothing about the quality of care and we're spending Federal money on it.

Senator BLUMENTHAL. Because it can be not only less useful or useless, but also potentially dangerous.

Ms. SMITH. Absolutely. And I do think one of the things that we do know is that quality of care matters. The research is crystal clear on this issue, that the quality of care matters and it matters most to poor children. So that we put 19 percent of our poor children in care that we know nothing about is not acceptable.

Senator BLUMENTHAL. One out of every five children in the United States.

Ms. SMITH. Yes.

Senator BLUMENTHAL. And many of them more likely to be low-income than others.

Ms. SMITH. Oh, no. They are low-income. They are definitely low-income.

Senator BLUMENTHAL. My time has expired, but I really want to thank you for your very helpful testimony this morning.

Thank you, Madam Chairman.

The CHAIRMAN. Ms. Smith, thank you very much for a very content-rich presentation. The Q and A here has been really informative and instructive. We're going to ask you to be available to us as we work on the principles of our bill to be in keeping with the President's principles and to really benefit from your expertise. You're going to be the Department and the specific organization within the Department to implement this. So we really value your expertise, and thank you very much.

We're now going to turn to our panel that brings a wealth of experience from the community, as Senator Murray said, from out there. They're kind of the boots on the ground.

We welcome to the table Dr. Rolf Grafwallner, who heads up the Division of Early Childhood Development in my own home State of Maryland. It licenses and monitors all childcare programs, and he brings 20 years of experience in running the program, and he's also come up with innovative ideas, like working with our colleague Congressman Steny Hoyer, implementing the Judy Centers. We really welcome you.

We also want to welcome Mr. Phil Acord, who has worked at the Children's Home in Chattanooga, TN, for more than 30 years, and he's provided care to children whose parents hold nontraditional work hours. This is actually something very interesting to me, the night shift crowd. We look at it from those who work as nurse's aides to important defense facilities. In my State I have the National Security Agency. They work 24 hours 7 days a week protecting America. How do we help them protect their children and raise their children better? We really look forward to your advice and insights and experience.

We have Janet Singerman, who serves as the president of the Child Care Resources, one of North Carolina's largest nonprofits. Senator, she's I know someone well known to you. I didn't know if you wanted to introduce Ms. Singerman to me and to Senator Blumenthal.

Senator BURR. Chairman Mikulski, let me first welcome Janet from Charlotte, NC, and at the same time apologize to the chair, because Janet served for over 15 years on the Maryland Committee for Children in Baltimore, MD, in addition to serving as the deputy director and project manager.

The CHAIRMAN. Oh, I saw that. That's the second paragraph here. I got to the second sentence, which said "Burr to introduce."

Senator BURR. So I feel like I have stolen a treasure from Maryland, only to claim her, as I do, a treasure to North Carolina, but, more importantly, to children in this country.

She was elected to the position of president of the board of directors of the National Association of Child Care Resource and Referral Agencies from 2004 to 2006, after many years of leadership in the field at the national level. Prior to joining the Child Care Resources as president in 1997, Janet worked for 14 years with the Maryland Committee for Children, serving as its deputy director and as the co-founder and project manager of Maryland's statewide Child Care Resource and Referral System.

She's been on the front lines in North Carolina for some of the most exciting work currently under way in the country in early childhood care. In her role as president of Child Care Resources.

Child Care Resources serves several North Carolina central counties and last year subsidy funds administered by that organization enabled a monthly average of 7,000-plus children from low-income families to access childcare in North Carolina.

Janet, is active on local, regional, State, and national levels. Her agency provides comprehensive childcare resources and referral services, including consumer education and referral, training and professional development, targeted quality improvement and technical assistance consultation, public education, and data collection and trend analysis. She is a multi-talented, tremendous resource for this committee.

Janet, welcome.

Thank you, Madam Chair.

The CHAIRMAN. Well, even though you chose to move to North Carolina, we still love you. We also do remember when you worked with our good friend Terry Lansburgh, who was really kind of the founding mother of the childcare movement in Maryland, a very dear friend to me and adviser to many on public policy. It was really out of that nonprofit that goaded government to really have a framework for childcare and childcare that really worked for the kids and supported the families. So it's good to see you again.

I'd also like to welcome Ms. Coro. Susana Coro is here today representing real parents, the people that we talk about, and their children. We felt it was important to hear from a parent. She herself not only is a user of the service, but she also works in the field of early childhood care, to make sure we get the viewpoint of the parent.

We want to thank you, Ms. Coro, because we know you've taken time off from work today to be with us and that you're here on your own time, and it's very much appreciated.

So we're going to turn to the panel. We're going to ask them to make their presentations crisply, so we can get—as you can see, this is a committee that really wants to engage in conversation, and we're going to need to wrap up as close to 12 o'clock as we can. That's not to stifle conversation, but to kind of encourage expedition.

We'd like to really kick off with you, Rolf, another Marylander, and your considerable background, and look forward to hearing from you.

**STATEMENT OF ROLF GRAFWALLNER, Ph.D., ASSISTANT STATE SUPERINTENDENT, DIVISION OF EARLY CHILDHOOD DEVELOPMENT, MARYLAND STATE DEPARTMENT OF EDUCATION, BALTIMORE, MD**

Mr. GRAFWALLNER. Good morning, Madam Chair and members of the committee. I'm pleased to be here to report out on the work we do on the CCDBG in Maryland. My name is Rolf Grafwallner, assistant State superintendent of the Division of Early Childhood Development of the State Department of Education. The division is the lead agency for early childhood education in Maryland and it includes the administration of the CCDBG and all childcare quality initiatives.

As part of my testimony I would like to make three major thematic points on how to improve the CCDBG. The reauthorization

should shift the focus on child outcomes while maintaining its function as a monetary support to help low-income families to afford the cost of childcare. The mission of childcare subsidies is not only to ensure that lower wage working families have access to subsidized care, but that young children have access to quality programs. It means that the Federal and State funding for young children adopts the goal of school readiness as the primary focus and becomes an integral part of each State's reform efforts. That should include the CCDBG.

Shortly after the transfer of childcare subsidies to the State Department of Education, our division tested the extent to which children receiving childcare subsidies were enrolled in high quality programs, what does it mean, what are the outcomes? We pursued and received Federal research and examined the question. Compared to children who had only informal childcare arrangements, such as with family, friends, or neighbors, children with subsidies enrolled in center-based care were more likely to be prepared for school.

Based on those results, we worked on getting more children enrolled in licensed childcare centers, which contributed to the increased school-readiness outcomes of low-income children statewide from 59 percent in 2007 to 76 percent in 2011.

Second point: Reauthorization should include provisions for integrating Head Start and CCDF funds. This approach should be coupled with the requirement that at a minimum 10 percent of the State's TANF funds be reserved for childcare subsidy. CCDBG cannot be considered in isolation, especially since the consolidated governance structure allows for more strategic coordination among the various funding streams.

As a State administrator, I'm engaged in coordinating State and Federal policies of three publicly funded programs: Head Start, public school pre-kindergarten, and childcare subsidies. All three of these programs are targeted basically to the same income groups. In Maryland this means families of four with incomes below about \$40,000 a year. Any families making more than that are locked out of any kind of subsidy.

For a State focused on school readiness goals and education reform, this is a serious problem in terms of access to programs and accountability for results. Within the context of today's budgetary constraints, we simply cannot afford to work in silos. That means creating separate funding streams, regulations, and fragmented oversight.

From a State perspective, access to subsidized early care and education could be expanded to more middle-income families if the CCDBG reauthorization were to coordinate its policies with those of Head Start in terms of funding and performance standards. Over the past decade there have been innovative models in that regard, and Ms. Smith talked about it to some extent, where both childcare and Head Start funding were supporting early childhood centers that benefited more children. These models met the test of expanded access, higher quality, and better results.

In addition, linking Head Start and CCDF funding with TANF would integrate the school readiness mission of childcare and Head Start with the family support model of all the TANF programs.

The reauthorization should also refocus the current quality set-asides and earmarks with a stronger emphasis on workforce development and continuous program improvement, including a requirement for States to establish performance benchmarks, not just tracking the data but establishing benchmarks in those areas. The existing set-asides and earmarks should be eliminated in lieu of more flexibility for States to address the dire needs of workforce development and program improvement in childcare.

While States would still have the flexibility to tailor the CCDF funds to meet their strategic interests, the reauthorization should set performance benchmarks regarding the improvement of the workforce in childcare, in family childcare, as well as in center-based care.

We were pleased that ACF introduced new process indicators for quality into the States' plan last year, in the last reporting cycle.

Maryland currently spends approximately 10 percent of the Federal appropriation in quality initiatives and we have major results in focusing our efforts on workforce development and continuous improvement. For instance, we have tripled the childcare workers joining a formal career ladder program over the past 10 years and we increased the number of accredited programs by tenfold from 2001 to 2011.

Maryland, just like other States, navigates within the confines of what is being provided in terms of funding and Federal and State requirements. The CCDBG as it currently exists has many positive features and they should be retained in the reauthorization, such as offering flexibility, becoming a reliable funding source, and States receiving technical support from the agency that administers it.

But from a State's perspective, it cannot exist as a funding source in isolation. As State pre-kindergarten and Head Start strive to stress the quality of early care, CCDBG must follow. The most important thing the reauthorization can do is to initiate such process at the Federal level.

Thank you very much for the opportunity to speak to this issue. [The prepared statement of Dr. Grafwallner follows:]

PREPARED STATEMENT OF ROLF GRAFWALLNER, PH.D.

SUMMARY

**Speaker:** Rolf Grafwallner, Assistant State Superintendent for the Division of Early Childhood Development at the Maryland State Department of Education (MSDE). The Division is the lead agency for early childhood education in Maryland, and it includes the administration of the CCDBG and all childcare quality initiatives.

POLICY RECOMMENDATIONS

**The CCDBG reauthorization should shift the focus on child outcomes, while maintaining its function as a monetary support to help low-income families to afford the cost of childcare.**

The mission of the childcare subsidy is not only to ensure that low-wage working families have access to subsidized childcare, but that their young children have access to quality programs. It means that young children's readiness for school becomes the primary focus and an integral part of each State's education reform efforts.

**CCDBG reauthorization should include provisions for integrating Head Start and CCDF funds. This approach should be coupled with a require-**

**ment that, at a minimum, 10 percent of the State's TANF funds be reserved for childcare subsidy.**

CCDBG cannot be considered in isolation, especially since the consolidated governance structure allows for a more strategic coordination among the various funding streams. From a State perspective, access to subsidized early care and education could be expanded to more middle-income families if the CCDBG reauthorization were to coordinate its policies with those of Head Start, also administered out of the Administration of Children and Families, in terms of funding and performance standards. Over the past decade, there have been innovative models, where both childcare and Head Start funding were supporting early childhood centers that benefited more children in terms of financial support and providing a better learning environment as a result of the childcare programs not only meeting licensing standards but adopting the more stringent Head Start performance standards. These models meet the test of expanded access and higher quality. Linking Head Start/CCDF funding with TANF would integrate the school readiness mission of a childcare/Head Start model with the family support model of all the TANF programs.

**The CCDBG reauthorization should refocus the current quality set-asides and earmarks with a stronger emphasis on workforce development and continuous program improvement, including a requirement for States to establish performance benchmarks in those areas.**

The existing set-asides and earmarks should be eliminated in lieu of more flexibility for States to address the dire needs of workforce development and continuous program improvement in childcare. While States would still have the flexibility to tailor the CCDF funds to meet their strategic interests, the reauthorization should set performance benchmarks regarding the improvement of the workforce and childcare programs.

Maryland, just like other States, navigates within the confines of what is being provided in terms of funding, and Federal and State requirements. The CCDBG, as it currently exists, has many positive features—it offers flexibility, it has become a reliable funding source, and States receive technical support from the agency that administers it. But, from a State's perspective, does not exist in isolation. As State pre-kindergarten and Head Start strive to stress the quality of early education, the CCDBG must follow. Many States are in the process of reorganizing their governance of early childhood education and consolidating all programs and funding streams into one agency. The most important thing the reauthorization of the CCDBG can do is to initiate such a process at the Federal level. In practice, this would mean joint and blended funding to increase coordination between childcare, Head Start, and TANF, resulting in improved access to quality early education and care for the children of working parents.

The first rule of order should be a reorganization of the existing programs to allow for a more streamlined and consistent support for children and their families. The reauthorization of the CCDBG can play a historic role in this effort.

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Chairwoman Mikulski and members of the subcommittee, my name is Rolf Grafwallner, assistant State superintendent for the Division of Early Childhood Development at the Maryland State Department of Education (MSDE). The Division is the lead agency for early childhood education in Maryland, and it includes the administration of the CCDBG (or CCDF), namely the childcare subsidy program and all childcare quality initiatives. I appreciate the opportunity to speak before you and provide you with a State's perspective.

For the CCDBG and childcare subsidy to be administered by an education department is not typical. In fact, it is very rare. Only a handful of States have similar governance arrangements. When the funding, policy authority, and administration of the CCDBG was transferred in 2006 to the Maryland State Department of Education, it was done with the understanding that the provision of services for subsidized children enrolled in the State's licensed childcare programs were part and parcel of the State's P-20 reform initiative.

#### CHILD CARE CONTRIBUTES TO SCHOOL READINESS IN MARYLAND

The mission of the childcare subsidy was not only to ensure that low-wage working families had access to subsidized childcare, but that their young children had access to quality programs. It meant that young children's readiness for school became the primary focus and an integral part of Maryland's education reform efforts.

Shortly after the transfer, our Division tested the extent to which children receiving childcare subsidies were enrolled in high quality programs, and we found that

only 5 percent of all children were enrolled in State or nationally accredited programs—the criterion we use for highly quality early education. We pursued and received a Federal research grant to examine the question further.

Our research, conducted in partnership with the Towson University and Child Trends, Inc., examined the question, *What is the relationship between children with subsidies enrolled in childcare programs and their results on the Maryland Kindergarten Assessment?*

The results were both fascinating and sobering. The type of subsidized care arrangement was significantly associated with differences in the likelihood of being assessed as fully ready for school on the two pre-academic domains, language/literacy and mathematical thinking. Compared to children who had only informal (family, friend or neighbor non-regulated) subsidized care arrangements, children enrolled in subsidized center-based care were more likely to be fully ready. The higher likelihood of school readiness was found among both children in center care either for the year before kindergarten or for 2 years prior to kindergarten. Subsidized center care was associated with an increase of between 11 percent and 14 percent in the probability of being fully ready on the two pre-academic domains.

This data is critical to Maryland since children entering school with significant deficiencies, especially in the pre-academic areas, may need intervention services in public schools associated with higher costs for local school districts. From a mere economic and educational perspective, the investment through the CCDBG could be looked at as a missed opportunity, shifting the costs to remedy the educational needs of children to local school districts, if children do not access quality programs.

Maryland's data actually indicates favorable trends when it comes to parents' preferences for childcare arrangements. According to last fiscal year's participation rate, 80 percent of parents chose childcare centers. The remainder of children were enrolled in family childcare or informal care. Such statistics may not be true for other States, and, while Maryland's research data cannot be generalized, it points out a troubling feature associated with the CCDBG. For years, it has maintained the focus of the program on childcare so families can work. It has offered increasing but limited focus on the outcomes for children. **The CCDBG reauthorization should shift the focus to child outcomes, while maintaining its function as a monetary support to help low-income families afford the cost of childcare.**

#### CHILD CARE SUBSIDY IN THE CONTEXT OF OTHER SUBSIDIZED PROGRAMS

From Maryland's perspective, the CCDBG should not be considered in isolation of other programs, especially since a consolidated governance structure allows for a more strategic coordination among the various funding streams. There are two other major funding sources which provide subsidized educational services for young children: the federally funded Head Start program provides full subsidy for children from families at or below 100 percent of Federal Poverty Guidelines (FPG) and the State's pre-kindergarten program, operated by local school systems, is fully funded for children from families at or below 185 percent of the FPG. Adding the CCDBG, with eligibility for families at or below 178 percent of FPG, creates a third option for accessing subsidized early care and education.

As a result of these three programs, Maryland provides options for families with very low incomes. Any family whose income falls just outside those Federal poverty guidelines has no options except to pay for care out-of-pocket or depend on family or friends for a patchwork care arrangement. This is a problem in terms of a State's ability to close the school readiness gap. In fact, several years ago we calculated the gap our policies created for families with middle incomes.

In 2008, families who gained access to State and local financed pre-kindergarten programs had household incomes of \$40,792 or less for a family of four. Families who enrolled children in Head Start had household incomes of \$22,050 or less for a family of four. And, families accessing childcare subsidy had incomes of \$37,485 or less for a family of four in order to be eligible for childcare subsidies.<sup>1</sup> Thus, any family of four earning more than the prescribed eligibility guidelines had no access to publicly funded early childhood programs. Assuming that 10 percent of the family's income is a reasonable expenditure for early care and education costs, our calculations showed that families of four who earn more than \$40,792 experience a significant increase in their household's share for childcare or preschool. Applying the 10 percent rule, family household incomes would have to be at \$72,000 and above to become affordable again. While we do not have specific data on the number of children who are represented by this "donut hole" of affordability, census data sug-

<sup>1</sup>Maryland currently has a "freeze" on the upper income brackets of its eligibility guidelines.

gests there is a high proportion of children whose families make more than \$41,000 and less than \$72,000. Those children might be enrolled in childcare programs, but many are being cared for in ad-hoc arrangements by friends, neighbors, and relatives. These arrangements are part of the fabric of community support and a very important feature of our society, but our data suggests they are not conducive to school readiness.

From a State perspective, access to subsidized early care and education could be expanded to more middle-income families if the CCDBG reauthorization were to coordinate its policies with those of Head Start, also administered out of the Administration for Children and Families, in terms of funding and performance standards. Over the past decade, there have been innovative models, where both childcare and Head Start funding were supporting early childhood centers that benefited more children in terms of financial support and providing a better learning environment as a result of the childcare programs not only meeting licensing standards but adopting the more stringent Head Start performance standards. These models meet the test of expanded access and higher quality. **CCDBG reauthorization could turn these integrated models into business as usual. This approach should be coupled with a requirement to not only allow States to access of Temporary Assistance to Needy Families (TANF) funds for childcare subsidy, but to require that, at a minimum, 10 percent of the State's TANF funds be reserved for childcare subsidy. Such an approach would integrate the school readiness mission of a childcare/Head Start model with the family support model of all the TANF programs.**

#### THE KEY IS A QUALIFIED WORKFORCE AND CONTINUOUS PROGRAM IMPROVEMENT

The final point is reserved for the quality component of the CCDBG. Each State must set-aside, at a minimum, 4 percent of the State's allocation for quality initiatives. Maryland's set-aside is slightly higher and it has shifted the majority of these resources to workforce development and continuous program improvement. The strategy was to reverse a trend observed at the beginning of the last decade, when talented and qualified providers were exiting the field, creating high turnover and a depleted workforce in childcare. At the same time, Maryland established a number of initiatives to improve the overall quality of licensed childcare programs. Quality set-aside funds of the CCDBG included accreditation support for childcare programs to become accredited. For instance, in 2001 only a couple dozen childcare programs were accredited, thereby meeting standards of high quality. Today, almost 540 childcare programs are State or nationally accredited. At the same time, childcare workers were encouraged to enroll in the State's childcare credentialing program, a career ladder and professional development program for childcare professionals, to improve their qualifications through training and post-secondary course work and degree achievement. Prior to the transfer of childcare to MSDE, only 6 percent of childcare workers joined the credentialing program. Today, almost 20 percent are enrolled in it, and the numbers are growing. The CCDBG quality improvement component is providing funding for credentialing incentives such as compensation bonuses and training vouchers. **The CCDBG reauthorization should refocus the current quality set-asides and earmarks with a stronger emphasis on workforce development and continuous program improvement, including a requirement for States to establish performance benchmarks in those areas.**

Maryland, like other States, navigates within the confines of what is being provided in terms of funding, and Federal and State requirements. The CCDBG, as it currently exists, has many positive features—it offers flexibility, it has become a reliable, yet underfunded resource, and States receive technical support from the agency that administers it. But, from a State's perspective, it does not exist in isolation. As State pre-kindergarten and Head Start programs strive to stress the quality of early education, the CCDBG must follow. Many States are in the process of reorganizing their governance of early childhood education and consolidating all programs and funding streams into one agency. One of the most important things the reauthorization of the CCDBG can do is to initiate such a process at the Federal level. Within the context of appropriating more adequate funding, this would mean joint and blended funding to increase coordination between childcare, Head Start, and TANF, resulting in improved access to quality early education and care for the children of working parents.

The first rule of order should probably be a reorganization of the existing programs to allow for a more streamlined and consistent support for children and their families. The reauthorization of the CCDBG can play a historic role in this effort.

I thank you for the opportunity to speak before you and I am available for questions.

The CHAIRMAN. Thank you very much, doctor.  
Mr. Acord.

**STATEMENT OF PHILIP ACORD, EXECUTIVE DIRECTOR,  
CHILDREN'S HOME, CHATTANOOGA, TN**

Mr. ACORD. Madam Chairperson, the Children's Home has been serving children in our community for over 140 years. On any given day we have responsibility for about 700 children.

You have to really look back to appreciate the tremendous impact CCDBG has made and to understand how the economic downturn has challenged families and children. I was on the State advisory committee back in 1990. We spent hours trying to figure out how to serve the most children and still improve the childhood education community services. We were really excited about subsidy for those families that could only afford to pay \$25 or \$30 a week because most of our budget's made up of only one source of revenue, parent fees. These new dollars helped us provide our staff with benefits, helped us increase our salaries above the minimum wage. Funds were going to help us recruit more qualified staff, enable us to purchase current curricula for classrooms and upgrade equipment and materials.

Using quality set-aside funds, our State started the Tennessee Early Childhood Training Alliance, providing all staff entering the field 30-clock hours of training in early childhood development. The State also increased the amount of annual training required and made it available to the early childhood education community.

During good economic times, the State expanded parent access. Over the first 10 years, lots of early childhood education programs sprung up across the State, many of them adding infant care and toddler care, school-age care, in addition to the 3- and 4-year-old care, all possible because of CCDBG.

Tennessee faithfully conducted their annual market survey and for a time reimbursed at the 75th percentile. Families who needed it received subsidies. With CCDBG, the State also focused on quality, licensing standards improvement, the ratio of child-to-teacher fell so each child got more individual attention from their teacher. The State lowered the caseloads of licensing counselors, increased monitoring to six unannounced visits annually.

There were concerns because funding for quality initiatives also came from the CCDBG subsidy dollars that helped parents pay for our service. But we also understood that every low-income child needed and deserved access to good early childhood education services and licensing was the foundation for that, for that quality.

Later, Tennessee developed a quality rating and improvement scale. As an incentive to programs serving CCDBG children, the State paid more if a program achieved a higher rating. Unfortunately, the rate we now receive is below, even with that increase, is below the 75th percentile.

But when the economy turned, families' needs increased and State and Federal resources fell short. My program, which serves about 225 families, went from having 120 of those families receiving subsidy to less than 50 of those families receiving subsidy. Programs that served significant numbers of low-income children had

to close their doors because they couldn't sustain themselves without a certain number of subsidized children.

With the economic downturn, much progress has been lost. The State reduced its reimbursement rates, programs had to turn away families or cut corners. In Tennessee reimbursement rates fell dramatically, as they did in other States. Tennessee now provides no childcare assistance for low-income families not receiving TANF, turning away those working poor families trying to get subsidy.

It's hard on all of us, but it's especially hard on the parents. I have parents in my office crying literally because they can't get a CCDBG subsidy and they can't afford to pay my fee, which is on a sliding fee scale according to their income. Lots of families had their pay cut and without a subsidy they could not afford childcare.

You can see that the impact of reduced resources on the State's early childhood education system. Tennessee has about half the number of regulated early childhood education programs now as it did 6 years ago. That's the cumulative effect of fewer families receiving subsidies, reduced reimbursement rate, less grant money for program improvement, fewer training dollars, and less money for support services. Although funding was reduced, the quality requirements remain in place, meaning our costs did not decline.

At my agency, I've had to make dramatic adjustments. We've looked to the United Way, local government, in order to maintain the quality of our services and still make it available to low-income families that could no longer access CCDBG. We're now subsidizing the fees of those parents, but our agency is not typical. Most agencies are not able to do that and generate those funds.

We also entered into collaborations with Head Start and Early Head Start, as well as our State pre-K program. We took on five smaller agencies that were in danger of going out of business that served 100 percent below-poverty children to help keep them functioning in our community.

So it's difficult to identify the improvements with limited resources, but, looking ahead, the eligibility issue is big. It just needs to be annual. We could allow them to also access it through phone or online. We could help parents by providing childcare while they're doing job search. We could allow them to average their income. We could ask States to direct more of their resources to supplement CCDBG, especially since discretionary CCDBG requires no State matching requirements. States also could be encouraged to promote collaboration between childcare, Head Start, and State-funded kindergarten and increase the use of contracts, especially for underserved populations. It's a tough question to address without resources and disrupting present families receiving CCDBG.

If we're serious about economic development, then we should understand that CCDBG is one of the best economic development programs out there. It allows parents to work, it helps support an early childhood education workforce of nearly 2 million nationwide, and it gives countless poor children access to quality early childhood education, services which will equip them with the skills to be successful in school and ultimately successful in life as a contributing member of a skilled workforce.

Thank you.

[The prepared statement of Mr. Acord follows:]

## PREPARED STATEMENT OF PHILIP ACORD

## SUMMARY

*Principle Question To Be Addressed*

What are the critical improvements that can be made to CCDBG:

1. With limited fiscal resources.
2. Without substantially disrupting families currently receiving CCDBG.

*How has CCDBG helped my programs in Chattanooga, TN and the impact CCDBG has had on the Early Childhood Education Community and the families and children receiving subsidy since 1990.*

- Added revenue to programs to help us serve low-income parents and children using a sliding fee scale.
- Allowed programs to initially increase salaries and add benefits, at least while rates were being maintained or increased.
- Provided basic training for new employees just entering the field and ongoing training for those already employed.
- Provided funds needed to purchase curricula and materials to enhance early childhood education instruction.

*Discuss the three areas that CCDBG forced us to evaluate in relation to the funds CCDBG allocated to Tennessee.*

- Accessibility
  - Encouraged expanded hours of care—my program could offer 24-hour care.
  - Provided increased rate for children under 3 and support for school-age care.
- Affordability
  - Even with new funds, we faced the challenge of helping low-income parents afford care, while balancing:
    - at what income level the families maintained their eligibility for assistance,
    - the size of parents' co-payments so those receiving a subsidy could still afford care, and
    - the setting of rates that allowed providers to remain in business.
- Quality
  - In Tennessee some of the CCDBG funds were used to hire additional licensing counselors.
  - Tennessee conducts six unannounced visits annually of all regulated programs, the most in the Nation.
  - Tennessee used CCDBG funds to develop and implement a QRIS system for all regulated programs, and we are one of only a few States that require all regulated programs to go through the QRIS annually.
    - Tennessee pays 20 percent above Market Rate for those who have a Three Star rating; however, even with that increase we are well below the 75th percentile.

*Review the current State of CCDBG funds available verses the demand for assistance in my programs and in Tennessee.*

- Fewer parents have access to CCDBG subsidy at a time when their pay has been cut due to the economic downturn.
- While demand has increased, Tennessee has frozen intake for subsidies for low-income families who are not receiving TANF, transitioning off TANF, teen parents in high school, and foster children.
- Agencies serving significant numbers of low-income children have gone out of business because they have lost the families receiving subsidies.
  - CCDBG subsidy rates have declined. In Tennessee rates have not been at the 75th percentile since 2001. According to the National Women's Law Center, the number of States paying at the 75th percentile has declined from 22 in 2001 to 3 in 2011.

*What has the Children's Home/Chambliss Shelter done in response to the reduction in CCDBG funding?*

- Entered into collaborations and partnerships with Head Start and with our State pre-kindergarten program.
- Increased our fundraising efforts.
- Worked with United Way to increase support.
- Applied to Local Government for funding.
- Reorganized our agency and made painful adjustments to staff work load.
- Gone 3 years without a salary increase for staff.

*Closing Comment*

In these incredibly tight fiscal times it is challenging to improve CCDBG with limited resources without disrupting care for low-income families and their children.

- CCDBG offers us the funding to help families pay for care, support to improve the quality of care provided, and support to run our program.
- We could help families and children by creating a 12-month eligibility redetermination process that might assist in reducing State administrative costs.
- Some States provide contracts to increase stability for partnership programs. We could encourage States to create policies and guidelines to promote collaboration between childcare, Head Start, and pre-kindergarten.
- Direct States to focus more of their resources to supplement CCDBG since discretionary CCDBG funds have no matching requirement.
- My State might reduce the number of its unannounced visits, but that is not a national strategy.

**The bottom line is that for over 20 years, CCDBG has been a lifeline for millions of low-income families and their children. These funds allowed parents to work and children to access quality early childhood education programs. My board of directors and staff understand that CCDBG is about giving low-income children access to quality ECE programs which will equip them with the skills they need to be successful in school so that they can become part of the skilled workforce we need to keep America competitive in the Global marketplace.**

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My name is Phil Acord and I am the president/CEO of the Children's Home/Chambliss Shelter in Chattanooga, TN. The Children's Home has been serving children in Chattanooga and surrounding area for over 140 years. On any given day we have responsibility for the care and education of over 700 children and serve well over a 1,000 children annually. I have been with this organization since 1971.

The question I have been asked to answer is "what are the critical improvements that can be made to CCDBG, with limited resources and without substantially disrupting families currently receiving CCDBG."

I was on the State advisory committee back in 1990 when we received the CCDBG Regulations. We spent hours reading the regulations and trying to figure out how we could serve the most children and improve the early childhood education community. For most of us that operated programs that served predominantly low-income children we were so excited about receiving a subsidy for those families that could only afford to pay us \$25 or \$30 a week. Most of our budgets had only one source of revenue and that was parent fee payments. These new dollars were going to allow us to provide our staff with benefits and maybe even increase their salaries above minimum wage. Not only were these funds going to help us recruit more qualified staff but we were also able to purchase curriculums for our classrooms and upgrade our equipment and other materials.

The State of Tennessee took some of the quality funds and started the Tennessee Early Childhood Training Alliance, which provided all new staff entering the field a 30-clock hour training program on early childhood development. They also increased the amount of annual training required and made that training available to the ECE community.

Over the next 10 years lots of new programs sprung up across Tennessee providing ECE services in rural areas. Many programs expanded their services to serve infants and toddlers in addition to the 3 and 4 years they served. This was all made possible because of CCDBG funds. Poor parents could not afford to pay the cost of care for children under three but Tennessee paid a higher reimbursement for younger children. Tennessee also was faithful to do an annual Market Survey and reimbursed at the 75th percentile of that rate.

During the good economic times Tennessee was able to provide a CCDBG subsidy to almost every low-income parent that applied. The State then started focusing on the quality issue. They upgraded their licensing standards and reduced the ratio of child to teacher. They lowered the case loads of the licensing counselors and increased the monitoring to six unannounced visits per year. We all were concerned about these changes because it took away from the funds we had to improve our services, our salaries and our facilities. But we also understood that every low-income child deserved access to a good quality ECE program and that a poor quality program was actually harmful to a young child's development.

The next step Tennessee took, in the name of quality, was to develop a Quality Rating and Improvement Scale that took a closer look at the quality of a program in addition to the licensing standards. As an incentive to programs serving CCDBG

children the State agreed to pay above the subsidy market rate if a program achieved a one-, two- or three-star rating.

Then the economy had its' downturn and we began to experience a reduction in the number of parents that could get a subsidy. My program which serves about 225 families went from 120 of those families on subsidy to less the 50 parents on subsidy. Programs that served significant numbers of low-income children started to close their doors because they couldn't sustain themselves without a certain number of subsidized children.

We had worked hard to build an infrastructure that supported quality ECE programs and gave low-income children access to quality ECE services. The State stopped doing their Market Surveys and could no longer pay at the 75th percentile. Next they froze intake for those poor parents trying to get a subsidy allowing only TANF clients, teen parents in high school and foster children access to the CCDBG-funded subsidy.

I would have parents in my office crying because they couldn't get a CCDBG subsidy and they couldn't afford to pay my fee which is based on a sliding fee scale according to the parent's income. A lot of my parents had their pay cut and without a subsidy could not afford to pay for care.

Tennessee has about half the number of regulated programs they had 6 or 7 years ago. Although the CCDBG funds were decreased the quality requirements they had put in place continued. There was less grant money for program improvement, less money for training and less money for support services.

CCDBG totally changed the Early Childhood Education community in Tennessee, Chattanooga and at my agency and the programs we managed. Because we did not want to reduce the quality of our services we began to raise money to subsidize the fees of the parents that could not get on CCDBG. We worked with the United Way to obtain additional funding, we appealed to local government for assistance and we began to do fundraisers. In order to maintain the quality of our services and still make it available to the low-income families, that could no longer access a CCDBG subsidy, we were now subsidizing the fees of those parents.

We also entered into collaborations with Head Start and Early Head Start as well as pre-K programs to help off-set our cost of operation. We also took on five small agencies that were in danger of going out of business without our help. Some of those programs served 100 percent low-income children.

I listed in my outline some of the things that would streamline some of the CCDBG requirements in Tennessee. Like only requiring parents to go through eligibility redetermination annually, allow them to do it by phone or on line. In Tennessee we might have to cut back on some of our quality monitoring to put more money into the accessibility pot. Ask States to direct more of their resources to supplement CCDBG. Continue to encourage Head Start, pre-K and the Early Childhood Education community to collaborate and partner around shared space, monitoring and training.

To be honest with you it is a really hard problem to address without adding more resources or disrupting the present families receiving CCDBG subsidy.

If we are serious about economic development then we should understand that CCDBG is one of the best economic development programs the Federal Government has out there. It allows parents to work, it helps support an ECE workforce of approximately 1.5 million nationwide and it is giving poor children access to quality early childhood educational services which will equip them with the skills to be successful in school and ultimately successful in life as a contributing member of a skilled workforce.

Presently only one out of every six poor children that need a CCDBG subsidy has assistance. We don't know where the other five children are and what type of preparation they are receiving as they prepare to enter school. CCDBG is an investment in the future of America, we need all six of those children to be successful in school and ready to be members of America's workforce of the future.

Thank you for giving me the opportunity to address your question and to share the story of the Children's Home and its' quest to provide quality early childhood education services to the children of Chattanooga, TN . . . home of Senator Bob Corker.

The CHAIRMAN. Thank you.

Ms. Singerman.

But before you say a word, I know Senator Hagan wanted to join in the chorus of welcoming you.

## STATEMENT OF SENATOR HAGAN

Senator HAGAN. Thank you, Senator Mikulski, Madam Chairman.

I know Senator Burr has already sung your praises, but let me just add a few things. One, we're delighted that you're here today. I know that you've been in your position for about 15 years as president of the Child Care Resources, Inc. And I know she did spend quite a bit of time, Senator Mikulski, in your great State, too. And all the while, she has continued to be involved in a variety of early care and education policy development and planning committees at our local and State level.

She really knows well that North Carolina emerged as the leader in the area of early education and childcare after making tremendous strides in the mid- to late-nineties, during a time when our State was at the bottom of many of the national rankings related to the health and well-being of children and at that point in time, one of the worst quality childcare in the country.

But State leaders recognized that if they were going to have a chance at preparing students for the future, the wisest investment that we could make was in the early years of a child's life. In the year 2000, when our State first implemented our quality rating and improvement system, at that time only 10 percent of all children were in high quality childcare programs. Today 64 percent are enrolled in a high quality education program. So with hard work and the commitment of leaders like Ms. Singerman, even despite budget cuts, North Carolina continues to be a national model for quality early childhood education.

I know that providing early quality childhood education takes commitment, and we've got work to do. But I think that you will agree that our State serves as an example that it can be done.

So thank you very much for being here and we look forward to your testimony.

The CHAIRMAN. Ms. Singerman.

**STATEMENT OF JANET SINGERMAN, PRESIDENT, CHILD CARE RESOURCES, INC., CHARLOTTE, NC**

Ms. SINGERMAN. Good morning. I want to thank the chairwoman of the subcommittee, Senator Mikulski, and the Ranking Member of the subcommittee, Senator Burr, for inviting me to testify today. I'm proud to say, Senator Mikulski, that I was your constituent when I lived in east Baltimore, and for the past 15 years I've been in North Carolina and I'm also proud to say that I've been Senator Burr's constituent and Senator Hagan's constituent. How lucky am I today that you're all on this subcommittee. So I appreciate the opportunity and I'm honored to speak today. I look forward also to any questions you may have.

Child Care Resources is one of three agencies that comprise North Carolina's Child Care Resource and Referral Council, and that council leads our statewide high quality childcare resource and referral system. Last year this system helped more than 37,000 families understand how to better discern and where to find quality childcare and early care and education programs for their children. We provided professional development and training to 32,500

childcare practitioners and we provided quality improvement and technical assistance supports and consultation to nearly 10,000 pre-school and school-age classrooms across the State. We, in partnership with the North Carolina Division of Child Development, are at the center of quality childcare in North Carolina.

I'm also proud to say, as Senator Burr and Senator Hagan have referenced, that North Carolina's advances in early care and education provide a model for our Nation. That doesn't mean the system is perfect. We work continuously day in and day out to improve it.

And just like Rome, we didn't build our system in a day. Through continuing State investment and CCDBG quality funds, we've put into place an infrastructure to achieve quality early care and education, and that infrastructure, the pillars of that infrastructure, include our childcare resource and referral system, include Smart Start, which is of course our nationally recognized initiative to improve the school readiness of children by addressing early care and education issues, family support issues, and child health concerns.

We also put into place a tiered quality rating and improvement system, which is embedded in licensure, one of four States to embed this in licensure, and continues to be refined as the quality of our State's childcare system advances.

Attached to that, we put in a tiered approach to childcare subsidy reimbursement, so that the State reimbursement rate pays more for programs that are delivering higher quality services to low-income children.

We also have invested in workforce supports, such as Teach Early Childhood Scholarship Program and the Child Care Wages Program, which is a workforce salary supplement initiative. We have early childhood associate degrees at all North Carolina community colleges and birth to kindergarten certification programs at 4-year colleges and universities. And we have NC-pre-K, which is our public pre-kindergarten program, which is housed in public schools, in Head Start, and in four- and five-star community-based childcare centers.

So with no additional resources, increased access to quality care is at best unlikely without serving fewer children. North Carolina made that decision last year when the legislature, without an infusion of new funds, decided to restrict childcare subsidy access to higher quality and more costly three-, four-, and five-star childcare programs.

I wish we had enough funding so that every eligible child could receive a subsidy and that that subsidy would provide access to quality care. Unfortunately, I think it's more a zero-sum game in the States and nationally. Absent additional resources, it is time for Congress to decide whether to serve children well or to merely serve more children. I believe we have a responsibility to ensure children are safe and in settings that promote their healthy development and early learning.

Given the fiscal constraints within which this committee and this Congress is working, what's the minimum that should be done within the reauthorization of CCDBG? No. 1, I think we need to improve safety. We need to require those criminal background checks to exclude those who should not be in the business of pro-

viding childcare. And No. 2, we need to incorporate minimum health and safety protections for children. Not enough States do this.

We need to improve the quality, and one way to do that is to raise the quality set-aside to 12 percent. You heard Linda Smith say that on average States are already spending around 12 percent and the CCDBG only requires 4 percent to be spent. So we need to raise this because otherwise we leave that 4 percent and the current investment that exceeds 4 percent vulnerable to cuts. And we also need to work to achieve parity with the quality set-aside in Head Start over time.

We need to strengthen the childcare workforce and require more initial and ongoing training and supports, to promote attainment of child development associate credentials, degrees, career advancement, and workforce retention.

We need to make childcare safer by ensuring monitoring and conduct at least annual unannounced inspections, preferably more, and post the results, the monitoring reports from those inspections, on line to promote public transparency and informed consumption of childcare.

Finally and importantly, we need to address subsidy rates. Absent additional funding, at a minimum let's ask the National Academy of Sciences to study the true cost of quality childcare, not the fees currently charged, but the true cost of quality childcare, and recommend options to develop a better financed system.

Thank you.

[The prepared statement of Ms. Singerman follows:]

PREPARED STATEMENT OF JANET SINGERMAN

SUMMARY

Good morning. I want to thank the Chairwoman of the subcommittee, Senator Mikulski, and the Ranking Member of the subcommittee, Senator Burr, for inviting me to testify today. I am proud to say that I was a constituent of Senator Mikulski's for 14 years when I worked at the Maryland Committee for Children as the deputy director. For the past 15 years, I have been president of Child Care Resources Inc. (CCRI), a nonprofit childcare resource & referral agency in Charlotte, and a constituent of Senator Burr's. I am honored to appear before the subcommittee and look forward to any questions.

CCRI is one of three agencies that comprise the North Carolina Child Care Resource and Referral (CCR&R) Council, which leads our statewide high quality childcare resource & referral system. Last year, these agencies provided consumer education and referral to more than 37,000 families; provided professional development to 32,500 childcare providers; and provided quality improvement technical assistance to nearly 10,000 preschool and school-age classrooms statewide. We are at the center of quality childcare in North Carolina.

I am proud to say that North Carolina is a model for our Nation. That doesn't mean we are perfect; we continually work to improve. And, just like Rome, we did not build our system in a day. Through State investments and CCDBG quality money, we put in place an infrastructure to provide quality childcare:

- a statewide childcare resource and referral system;
- Smart Start—a nationally recognized initiative to improve the school readiness of children by addressing early care and education, family support and child health issues;
- a tiered quality rating and improvement system which is embedded in licensure and continues to be refined as the quality of the State's childcare system advances;
- a tiered approach to childcare subsidy reimbursement to pay more for higher quality programs;

- Statewide investment in workforce supports such as T.E.A.C.H. Early Childhood® (a teacher scholarship program) and Child Care WAGE\$® (a workforce salary supplement program);
- early childhood associate degree programs at all NC community colleges and Birth-Kindergarten certification programs at 4-year colleges and universities; and
- the public pre-kindergarten program now known as NC Pre-K which is housed in public schools, Head Start and 4- and 5-star community-based childcare.

With no additional resources, access to quality care is not possible without serving fewer children. NC made that decision when the State decided to restrict subsidies to 3-, 4-, and 5-star care without an infusion of funds. I wish we had enough funding so that every eligible child could receive a subsidy and that the subsidy would provide access to quality care. Unfortunately, it is more a zero-sum game in the States and nationally. Absent additional resources, it is time for Congress to decide whether to serve children well or merely serve them. I believe we have a responsibility to ensure children are safe and in settings that promote their healthy development and early learning. Therefore, at a minimum, CCDBG reauthorization should include:

- **Improving Safety**—(1) require criminal background checks to exclude those who should not be in the business of providing childcare; and (2) incorporate minimum health & safety protections for children (not enough States do this).
- **Improving Quality**—raise the Quality Set-Aside to 12 percent (achieve Head Start parity over time).
- **Strengthening the Workforce**—require more training and supports to promote attainment of CDAs, degrees, career advancement and workforce retention.
- **Ensuring Monitoring**—conduct at least annual unannounced inspections, preferably more; post monitoring reports online for public transparency.
- **Addressing Subsidy Rates**—at a minimum, ask the National Academy of Sciences to study the true cost of quality childcare (not the fees currently charged) and recommend options to develop a better financed system.

Good morning. I want to thank the Chairwoman of the subcommittee, Senator Mikulski, and the Ranking Member of the subcommittee, Senator Burr, for inviting me to testify today. I am proud to say that I was a constituent of Senator Mikulski's when I lived in east Baltimore and I am currently Senator Burr's constituent. I am honored to appear before this subcommittee and look forward to sharing what I know, present my experiences, and respond to any questions that members may have.

As president of Child Care Resources Inc. (CCRI), a private, non-profit childcare resource and referral agency based in Charlotte, NC, I have on-the-ground experience with many facets of the early learning and subsidized childcare world. CCRI works in Mecklenburg, Cabarrus, Union, Rowan and Stanly Counties and is celebrating its 30th year of serving children, families, early care and education and school-age childcare practitioners and programs, government and employers throughout the Central Carolinas. CCRI is also one of three organizations that have responsibility for leading and coordinating childcare resource and referral services across the State under contract to the North Carolina Division of Child Development and Early Education.

Prior to joining CCRI in 1997, I worked for 14 years at the Maryland Committee for Children, a statewide child advocacy organization based in Baltimore, and served as its deputy director and as statewide project manager for the Maryland Child Care Resource Center Network. Additionally, after several years on the board of directors of the National Association of Child Care Resource & Referral Agencies (NACCRRRA), I was elected to the position of president and served in this role from 2004–6.

At local, regional and State levels, Child Care Resources Inc. works to increase access to, improve the quality of and help families better afford the cost of early care and education and school-age childcare programs. CCRI's fiscal year 2012 operating budget totaled \$7.4 million and, as childcare subsidy administrator for Mecklenburg County, CCRI additionally administered in excess of \$44 million in childcare subsidy funding from Federal, State and local sources. These funds enabled a monthly average of 7,756 children to enroll in higher quality childcare and their families to be gainfully employed or in training. While the amount of childcare subsidy funds administered by CCRI is larger than any other county in North Carolina, demand for childcare subsidies historically far surpasses available funds, resulting in an ever present and growing waiting list of children whose parents are eligible for this support, but for whom there are insufficient funds to serve. For all

but 2 weeks of the 15 years I have served this organization, CCRI has had a waiting list for childcare subsidy. Currently, this list totals 4,146 children and non-TANF families typically remain on the waiting list for 2 or more years.

Last year, North Carolina's statewide childcare resource and referral system (including CCRI) provided:

- consumer education and referral to the families of more than 37,000 preschool and school-age children (30,000+ children ages birth to 5 and 7,000+ school-age children) who were seeking information about early care and education and school-age childcare options that met their needs, preferences and ability to pay;
- professional development to an unduplicated count of 32,502 childcare practitioners (72 percent of the entire workforce); and
- quality improvement/maintenance technical assistance supports to more than 9,500 preschool and school-age classrooms statewide.

I have been in this field since 1983—long enough to have been part of the early childhood advocacy community that pushed for the original Child Care and Development Block Grant, which as you may know, was first called the Act for Better Child Care or the ABC bill. In the 16 years that have lapsed since CCDBG was last reauthorized, we have learned a great deal more about the brain architecture of young children, the effects of toxic stress on young children, the impact of high quality childcare on children's readiness for school, and the unparalleled return that investments in early care and education yield, particularly for children with risk factors such as poverty.

We also know more now about the differences between our State's childcare systems. We have the benefit of childcare studies which review, on a State by State basis, current requirements for childcare centers and family childcare homes. As you know, State laws vary greatly. And, overall, much improvement is needed. I am hopeful that this committee will write an Act for Better Child Care. We need it.

Of course, we need significantly greater investment in childcare and early education than is currently available and I am told that the subcommittee is considering reauthorizing CCDBG without such additional investment. While I support reauthorization, I am deeply concerned that the current economic environment and national priorities will not provide sufficient additional funding to significantly increase access to high quality childcare, particularly for poor families.

In NC, 49.4 percent of all children are living in poverty, and there are 373,968 children ages birth through kindergarten entry whose families are low income. The depth of poverty and necessity to enable more children to have access to quality programs in urban areas is great. At the same time, 85 of North Carolina's 100 counties are considered rural. Many families have lived in poverty for decades. We need to figure out how to better meet the childcare needs of families across our State and Nation—in both urban and rural areas alike.

Even in times of scarcity, our Federal Government can and should put forward legislation that can improve the uneven array of childcare that is available to families across our Nation. This hearing, entitled "CCDBG Reauthorization: Helping to Meet the Child Care Needs of American Families," is aptly named. What do families need?

- First, with the number of women in the workforce today, childcare is a vital workforce support. The fact of the matter is that childcare *as a workforce support* has largely been where the Federal Government and the States have focused.

- Second, with the number of hours that children spend in childcare (on average 35 hours per week), *childcare is a critical setting for early learning*—and we can no longer ignore this fact.

We need to ensure that children are both safe *and* in settings that promote their healthy development and early learning. We should not continue to set goals to improve school readiness, reduce the achievement gap, and increase high school graduation rates while simultaneously ignoring the role that childcare settings play in the development and school readiness of children. These aren't separate silos; these are points along the spectrum of development. Children do not begin learning at age 4 when most State pre-kindergarten programs begin. As every parent knows, children begin learning at birth—and for most children, childcare is a reality—part of daily life before school entry.

I am proud to say that North Carolina's advances in early care and education provide a model for the Nation. The system isn't perfect—quality improvement didn't and doesn't happen overnight and it is not easy. But we have done a lot of things right and we work, every day, to continuously improve. What are the pillars of the North Carolina system and how did we get there? Our path included the development of:

- a statewide childcare resource and referral system;

- Smart Start—a nationally recognized initiative to improve the school readiness of children by addressing early care and education, family support and child health issues;
  - a tiered quality rating and improvement system which is embedded in licensure and continues to be refined as the quality of the State’s childcare system advances;
  - a tiered approach to childcare subsidy reimbursement which pays more for services rendered at higher quality programs;
  - Statewide investment in workforce supports such as North Carolina’s T.E.A.C.H.® Early Childhood (a teacher scholarship program) and Child Care WAGE\$® (a childcare workforce salary supplement program) that collectively help teachers acquire higher education, improve their compensation, and remain in the field;
  - early childhood associate degree programs at all NC community colleges and birth-kindergarten certification programs at 4-year colleges and universities; and
  - the public pre-kindergarten program now known as NC Pre-K which is housed in public schools, Head Start and 4- and 5-star community-based childcare.

For the purposes of this hearing, I want to emphasize that no one of these initiatives, by itself, is responsible for North Carolina’s tremendous progress and advances in quality. Rather, the quality of our early care and education system has resulted from the multiplier effect that these varied strategies, independently and braided, have achieved. So, please allow me to highlight a few.

TIERED QUALITY RATING IMPROVEMENT & REIMBURSEMENT SYSTEMS

North Carolina was one of the first States to develop a Tiered Quality Rating and Improvement System (TQRIS) for childcare programs. Ours is one of only four States (Michigan, North Carolina, Oklahoma, and Tennessee) that is embedded in childcare licensing, which means that licensed programs participate. This is a significant factor in strengthening the quality of care and has been critical for both consumers and providers. Parents are able to access objective information about a program’s quality and about what constitutes higher quality childcare. Armed with this information, most consumers demand higher quality programs. In turn, the market responds as providers use their scarce resources to invest strategically in areas that (according to research and the State’s TQRIS) result in improved quality and contribute to higher star ratings.

Most quality rating systems are voluntary. While the number of quality rating childcare systems is growing, the number of childcare programs that actually participate in such systems in most States is quite small compared to the total number of licensed programs. That’s why having licensing as the bottom rung is really important. To participate in a quality rating system, a program should be licensed. As programs exceed licensing standards, they should receive higher ratings.

According to the 2012 State Child Care Plans submitted to the Department of Health and Human Services (HHS), 28 States have statewide quality rating systems, 7 States are in a pilot or test phase, and another 14 States are in the development phase. North Carolina is one of only a few States that set higher subsidy reimbursement rates based on the tiers of our quality rating system. North Carolina integrates the two systems. We believe this creates an incentive for childcare programs to continue to advance to higher star levels. And, we believe it helps low-income families access higher quality care.

- In 2000, when North Carolina implemented TQRIS, 10 percent of *all* children (15,755) enrolled in regulated care were in high quality programs (4 or 5 star programs). In June 2012, that percentage has increased to 64 percent (164,829) of *all* children enrolled in regulated care in high quality programs (4 or 5 star programs).

- In State fiscal year 2006, 45 percent (70,328) of low-income children in North Carolina, whose care was paid for using Federal funds, were enrolled in high quality programs. In State fiscal year 2012, that percentage has increased to 66 percent (85,351).

The table below shows the growth in higher quality care between 2000 and 2012, showing while few programs were high quality in 2000, most are on the road to higher quality today.

Licensed Child Care by Star Level by Progression from 2000–12

Child Care Centers			Family Child Care Homes		
Star Levels	2000	2012	Star Levels	2000	2012
1 star .....	1,470	208	1 star .....	5,176	621

## Licensed Child Care by Star Level by Progression from 2000–12—Continued

Child Care Centers			Family Child Care Homes		
Star Levels	2000	2012	Star Levels	2000	2012
2 stars .....	71	120	2 stars .....	1	548
3 stars .....	1,272	1,008	3 stars .....	96	715
4 stars .....	234	1,179	4 stars .....	53	653
5 stars .....	94	1,725	5 stars .....	39	393

Source: NC Department of Health and Human Services.

In July 2011, despite the very difficult economic environment, North Carolina's General Assembly passed legislation to restrict the use of childcare subsidies to 3, 4, or 5 star programs. This means that childcare programs with only a 1 or 2 star rating will no longer be eligible to serve children receiving childcare subsidies. Clearly, higher quality childcare is more expensive, so this decision was not reached lightly. But the legislature decided that it was better to ensure that children have access to higher quality care than to serve more children poorly. As a result, there are now only 1,497 remaining one and two star childcare centers and homes in NC's childcare system.

While I wish we had sufficient funds to ensure that *all* children who were eligible could both receive a childcare subsidy and that the subsidy could pay for high quality care, given current fiscal realities, that was not a goal we could reach.

## SMART START

Smart Start was created in 1993 as a public/private partnership between State government and local communities to advance a high quality, comprehensive, accountable system of care and education for every child beginning with a healthy birth. Independent, private organizations work in all 100 North Carolina counties through the North Carolina Partnership for Children, Inc., and 77 local partnership organizations. Smart Start's goal is to improve children's early care and education programs so that children are safe, healthy and provide opportunities for children to learn skills they need to start school ready to succeed; provide parents with tools that support them in raising healthy, happy, and successful children; and ensure that children have access to preventive health care. Smart Start delivers outcomes by giving communities local control to determine the best approach to achieving them and ensures accountability by tracking local & State outcomes using a Performance Based Incentive System (PBIS)—a comprehensive collection of 24 population-level indicators that track healthy conditions for young children). North Carolina is the only State to institute population outcomes for young children in every county.

## WORKFORCE SUPPORTS

T.E.A.C.H.® Early Childhood North Carolina, implemented in 1990 by Child Care Services Association, helps the early childhood workforce afford college, improve their compensation and remain in a field notorious for turnover (estimates range nationally from 25–40 percent). In fiscal year 2011, T.E.A.C.H. helped more than 4,100 NC childcare providers increase their education through receipt of a scholarship (which covers partial costs for tuition, books and travel, "release time," and requires a bonus or raise upon completion of a minimum number of credit hours). Individuals who receive a T.E.A.C.H. scholarship must remain in their sponsoring program for an additional year. In fiscal year 2011, 79,041 of North Carolina's children benefited from consistent care provided by a teacher that was better educated as a result of T.E.A.C.H. In fiscal year 2011, 22 States and the District of Columbia provided T.E.A.C.H. scholarships; 18,478 scholarships were awarded, 125,742 credit hours were completed by recipients, and 9,608 childcare, pre-kindergarten and Head Start employers sponsored T.E.A.C.H. recipients.

The Child Care WAGE\$® Project, also an initiative of Child Care Services Association, enables individuals working in 59 NC counties to receive a salary supplement tied to the level of their attained education and their commitment to their childcare program. In fiscal year 2011, 6,792 childcare professionals working in 2,555 different programs (serving approximately 90,000 children) received WAGE\$ salary supplements which are paid every 6 months as long as individuals remain in their programs. This program is currently licensed and operating in three additional States.

In 1993, only 28 of NC's 58 community colleges offered an associate's degree in early childhood education. By 1998, all 58 colleges offered this degree, which meant

statewide individuals could have access to community college early childhood coursework.

Training and technical assistance is readily available to childcare programs across the State through NC's childcare resource and referral system, which partners with practitioners to help them increase knowledge and improve skills and with program administrators and owners to help them develop and implement program-wide quality improvement plans to achieve and maintain higher star ratings. Funding for these services comes from CCDBG, Smart Start and local public and private sector investment.

#### PUBLIC PRE-KINDERGARTEN

In 2001, North Carolina implemented its State-funded pre-kindergarten program (NC Pre-K, formerly More at Four), which is ranked as one of the top 10 pre-K programs in the country by the National Institute for Early Education Research (NIEER). North Carolina's pre-K program differs from many State pre-K programs in that childcare is embedded. To serve children through the NC Pre-K program, a licensed childcare program must maintain a 4- or 5-star license and meet additional high-quality standards that include a Birth-Kindergarten licensed teacher compensated at a level on par with public schools, smaller staff to child ratios and group sizes, and appropriate curriculum and instructional assessment. About one-half of children receiving North Carolina Pre-K funding are served in childcare and Head Start programs.

#### BACKGROUND CHECKS

North Carolina has long had a strong background check system for licensed care as well as for providers receiving a subsidy. A few weeks ago, Governor Perdue signed a bill into law that makes NC's background check system even stronger. The law takes effect in January 2013 and one key change was to require all individuals who volunteer on a regular basis to have a background check, which includes a fingerprint check against State and Federal records. In the State fiscal year 2012, NC processed 38,000 background checks, of which 466 were disqualified based on serious crimes. Background checks help weed out those who should be excluded from caring for children. This is important for child safety.

North Carolina did not build a quality system overnight. Progress was made incrementally and included resources from the State beyond funds from CCDBG's quality set-aside. With no additional resources or only a modest increase in funds, at a minimum, the quality set-aside needs to be increased. Second, Congress will have to decide if it is better to ensure access to quality care for low-income children or, continue along the path of allowing subsidies to be used for any care available. Without significant increases, access to quality care is not possible without serving fewer children. I would like to see more children served. At the same time, I think serving children better is an important policy goal. The childcare subsidy program can't continue in a separate silo where we talk about quality care, but subsidies often do not enable families to access quality care. Given the current fiscal constraints, it is not an easy decision for Congress. But, I do think it is important to serve children well and have accountability for subsidy funding whereby the government knows it is purchasing safe quality settings for children.

In most States, we do not know the quality of care that families using a subsidy access. I think that's wrong. I think subsidies should be tracked to ensure that our policy goals are aligned. Why should subsidies be used in settings that may be unsafe or of poor quality for children? This is not in the best interest of our children.

Given the fiscal constraints facing this committee, facing this Congress, what is the minimum that should be done within the reauthorization of CCDBG?

#### **1. Improve the Safety of Children in Child Care:**

- Background checks: People who should not be in the business of caring for unrelated children should not be. CCDBG should require comprehensive background checks, based on fingerprints, such as required by the bill introduced by Senators Burr and Mikulski.

- Minimum health and safety protections for children: only 15 States meet each of 10 minimum health and safety protections for children in family childcare homes and only 33 States meet them for centers.

#### **2. Improve the Quality of ChildCare**

- Increase the quality set-aside: Many States' quality improvement expenditures already exceed the 4 percent set-aside required by CCDBG. The set-aside should be increased to at least 12 percent. Head Start's set-aside for quality purposes is 25 percent. Without significant additional CCDBG funds for increased access to

childcare subsidies or improved rates, childcare programs will certainly need expanded training, technical assistance and other supports to achieve and sustain higher quality.

### **3. Strengthen the Child Care Workforce**

- Require those who work in childcare programs to have a minimum of 40 hours of initial training and 24 hours of annual training in key areas such as: CPR, first aid, child development, child behavior and guidance, learning activities, health and safety, and recognition and reporting of child abuse.
- Encourage States to develop programs that help the workforce progress toward the Child Development Associate credentials, Associate and Bachelor degrees.
- Invest in the expansion of programs like T.E.A.C.H and WAGE\$.

### **4. Enhance Child Care Monitoring**

- Require at least annual inspections of licensed programs, preferably more and unannounced.
- Post inspection reports and complaint reports on line for public transparency.

### **5. Address Subsidy Rates**

Most families can't afford quality care. It is just too expensive for families. Center-based infant care alone in 36 States exceeds the cost of college. Current law requires that a market survey be conducted but does not require that it be used in setting rates, nor does the law require a specific level at which subsidy is to be set. I have been told that this issue is likely too costly to address significantly at this time. This is disappointing. At a minimum, I recommend that the National Academy of Sciences be charged with studying the true cost of high quality childcare (not just the fees charged today) and task them with offering suggestions to consider for a better financed childcare system that addresses the early care and education needs of working families.

Thank you for your time today. I look forward to answering any questions you may have.

The CHAIRMAN. Thank you very much, Ms. Singerman.  
Ms. Coro.

### **STATEMENT OF SUSANA CORO, ASSISTANT TEACHER, FALLS CHURCH-McLEAN CHILDREN'S CENTER, FALLS CHURCH, VA**

Ms. CORO. Thank you very much. I want to say thank you for inviting me to testify here. My name is Susana Coro. I'm married. I have two children: Max, 7 years old; Yadida, 4 years old.

I'm coming to testify because my son is in the program at Falls Church-McLean Children's Center. When I tried to find a center, it was very hard for me, because my son has a speech delay. I tried to find a center around my area, and I'd go and talk with the persons, and I never found somebody who said, "I'm going to help."

When I went to the Falls Church-McLean Children's Center, I found the right person. She said: "What do you need?" And I said: "I need a space for my son because he has a speech delay, and I need to find somebody to help my son." And she said: "We don't have a space; can you wait?"

And I started hanging there and every day, every week, I called and asked: "Do you have a space, do you have a space?" Because my son, he needed help. And she said: "Yes, I find a space for you and bring your son."

Then when I went there, I said: "I need help for my son; he has a speech delay." And she said: "Yes, let's work together." And she started giving me referrals. And then I find somebody to help my son with the speech. Then they started working with the teachers in the center; my son, he received help.

That's what I want to say. I put my son in the childcare center because I needed help for him, and I needed to work. I'm so happy

to find the place where my son is safe. I'm so happy to find a place to help me.

Now, I'm working like a nanny before. I received a subsidy from the county. When I put my son in this center, they gave me help with the subsidy to pay the tuition because it's very expensive. At this time my income is not too high, and I received—and I'm very comfortable. Then when I started working and have more income, they stopped helping me.

The CHAIRMAN. They stopped helping you?

Ms. CORO. Yes.

The CHAIRMAN. Because you started making too much money?

Ms. CORO. Yes. And also I have another daughter, I have another kid. And I said, now what can I do now. But I don't want to pull my son out of the program because he receives a lot of help, because he needs speech therapy and I can't pay outside.

Then when my daughter is going into the program, I said, "Now what can I do? I need to pay a lot of money." And they say: "No, you're not qualified any more." And I said: "Well, what can I do?" I don't want to take my daughter from the program, because it's a very, very, very good program. And my director came to talk to me and she said: "Don't worry; I'm going to help. We do fundraising and I can help." And that's why I keep my daughter in the same place.

But I come to say it's very hard for me to keep paying a lot of money, but I have to pay because I want my daughter and my son to have a very good start in life.

Also, I'm coming to ask to you, try to find a way to help the families like my family. It's true, we don't have a lot of money. But when we start having a little bit more, all the services are cut. I have to pay the school for my daughter, for SACC my son, but it's a lot.

Also, in the schools, my son here, he does not receive lunch because they said, you're not qualified. Every week I have to pay \$20. Every month I have to pay \$350 for SACC, the program that's after school. Also, in the center I have to pay \$200 every week because this is the amount when I can pay. The other part the school has paid for me. This is a lot of money.

The CHAIRMAN. A lot of money.

Ms. CORO. It's a lot of money. But I need to do it. You know what, I'm working very hard, but I want to keep my daughter in a safe place.

Also, this center for me is the best center, because the staff is very kind. They work together with the speech therapists, all the therapists there. Also, every time they give me advice to help my son, and now for my daughter.

When I see these kind of things I say, "No, I have to work very hard and give that to my son." One thing my mother always used to say, she told me:

"I don't have money, I don't have lands; just the one only thing I can give for you is to study. Go to the best school, do the best that you can, and then you can have a very good life."

That's why I'm coming to you and say, please help us, because you have the power. You can come to help us, the community.

We work very hard. I'm not coming to ask for food, I'm not coming. But we need your help for the schools, we need, because if we want this country to go up we need to help, and the school's first. [The prepared statement of Ms. Coro follows:]

PREPARED STATEMENT OF SUSANA CORO

Good morning. I want to thank the Chairwoman of the subcommittee, Senator Mikulski, and the Ranking Member of the subcommittee, Senator Burr, for inviting me to testify today. I also want to thank the other members of the subcommittee for listening to my story.

My name is Susana Coro. I am married and we have two children, Max who is 7 years old and Yadida who is 4. For 10 years, I was a nanny to a family with an autistic child. I've always been good with children and the family sent me to have extra training to work with children with special needs.

Over time when my son was a toddler, I came to think his speech was not right. I looked everywhere for a center, but I thought to myself, these were no places for my son. A friend told me about the Falls Church/McLean Children's Center. She told me it was a great program—accredited and 4 stars on Virginia's Quality Rating System. For months, I went there and asked about openings. I literally begged them to take my son.

Max was 3 when he started at the center. They helped me apply for childcare assistance. They helped me contact the Infant & Toddler Connection program under ChildFind in Fairfax County. Max was screened and found eligible for speech services. The speech therapist came to the center and worked with Max. The teachers at the center worked with the speech therapist so they could better meet Max's needs as well. There are so many things that I like about the center.

- The staff are kind, professional, well-trained, and give good advice to parents.
- There aren't too many kids in the classrooms and each room has three teachers.
- The staff read to the children; there are lots of art projects, a block area, a sand table, a housekeeping area; the staff take the time to talk to each child, really connect with them.

At first, I was hired to work part-time in the center. When I was promoted to full-time, the county called me. They said I made too much money for subsidy. I didn't know what I was going to do. I didn't want to move my children to a different program, but even making more money, I could not afford the cost.

The director of the program told me not to worry. The Center raised funds for special circumstances. She said they help families who lose their childcare assistance, or who lose their jobs and need to look for a new one. She said if I could pay the \$800 that the monthly subsidy would have paid, the center would cover the rest. The rates are \$1,550 a month for 2-year-olds, \$1,420 a month for preschool children. She told me of the 70 children at the center, 45 are on subsidy at \$800 a month and the center pays the difference.

My daughter, Yadida is 4. I know this is a quality program for her. We pay \$800 a month for her and also another \$325 for my son in SACC, the school-age childcare program run by Fairfax County. If the center did not give me a discount, my daughter would not be here. It makes no sense that I could work in a program that I could not afford to send my children.

I know that the Falls Church/McLean Children's Center is a special place and that most childcare centers cannot afford to subsidize the families who participate. I feel lucky and I know my center is unique in its ability to serve the community. I am thankful that they really helped my son. And, now my daughter is at the center and she is really happy. I am working toward my CDA. I know I will get it.

Getting a childcare subsidy not only helped me get my children into a quality program, it really changed my life. Thank you.

The CHAIRMAN. We understand. We want to thank you, Ms. Coro, for that pretty excellent testimony. You told us your story and it was not easy. We thank you for being here. We thank you for all the thought that you put into your presentation. We thank you for the lessons learned that you teach us here about this.

We also are a committee that believes you should reward work and you should reward those people that want to have a better life for themselves and for their children, and that if you make a little bit more because of your own promotion, because you can move up,

or you earn because you get more hours in what you do, you should not be penalized. And we need to look how in our eligibility and so on that we acknowledge people like yourself for the resources that we have, that we don't punish people who are working and who are trying to achieve both now and for their children tomorrow.

It took a lot to come here today and we want to acknowledge your fortitude. I think that little boy and that little girl should be very happy, not only because of the childcare that they have, because the first provider of childcare is their mother, and you're obviously a real advocate for them.

So thank you very much.

Ms. CORO. No, thank you.

The CHAIRMAN. We'll come back now and ask questions in a minute. We're going to now turn to our panel and we'll have a question for you.

Before I ask my questions, I'm going to be the wrap-up. Senator Burr, do you want to have your questions, and then we'll go to Senator Merkley? We welcome him today. Then I'll have the last. I'll have the last word.

Senator BURR. I will do whatever the chairman instructs me to do.

Janet, again thank you, and thank you to all the witnesses for accommodating us today. Janet, if you will, can you talk about why background checks are so important for the population?

Ms. SINGERMAN. As I said in my testimony, it is critical that children in childcare are in safe settings. And background checks are a mechanism of ensuring that those who work in childcare are not in a position—aren't in a position to do harm, haven't anything on their record that would place children at risk. The responsibility I think we have through childcare regulation and through criminal background checks is to ensure that people who shouldn't be in settings with children are not employed by those settings.

In our State, we recently passed legislation to improve our criminal background checks for those who work in early care and education settings in just this last session.

Senator BURR. Do you think most parents take for granted that every State and every childcare facility does that?

Ms. SINGERMAN. Absolutely. Absolutely, and there are surveys that have been done that indicate just that.

Senator BURR. What are the common types of crimes that exclude individuals in the North Carolina system from being hired for childcare?

Ms. SINGERMAN. Well, I have that here, but what we're looking for are people who don't have violent offenses, there aren't substantiated cases of child abuse and neglect. We don't want to see sex offenders in childcare settings. We don't want folks who have been involved in and engaged in behaviors that really would put children at risk in those settings.

We want to see the use of fingerprints at the State level and at the Federal level. We want to see that child abuse registries are checked and sex offender registries are checked. We want to use all of those mechanisms to screen out those folks who really shouldn't be in childcare.

North Carolina has a screening process in place and last year I believe it screened out more than 300 individuals from working in childcare centers and childcare settings.

Senator BURR. From your life in childcare, if we didn't have a criminal background check in North Carolina how many people do you think additionally would try to be employed in the field with a criminal history that would exclude them?

Ms. SINGERMAN. I don't know that I can quantify it.

Senator BURR. Do you think some people never apply because they—

Ms. SINGERMAN. Absolutely. Absolutely.

Senator BURR. It's a deterrent just to have it.

Ms. SINGERMAN. It is absolutely a deterrent to have a criminal background check.

Senator BURR. I say this for my colleagues. It shocked me when I checked to see how many States actually check the sex offender registry. Only 31 States.

Ms. SINGERMAN. That's right.

Senator BURR. Only 31 States check to see if an individual has a sex offense charged against them.

Madam Chair, as we go through this reauthorization—and you have been incredibly accommodating to me and supportive—I hope that the one thing that we will not let get jettisoned is this requirement for criminal background checks. I think it is absolutely essential that our systems live up to what parents believe they have today, but in reality many States aren't there yet.

I also say this for the chair's purposes, and I think Janet has alluded to this: North Carolina didn't reach the level of a model for the country overnight. This has been in the work for over a decade. In our expectations as we institute new goals, requirements, in the reauthorization, we can't expect States to start from 0 and end up at 64 percent next year. But it's absolutely crucial that we have a starting point and that we make a national commitment that safe and quality childcare is available everywhere.

I think we're on the right track. I think we've got to get this reauthorization through and, more importantly, we've got to look at the future generations and know that not only will they be safe, but a quality education will be somewhat like Ms. Coro has described in the facility her children are in. I think that's achievable in this legislation.

I thank the chair.

The CHAIRMAN. That was excellent. I just want to say to my colleague from North Carolina that safety is the anchor to quality. You cannot have quality unless parents feel confidence in the facility and children feel safe and secure. For many children, this will be one of the more safe and secure environments that they're in. So believe me, I feel the same sense of insistence that you do.

Senator Merkley.

#### STATEMENT OF SENATOR MERKLEY

Senator MERKLEY. Thank you, Madam Chair.

And thank you to all of you for the ideas you're presenting on how we can strengthen our childcare system, which is so important to working families.

Ms. Coro, you commented on the emphasis on the opportunity that's created through the schools. It reminded me of my own father, who as a working class parent, he took me down to the school, he said: "You go through those doors and you work hard, here in America you can do almost anything." The fact that you're carrying that message to your children is very, very powerful.

I did want to ask a couple questions. In regard to, Mr. Acord, you noted some points about Tennessee's requirement for 40 hours of training for new childcare staff. I wanted to ask a couple details about that. Specifically, does it cover all the childcare providers, including the family, friend, and neighbor providers? And if so, in some cases do providers get assistance in covering the costs of that training? And then, third, when those providers are at training is there a system for kind of covering them, especially in this family, friend, and neighbor system, how the children would be cared for?

Mr. ACORD. The training is actually paid for through the CCDBG, so it is free to all early childhood educators, both center and home care. At the end of the 30 hours they receive a certificate verifying. And it's not just for the early childhood educators. There's also a separate training developed under that same path for the administrators, because leadership, administration, is very important; and also for the school-aged, those working with school-aged children.

So we've tried to look very comprehensively at what the needs are out there in the early childhood community to make sure that they have access to that. In some centers, yes, there are funds available to pay for substitutes while they're attending the training if it's during the course of the week. Those trainings are also offered on weekends, too, Saturdays, and sometimes at night.

So I think it's essential if you're looking at quality and if you're looking at improving the industry in the area of qualifications. That training also then is articulated into hopefully helping the individual get a CDA and then articulated into community colleges if they want to pursue an associate degree, and then on to a BA degree, too.

Senator MERKLEY. So the training requirement is to cover the family, friend, neighbor providers?

Mr. ACORD. Yes, home providers, yes.

Senator MERKLEY. So when you talked about some centers providing substitutes, are substitutes provided in that setting also?

Mr. ACORD. I'll find out about that. I'm not confident whether they are in those particular settings. I know they are in centers and in group homes. We have group homes, we have family daycare homes, and then we have the unregulated, too.

Senator MERKLEY. Thank you all very much. I appreciate your thoughtfulness in bringing these ideas forward.

Mr. ACORD. Thank you.

The CHAIRMAN. Senator Franken.

Senator FRANKEN. Thank you, Madam Chair.

This is for anyone who thinks they have the answers to these questions. With the tension between access and quality that we're hearing as a constant refrain here, and also the constant reference to fiscal restraint, just what percentage of kids who need subsidies for childcare in this country receive it?

Mr. ACORD. Well, are you going to go for it? Go.

Ms. SINGERMAN. One out of every six.

Mr. ACORD. That's what I was going to say, too.

Ms. SINGERMAN. One out of every six.

Senator FRANKEN. OK, so one out of every six children who needs subsidies. How do you define that? And then what percentage of kids who need childcare get childcare?

Ms. SINGERMAN. Well, there is the threshold of 85 percent of State median income at the Federal level. In our State childcare subsidy eligibility is up to 75 percent of the State median income. So that would be the universe of children we're talking about in terms of who is allowed to be eligible through the Federal legislation.

Our agency serves as the childcare subsidy administrator for Mecklenburg County, which is the single largest county childcare subsidy program in North Carolina. We administer about \$43, \$44 million of childcare subsidy funds, and we're serving an average of just over 7,000 children monthly. Right now we have over 4,000 children on our waiting list waiting to be served. That's not the universe of eligible. Those are just the families that have come to our door that presented as eligible.

Senator FRANKEN. How does this compare to European countries? Does anybody know that?

Ms. SINGERMAN. Entirely different systems.

Senator FRANKEN. Well, I know it's an entirely different system.

Mr. ACORD. Some European countries, France for example, it's available to everyone.

Senator FRANKEN. Again, we've all agreed that early childhood care is crucial to kids' intellectual development and readiness to learn. So from infancy to age 3 an incredible part of your intellectual development takes place. So we're talking about our economy—let's just talk about our economy here. Let's just go straight to it. Forget human beings. Let's just talk about money.

Obviously, what I'm saying here is the reason that our kids should be getting this high quality childcare is for their intellectual development, for their readiness to go to kindergarten so that they can become productive citizens. That's one reason.

There's another reason, which is that kids are beautiful, kids are wonderful.

Ms. CORO. Sir, can I say something?

Senator FRANKEN. Yes.

Ms. CORO. Sorry. I think the earlier the kids start going to learn something new is the best. When you said 2 to 3 years is the more power time, you can teach whatever you want. That's why I think the childcare or the pre-schools, if our kids start early they're going to have better opportunities in their lives.

I tell this because I know my son I read a lot to. I don't have too much information, but I put in practice whatever I learn. Whatever I learn, I put in practice on my kids. I know my daughter, she is 4 years old, and she acts like 6 or 7 years old because I teach her from when she started, 3 months to now. She knows a lot. That's why I say, when you put your kids in childcare and programs like the high quality, they learn a lot.

Senator FRANKEN. Well, she's lucky to have you as a mom.

Ms. CORO. Thank you. But that's why I say to you——

Senator FRANKEN. And she's lucky to be in——

Ms. CORO [continuing]. Please help us to put not only my child, another child. I know we don't have enough money, but I know you have the power, I say it again, you have the power to try to find the way to help us.

Mr. GRAFWALLNER. Senator Franken, I wanted to respond to your question also. Two years ago in 2010, UNESCO issued a report that gets to the question that you raised as to what are the benchmarks and how do States rank within the OECD countries on 10 benchmarks in terms of quality and access to early childhood education. The United States meets 3 of those 10. At the very top are Finland and the Scandinavian countries. England is somewhere in the middle.

Senator FRANKEN. And we know that Finland has, among the OECD countries, the highest, along I guess with South Korea, the highest academic achievement, and it's probably no accident.

I know my time is up. I want to thank you for your commitment to this work, and I wish that we made this commitment to this work, because I think that our Nation's future is very much tied up—I think it's obvious—is tied up with this issue of access to quality childcare. I wish we would wake up.

Thank you.

The CHAIRMAN. First of all, I really want to thank the panel, each and every one of you. For those of you who have administrative responsibility, the creativity that you've had to meet really compelling human need and the challenges both fiscally, a changing society, where there's less social network at the grassroots level, less family support, all of your work has been quite ingenious.

We thank you for your ideas and recommendations. It goes along with the keeping, I know shared by Senator Burr and myself, which is that the best ideas come from the people.

Now, I have a question for the three administrators before I come back to Ms. Coro. Tell me what is the waiting list in your States for childcare, these childcare subsidies? Rolf?

Mr. GRAFWALLNER. Yes. It's a serious issue. We right now have a waiting list since March 2011 and it's approaching 20,000 families that cannot access the program.

The CHAIRMAN. OK. I just want to keep going down. So it's 20,000 in Maryland. Tennessee?

Mr. ACORD. In Tennessee, as I said in my testimony, now we're using CCDBG funds to only support recipients who are in TANF. So that means no working poor. If I have a parent who comes to me with a job that doesn't qualify——

The CHAIRMAN. I understand that. So tell me what is the official——

Mr. ACORD. Well, the last when we were keeping records it was like 37,000.

The CHAIRMAN. OK.

Ms. Singerman.

Ms. SINGERMAN. 37,600.

The CHAIRMAN. Could you use the microphone, please?

Ms. SINGERMAN. More than 30,000.

The CHAIRMAN. So it's roughly 20,000 or 30,000 in each State. Then in a State like Tennessee, we go against essentially an American value. The American value—that's not meant to be accusatory or snarky. The fact is that in our society we want to reward work, we want to reward initiative. We're in a society that says we need to give tax breaks to billionaires because we want to reward their entrepreneurship.

Well, there are family entrepreneurs, getting up every day, doing strenuous jobs at very often modest pay. So the fact that it would be limited to TANF—and again, I don't want to get into each State and the Governor and the legislature. But I believe that one of the things that we need to do in our bill is to look at eligibility. One, let's not do it every year; let's put money into childcare, not into childcare bureaucracy for eligibility, which gives us no value.

The second thing is, though, to really reward work and the ups and downs in a wage earner's salary. You could be a certified nursing assistant in a long-term care facility, get more hours. There might have been something where you've got a lot of overtime. It skews your eligibility for a very short period of time.

The other is we want to reward those people who start out maybe with a GED, had that chance to go to the community college, be able to move up in a supervisory role, but they're not going to be making \$75,000, \$85,000, \$125,000. So we need to have, I think, flexibility.

We know that we don't want to get into a big fight over the States, but I do think we need to reward work and going to work and then for those who within work want to improve their situation.

Would you say that that has to be one of the ways also we bring good people into childcare, good people into serving long-term care, particularly in the human service field? Tremendous pent-up demand for home health care. So these are jobs out there, but people who are working need some help, that while they're helping others they need help for themselves. Am I correct in that?

Mr. ACORD. Right, you're correct.

The CHAIRMAN. Now, let me go to you, Rolf. I'd like to share with the committee and have on the record, the Judy Center. The Judy Center is a facility that I visited, and you were there that day. It was a great day. This is a program that was initiated by the State of Maryland under the advice of Judy Hoyer, Congressman Hoyer's wife, and they've become some great models.

This in my mind is the ideal. Would you describe what it is and how much it costs per child to actually have a Judy Center or a center, so that we get kind of a benchmark? We've been looking at the bare minimums. What would be a model for essentially the dream team?

Mr. GRAFWALLNER. Thank you. Envision the Judy Centers as a Title 1 school that enters into a formal partnership with its early childhood programs that are located in the attendance area of the Title 1 school. So that includes childcare programs, family childcare centers. It includes Head Start, it includes home visiting programs, family support programs, and so on, and of course programs that are supporting children with disabilities.

They are all coming together to basically make sure that children from birth to entering, at the time when they enter school, are fully prepared for school success. There are a lot of things that go into that that not only relate to the early learning and to the child development, but also to the support to families. It's really a dual generation kind of, two generation kind of approach.

What that does, it does coordinate not only the services, but it also leverages funding for making the best condition for a child to grow up in and supporting the family as well as the children. It's a very focused approach and what we have seen is very beneficial outcomes for children. Especially English language learners benefit from this environment.

The actual resources that we put in at the State level for each of these 25 Judy Centers we have at the State, impacting 40 elementary schools, is \$320,000. That's an enhancement, but what it does, it coalesces the groups that work together in the partnership and basically taps in all the funding sources that already exist.

The CHAIRMAN. It pulls everything together.

Mr. GRAFWALLNER. Yes.

The CHAIRMAN. So it's \$300,000 in addition to what?

Mr. GRAFWALLNER. In addition to the existing funding streams that come from Head Start, from pre-kindergarten, from childcare. And in many instances the \$300,000 do support families in emergency situations, in crisis, and that sort of thing, but it primarily goes toward the actual coordination, to having a coordinator and a family support worker at the school to work with the families and for the coordinator—

The CHAIRMAN. So it leverages it. It deals with those populations, Mr. Acord, that you deal with, the non-traditional hour person. In my observation, the non-traditional hour people either work in public safety—they're police officers, they could be working in other areas—or they're involved in the delivery of health, some form of health care, nursing homes. Am I correct in that assessment?

Mr. ACORD. Yes, you are correct. Police officers, health care workers, retail workers, fast food workers. I mean, every time you go out after 6 o'clock to a meal or to get a service, look at the person who's helping you and wonder where their child is. So extended hours. We operate 24 hours, 7 days a week, 365 days a year, and still charge on a sliding fee scale.

But we have to go out there and raise over \$600,000 a year ourselves to supplement that, because we're not able to get the help because of the reduction in the CCDBG subsidy and Tennessee not offering to the working poor now. You're exactly right, it's contrary to the intent, I think, of what CCDBG was all about, and that is helping find quality childcare for working parents.

The CHAIRMAN. And that was one of its original initiatives.

Mr. ACORD. Absolutely.

The CHAIRMAN. When we were working on welfare reform with President Bill Clinton, and our viewpoint was that welfare—when President Clinton said he wanted to end welfare as we knew it, he did not want a punitive approach, but an empowering approach. His whole philosophy, which we worked on—Senator Moynihan, Kennedy, me—to move people from welfare to work and to make

work worth it by these supportive systems, which I think we've got to get back to.

Well, the time is coming to a close. Ms. Singerman, did you want to add anything, and then I want to go to Ms. Coro.

Ms. SINGERMAN. No. I thank you very much for the opportunity.

The CHAIRMAN. Thank you.

Ms. Coro, I'm chairing this committee. You said that I have the power. We do have power, but I believe in the power of the people and the power of the grassroots. So I think the last word should belong to a mother. So in your last words to the Congress of the United States of America, we invite you to have the last word at this hearing. What would you like to say to wrap up?

Ms. CORO. I would like to say we need support from the Senators for help to raise our kids, especially in the schools. We work very hard. We don't have to—we don't have to—sorry, I can't say it. I have many things in my head.

The CHAIRMAN. Just take your time. So you work hard.

Ms. CORO. We work hard.

The CHAIRMAN. And also—

Ms. CORO. We want the best for our kids, not only for me, for my kids. We want for every kid in this country. I know this country has a lot of things to do and improve our lives. That's why always we come to you. You represent us. You can go to talk with more people and make the decision. Please help our children to be successful in this life.

The CHAIRMAN. Well, thank you very much, Ms. Coro. I think that is an appropriate last word, which is: Don't forget the children, and in a great country that should have a great future, the biggest public investment is in our own people. So thank you for what you do.

I really want to thank the people who appeared today and all that you represent. You know, we have 50 States and territories. We have military bases. We really want to thank those who every day in every way get up and think about this, think about what they can do to expand access within these budget constraints. We need to think as hard and work as hard as you. So thank you for what you do.

We look forward to working with all of you. Please feel free to submit additional remarks or additions based on what you heard. We're going to leave the record open for 10 days, and the hearing of the Subcommittee on Children and Families is recessed subject to the call of the chair.

[Additional material follows.]

## ADDITIONAL MATERIAL

## PREPARED STATEMENT OF SENATOR CASEY

Madam Chair, thank you for convening this hearing to continue our discussions on reauthorization of the Child Care and Development Block Grant (CCDBG). I would like to thank your staff as well, whom I know have been putting a lot of time and effort into this reauthorization.

While CCDBG is, first and foremost, a work support program providing parents with the peace of mind that their children have a place to go while the parents are at work, we have learned so much about child development since 1996, when the program was last reauthorized. CCDBG is still providing that fundamental support for lower-income working families, but it is also about ensuring that children are in a safe and stimulating environment that is conducive to their healthy development.

As Senator Mikulski discussed in her opening statement, the focus of this hearing, which is the third she has chaired on this critically important topic, is about how we can improve the quality of care that children receiving CCDBG subsidies receive, without sacrificing access. In other words, how can we encourage States to pursue high quality childcare in conjunction with creating access to childcare?

While I think we should be making a larger Federal investment in childcare, I am well aware of our Nation's fiscal reality. So we need to be smarter with our investments, making sure that every dollar we invest in childcare is well-spent. The first years of a child's life are critical to her future development; we cannot afford to ignore the importance of quality care in the early years.

Like many Senators on this subcommittee, I have introduced legislation to advance our discussion of what Federal support of childcare for lower income working parents should look like. My bill, the Starting Early, Starting Right Act, touches on the need to improve the quality of childcare by requiring childcare providers who are licensed or registered to participate in 40 hours of training before they work with children as well as 24 hours on an ongoing annual basis; improving access to high quality care for infants and toddlers by setting aside 30 percent of the bill's funding for this underserved group of children; and encouraging more States to adopt quality rating provisions, such as the successful Pennsylvania STARS program, which give providers benchmarks as well as resources to continually improve the quality of childcare.

It is my understanding that key stakeholders have developed an understanding that certain issues must be addressed within this context, like establishing basic health and safety standards for providers accepting Federal subsidies and improving coordination between all early childhood programs, including CCDBG, Head Start and State pre-kindergarten programs. I believe that these are critical elements of this reauthorization, and I am pleased that we are starting from such a strong place of agreement. I hope that this is indicative of a determination among my colleagues to continue working together to draft a strong reauthorization of CCDBG.

I appreciate the attention Senator Mikulski has shown toward CCDBG reauthorization. I look forward to hearing the testimony of

the witnesses today, and to continuing our work to reauthorize CCDBG.

PREPARED STATEMENT OF THE AMERICAN PUBLIC HUMAN SERVICES ASSOCIATION (APHSA), SUBMITTED BY TRACY L. WAREING, EXECUTIVE DIRECTOR, AMERICAN PUBLIC HUMAN SERVICES ASSOCIATION; AND LINDA SATERFIELD, CHAIR, NATIONAL ASSOCIATION OF STATE CHILD CARE ADMINISTRATORS

Chairman Mikulski, Ranking Member Burr, and Honorable Members of the Senate Health, Education, Labor, and Pensions Subcommittee on Children and Families, on behalf of the American Public Human Services Association (APHSA) and its affiliate, the National Association of State Child Care Administrators (NASCCA), we respectfully submit this statement for the record and urge Congress to reauthorize the Child Care and Development Block Grant (CCDBG) as a key priority.

NASCCA represents the 50-state lead agencies responsible for the administration of the Child Care and Development Fund (CCDF) law. The CCDF program provides a vital economic and work support for America's families while simultaneously ensuring that today's children are prepared to be tomorrow's leaders. States have been able to use CCDF funds to improve childcare quality and achieve better outcomes. However, Federal childcare funding levels have not aligned with program needs and the expenditures related to childcare costs. This has become extremely problematic for States, especially with rises in inflation and budget cuts. For years, States have faced challenges with achieving an appropriate balance for providing high-quality childcare and maximizing access.

NASCCA's recommendations for CCDBG call for State flexibility; improving quality; expanding access and promoting continuity of care; strengthening program integrity; and ensuring a seamless approach for better coordination among early childhood programs through alignment of program goals and priorities. The focus should be on gainful employment and sustained child well-being, which are the outcomes we seek and that a revitalized human service system can achieve as outlined in APHSA's *Pathways: The Opportunities Ahead for Human Services*.<sup>1</sup> We recommend the following:

**1. Provide adequate funds to ensure access and promote continuity of care. In addition, adjust CCDF funds to keep pace with inflation using the Consumer Price Index.** This would minimize service disruptions and expand the number of eligible children and families needing services. CCDF should support a broader concept of work, education, and self-sufficiency along with stability for children.<sup>2</sup> Adequate support for flexible mechanisms, like CCDF, is needed to better align with program needs and current expenditures to ensure families' access to childcare and stable childcare arrangements.

States must have the ability to ensure that subsidies' purchasing power reflects the current costs of childcare. However, funding constraints have added pressure on States to make policy changes and tightly monitor eligibility. According to a 2005–09 U.S. Census Bureau survey, approximately 15 million, or 62 percent of children under age 6, potentially are in need of childcare. Providing States with additional Federal resources and adjusting mandatory CCDF funds to be annually indexed for inflation would immediately address this problem.

**Maintain CCDBG's flexibility so States can leverage Federal dollars to meet the unique needs of children and families served by CCDF.** Decisions on programmatic and financing eligibility and authorization are best made on a local or State level and based on families' employment needs and children's developmental needs. State childcare policies can be designed to address the dynamics of urban and rural communities and meet the economic priorities of individual States. National data on the characteristics of families served do not accurately capture the degree of variation among States.<sup>3</sup> However, States can use CCDF funds and other Federal funding streams to the best advantage of both recipients and the larger stakeholder community.

<sup>1</sup>American Public Human Services Association (2012). *Pathways: The Opportunities Ahead for Human Services*. <http://www.aphsa.org/Policy/pathways.asp>.

<sup>2</sup>Urban Institute (2010). *Child Care Instability: Definitions, Context and Policy Implications*. G. Adams and M. Rohacek. <http://www.urban.org/publications/412278.html>.

<sup>3</sup>U.S. Department of Health and Human Services (2012). *Characteristics of Families Served by Child Care and Development Fund (CCDF) Based on Preliminary FY 2010 Data*. [http://www.acf.hhs.gov/programs/ccb/data/ccdf\\_data/data\\_fact\\_sheet.htm](http://www.acf.hhs.gov/programs/ccb/data/ccdf_data/data_fact_sheet.htm).

U.S. Health and Human Services fiscal year 2010 data show that approximately 1.7 million children and 998,600 families per month received childcare assistance.<sup>4</sup> This represents 18 percent of those eligible. In addition, an estimated 2.6 million children were served using additional funding sources such as the Temporary Assistance for Needy Families (TANF) program direct spending on childcare, Social Services Block Grant, and excess TANF Maintenance-of-Effort childcare expenditures. The flexibility to blend these funding streams has afforded States the ability to expand access, improve quality, and serve additional eligible children that CCDF could not support. However, should sequestration occur, Federal childcare funding would be reduced by approximately \$177.7 million in fiscal year 2013, serving about 80,000 fewer children in that year.<sup>5</sup>

**2. Raise the quality set-aside, and blend targeted funds within the set-aside, so States can flexibly invest in quality improvement systems and other changes that promote quality.** The Administration for Children and Families' (ACF) fiscal year 2012 Budget reports that in fiscal year 2009, States spent approximately \$988 million or 11 percent of CCDBG funds on quality improvement activities, which exceeds the statutory quality spending requirement. Raising the set-aside and blending the targeted funds (i.e., infant and toddler care, school-aged care, and childcare resource and referral services) can help States maximize quality investments and strengthen standards. This should be blended with additional discretionary funds and incentives to improve childcare workforce, health, and safety standards including those involving nutrition and physical activity, early learning guidelines, and quality rating and improvement systems.

States view these elements of quality as interconnected, and continuously work to ensure that the right mix is provided to address the specific needs of children and families in their communities. Limited resources have affected the ability of State and local agencies to achieve high quality in all programs, but their efforts continue with an emphasis on leveraging resources across programs and sectors.

Results from a 1996 Princeton University survey on childcare costs and quality suggest that raising quality by 25 percent (from mediocre to good) would increase the total variable costs about 10 percent—that is, by 13 cents per child per hour or about \$300 per child per year. For a childcare center of average size, this would mean an increase of \$18,000 per year.<sup>6</sup> We know that these figures have grown since the 1996 CCDBG reauthorization. However, there is a need for further research on the correlation between quality childcare, its cost, and other economic variables based on the current environment.<sup>7</sup> Giving States the flexibility to establish subsidy payment rates on factors other than a market rate survey could help States better ensure equal access for eligible children to comparable services as children not eligible for subsidy. States need adequate resources to stabilize the current supply of quality care, and not be forced to pay for improved quality by reducing the number of children served.

**3. Consolidate and streamline Federal standards and requirements that focus on improving quality in early learning programs to reduce inefficiencies and duplication of efforts.** For many children, especially those considered low-income, early care and education involve enrollment in programs such as home visiting, subsidized childcare, Early Head Start, and Head Start and Pre-Kindergarten. Collaboration and coordination between the human service and education sectors for these early learning programs can foster effective alignment of early learning standards and promote school readiness and preparation for kindergarten entry.

The Race to the Top Early Learning Challenge has supported States' efforts to align school readiness standards and integrate early care and education programs to improve quality. However, there are currently minimal Federal dollars available for all States to successfully meet these standards and receive adequate technical assistance to move programs in this direction.

**4. Policies must support accountability that enables continuous quality improvement and provide accurate means for evaluating State performance.** The CCDF State Plan should be amended and submitted tri-annually to avoid duplication and allow adequate time for program improvements and implementation

<sup>4</sup> Ibid.

<sup>5</sup> U.S. Senate Appropriations Committee Majority Staff (2012). Under Threat: Sequestration's Impact on Non-Defense Jobs and Services. Sen. Tom Harkin, Chairman of the Senate Appropriations Subcommittee on Labor, Health, Human Services, Education and Other Related Agencies. <http://harkin.senate.gov/documents/pdf/500ff3554f9ba.pdf>.

<sup>6</sup> Princeton University. *Child Care Costs and Quality* (1996). Helburn, S., and C. Hows. [http://www.princeton.edu/futureofchildren/publications/docs/06\\_02\\_03.pdf](http://www.princeton.edu/futureofchildren/publications/docs/06_02_03.pdf).

<sup>7</sup> Troy University (2012). *Child Care in the American South: Poverty, Costs and Quality*. V. Collins. <http://ecrp.uiuc.edu/v14n1/collins.html>.

of new Federal initiatives. An increase in CCDF administrative funds could be used to improve data systems. Compliance with additional reporting requirements other than those specified in statute should be on a voluntary basis.

Furthermore, there must be a shift toward incentivizing positive performance throughout State childcare systems. Improper Payments Information Act desk audit reviews must be improved to capture accuracy and performance based on the uniqueness of State systems and the flexible practices that the block grant allows. This shift in focus must also allow States to maintain authority to design program integrity strategies, seek ACF technical assistance, and focus on broader initiatives that improve the detection and reduction of improper payments.

We look forward to working with Congress on these recommendations. Thank you for the opportunity to submit our comments and for your interest in reauthorizing CCDBG. If you have any questions, please contact Rashida Brown at (202) 682-0100 x225 or [rashida.brown@aphsa.org](mailto:rashida.brown@aphsa.org).

PREPARED STATEMENT OF HELEN BLANK, DIRECTOR OF CHILD CARE AND EARLY LEARNING, NATIONAL WOMEN'S LAW CENTER

Childcare is an essential support for children and families. It has two important goals: helping families work and helping children succeed. These are equally important and interrelated. When parents do better, children do better. There is also strong evidence that when low-income children participate in high-quality early learning programs, it increases their chances of succeeding in school and in life.

For families, the Child Care and Development Block Grant (CCDBG) is a lifeline that allows them to work and their children to learn. Despite the benefits of providing help with childcare costs, only one out of six children eligible for Federal childcare assistance received it in 2006.<sup>1</sup> The unmet need has likely grown as the number of low-income families has increased while the number of children receiving childcare assistance has stagnated or decreased. Without additional investments, the number of children able to receive childcare assistance is projected to decline next year to the lowest level since 1998.

Many families who need help paying for childcare are unable to receive it because their States set restrictive eligibility criteria or place eligible families on waiting lists. One-third of States set their income limits to qualify for assistance at 150 percent of poverty or lower, and two-thirds of States set their income limits to qualify for assistance at 200 percent of poverty or lower,<sup>2</sup> even though studies show that families in most communities need an income level at least this high to meet their basic needs.<sup>3</sup> In 22 States, families who apply for childcare assistance are placed on waiting lists for assistance or are turned away without having their names placed on a list.<sup>4</sup> Some of these lists are exceedingly long. For example, in Florida, the waiting list is over 75,000 children.<sup>5</sup> Maryland's waiting list is almost 19,000 children.<sup>6</sup>

Research is clear that parents are more likely to work when they have reliable childcare, and they find it challenging to work when they do not. Simply put, helping families pay for childcare makes it more likely they can get and keep a job. Several past waiting list studies indicate that without childcare assistance, parents turned to welfare. In a 1998 study of parents waiting for childcare assistance in

<sup>1</sup>U.S. Department of Health and Human Services, Office of Human Services Policy, Office of the Assistant Secretary for Planning and Evaluation, *Estimates of Child Care Eligibility and Receipt for Fiscal Year 2006* (Washington, DC: U.S. Department of Health and Human Services, 2010), available at <http://aspe.hhs.gov/hsp/10/cc-eligibility/ib.pdf>.

<sup>2</sup>Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times*, available at [http://www.nwlc.org/sites/default/files/pdfs/state\\_child\\_care\\_assistance\\_policies\\_report2011\\_final.pdf](http://www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf). [hereinafter *State Child Care Assistance Policies 2011*]

<sup>3</sup>National Women's Law Center analysis of data from Economic Policy Institute, *Basic Family Budget Spreadsheets* (2007), available at [http://www.epi.org/pages/budget\\_calculator\\_intro/](http://www.epi.org/pages/budget_calculator_intro/); and from James Lin and Jared Bernstein, *What We Need to Get By* (Washington, DC: Economic Policy Institute, 2008), available at <http://www.epi.org/publications/entry/bp224/>; Sylvia Allegretto, *Basic Family Budgets: Working Families' Incomes Often Fail to Meet Living Expenses Around the U.S.* (Washington, DC: Economic Policy Institute, 2005), available at <http://www.epi.org/page/-/old/briefingpapers/165/bp165.pdf>.

<sup>4</sup>State Child Care Assistance Policies 2011.

<sup>5</sup>National Women's Law Center, *Child Care Fact Sheet: Additional Child Care Funding is Essential to Stop State Cuts* (July 2012) available at <http://www.nwlc.org/sites/default/files/pdfs/childcarecutsfactsheetjuly2012.pdf>.

<sup>6</sup>Email from Debbie Moore, Senior Policy Analyst, Maryland Family Network, to Helen Blank, Director of Child Care and Early Learning, National Women's Law Center (July 19, 2012) (on file with NWLC).

Santa Clara County, CA, about 40 percent reported that they had given up looking for work because they could not find affordable childcare.<sup>7</sup> In North Carolina, about one out of four families on the State's waiting list for childcare help had lost or had to quit their job while waiting for assistance, according to a 1998 study.<sup>8</sup> One-quarter of the families on the waiting list for childcare assistance in Hennepin County, MN turned to welfare in order to survive, according to a 1995 study.<sup>9</sup>

Research also provides substantial evidence that access to childcare assistance increases the likelihood that parents are employed and that they may remain employed for longer periods of time. One study found that across both rural and urban counties in Oregon, families who used childcare assistance had relatively stable employment over a 3-year period.<sup>10</sup> Parents who receive childcare subsidies appear to work longer.

Helping parents afford childcare so they can work and earn income is important because family income can have a major effect on children as they grow. A study found a relationship between an increase in family income and children's achievement—the results suggested that a \$1,000 increase in a low-income family's annual income increased young children's achievement by 5 to 6 percent of a standard deviation.<sup>11</sup>

In addition to helping families pay for childcare and go to work, CCDBG quality dollars undergird early childhood systems in the States, supporting families at all income levels. The quality dollars help fund T.E.A.C.H.® and other programs that assist childcare teachers with the cost of going to school and attaining credentials as well as reward them for their efforts. The quality dollars are also used to support the monitoring of childcare programs to ensure children's health and safety. In addition, the quality set-aside supports resource and referral services to help families searching for care and to assist community childcare providers; helps purchase basic materials, books, and equipment for family childcare homes and centers; and assists in the costs associated with starting and operating quality rating and improvement systems.

The quality of childcare that programs and providers can offer is not only linked to the quality set-aside but also inextricably tied to the reimbursement rates they receive for children receiving childcare assistance. The decline in reimbursement rates is extremely troubling. As of February 2011, only three States paid rates at the federally recommended level, the 75th percentile of current market rates, compared to 22 States in 2001.<sup>12</sup> While 31 States report that they pay higher rates for higher-quality care, or tiered rates, in approximately four-fifths of these States, the reimbursement rate at even the highest quality is below the 75th percentile of current market rates.<sup>13</sup>

This continues to be, as a result of inadequate investment in childcare, a constant tension between serving more eligible children and improving quality.

Given the importance of safe and affordable childcare to the two critical goals of helping parents work and support their children and ensuring that children have the early learning and after school experiences they need to succeed, national and State organizations have developed an Agenda for High-Quality Affordable Child Care (available here: [www.nwlc.org/childcareagenda](http://www.nwlc.org/childcareagenda)) that would put the Nation on the path toward developing the early childhood system our children and families deserve.

In a reauthorization that would be a small step toward these goals, yet incur less cost than the more expansive Agenda, we would recommend:

- Strategies to ensure continuity of care for families and children that support parents' work and children's healthy development by requiring States to:
  - Establish a 1-year eligibility determination period that is in effect, regardless of a change in parent's income or work status.

<sup>7</sup> Casey Coonerty and Tamsin Levy, *Waiting for Child Care: How Do Parents Adjust to Scarce Options in Santa Clara County?* (Berkeley, CA: Policy Analysis for California Education, 1998).

<sup>8</sup> Jeffrey D. Lyons, Susan D. Russell, Christina Gilgor, and Amy H. Staples, *Child Care Subsidy: The Costs of Waiting* (Chapel Hill, NC: Day Care Services Association, 1998).

<sup>9</sup> Greater Minneapolis Day Care Association, *Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance* (Minneapolis, MN: Greater Minneapolis Day Care Association, 1995).

<sup>10</sup> Elizabeth E. Davis, Deana Grobe, and Roberta B. Weber, "Rural-urban differences in childcare subsidy use and employment stability," *Applied Economics Perspectives and Policies*, 32(1), 2010, 135–53.

<sup>11</sup> Greg J. Duncan, Pamela A. Morris, and Chris Rodrigues, "Does money really matter? Estimating impacts of family income on young children's achievement with data from random-assignment experiments," *Developmental Psychology*, 47 (5), 2011, 1263–79.

<sup>12</sup> State Child Care Assistance Policies 2011.

<sup>13</sup> State Child Care Assistance Policies 2011.

- Establish a higher exit eligibility level that allows families to stay on childcare assistance even if their incomes grow to exceed the initial eligibility limit.
- Ensure that payment practices for childcare providers reflect generally accepted payment policies that providers use for their private-pay parents.
- Strategies to expand low-income children's access to higher-quality childcare requiring States to:
  - Develop and implement strategies to increase the supply and improve the quality of childcare in underserved areas such as higher payment rates and bonuses, direct contracting, grants, or other means of increasing the supply of high-quality care in particular areas of the State or for particular categories of children such as care in low-income and rural areas, care for infants and toddlers, school-age children, children with disabilities and other special needs, and children in families with limited English proficiency, and care during non-standard hours, if shortages of these types of care are identified, and report annually to the Secretary of Health and Human Services on how these strategies are being used to expand the supply of care.
  - Demonstrate efforts to coordinate Early Head Start, Head Start, State- and locally funded pre-kindergarten and childcare assistance in order to encourage full-day, full-year programs.
  - Demonstrate that initiatives to improve the quality of childcare give priority to providers and programs in which a significant share of children served are low-income (or receive federally funded childcare assistance) and include sufficient financial and other resources to support strategies that help providers at all levels of quality improve, including increased rates linked to the quality of a provider or program, initiatives to support the education of teachers tied to increased compensation, and ongoing financial resources to providers to improve the quality of care.
- Strategies to make special efforts to address the shortage of high-quality childcare for infants and toddlers by:
  - Permanently authorizing a minimum of \$106.8 million or 5 percent of CCDBG discretionary funds (whichever is larger) for supports to programs serving infants and toddlers, as described in S.3436.
- Strategies to focus on the need to provide adequate reimbursement rates to programs by:
  - Requiring the Department of Health and Human Services to provide technical assistance to States on alternative payment mechanisms, developing and conducting statically valid and reliable market rate surveys, and identifying acceptable approaches to use in developing and conducting market rate surveys to reflect cost variations by geography, age of children, children with disabilities and other special needs, children with limited English proficiency, hours of operation including non-standard hours, and provider type. HHS would also provide information on alternate costing mechanisms to help States begin to tie rates to the cost of implementing quality standards and/or within tiers, beginning with licensing.
- Strategies to strengthen the childcare workforce by requiring States to create a plan for integrated professional development system that includes:
  - Professional standards that specify the qualifications, content of education and ongoing development of early childhood education professionals.
  - Career pathways or routes of continuous progress for early childhood professionals to achieve increased qualifications, understand professional opportunities, and to receive appropriate compensation.
  - Articulation/transfer of professional development credentials, courses, credits, degrees, and student performance-based competencies.
  - An advisory structure to examine needs and provide policy recommendations.
  - Workforce data to gauge impacts and system change and inform planning and to use in evaluation and quality assurance, including all settings.
  - Financing of the integrated professional development system, including supports for programs, individuals, and the system's infrastructure.

This system shall promote access to training, professional development and education (including initial and ongoing professional development) for all types of providers. Barriers such as costs, hours of work for providers, language, and culture shall be taken into account; and public financing shall be included.

- Strategies to ensure that children have the early help they need to succeed by requiring States to demonstrate efforts to increase developmental screening for children.
- Strategies to ensure that children are protected by requiring States to:
  - Require comprehensive State and Federal criminal background checks that are done in a timely fashion and that are portable from program to program. Providers cannot be charged more than \$40 in combined fees for application and administration of the checks. These must include an appropriate appeals process, and other protections.
  - Inspect and monitor all licensed and regulated providers at least twice a year, one unannounced and one announced, one to address health and safety and one to address issues affecting quality.
- Strategies to ensure that there is coordination among early childhood programs by requiring States to:
  - Submit the State plan for CCDBG to the State Advisory Council on Early Care and Education for comment before the plan is submitted to HHS for funding. The plan must describe coordination among childcare, Head Start, State pre-kindergarten programs, State-funded infant and toddler systems, home visiting, and the Early Intervention Program for Infants and Toddlers with Disabilities (Part C) and Preschool Grants for Children with Disabilities (part B, section 619) under the Individuals with Disabilities Education Act, including the ways in which Federal and State resources are to be used to help childcare providers meet the State pre-kindergarten requirements and to help children enrolled in part-day pre-kindergarten programs receive full-day services as needed.
  - Strategies to ensure that the numbers of families receiving childcare assistance and reimbursement rates for providers do not decline by requiring States to guarantee that they will at a minimum maintain the number of children receiving federally funded childcare assistance as of fiscal year 2008 and reimbursement rates paid to childcare providers receiving Federal childcare funds as of fiscal year 2008.
  - Establishing the Child Care Facilities Financing Act authorizing the Secretary of HHS to award competitive grants to eligible entities to deposit into childcare capital funds for technical and financial assistance to eligible childcare providers to pay the costs of acquisition, construction, or improvement of childcare facilities or equipment, or for technical assistance to such providers to help undertake facilities improvement and expansion.

PREPARED STATEMENT OF HANNAH MATTHEWS, DIRECTOR OF CHILD CARE AND  
EARLY EDUCATION, CENTER FOR LAW AND SOCIAL POLICY (CLASP)

Thank you for the opportunity to submit testimony for the record on this important topic. CLASP develops and advocates for policies at the Federal, State, and local levels that strengthen families and create pathways to education and work to improve the lives of low-income people. Our childcare and early education work promotes policies that support both child development and the needs of low-income working parents.

**Childcare subsidies make quality childcare more affordable, support the healthy development of children, and help low-income parents access the childcare they need to go to work or to school to support their families.**

The Child Care and Development Block Grant (CCDBG) is the largest source of childcare assistance funding and helps nearly 1 million low-income families. Childcare assistance makes a critical difference as to whether they are able to go to work each day, and it makes a difference for the quality of their children's care. In 2010, the latest year data are available, nearly half of these families had incomes below the Federal poverty level (about \$18,310 for a family of three in 2010), and nearly all (93 percent) received help because they were working or in training or education programs.

Decades of research show that childcare assistance helps stabilize employment and leads to increased earnings, making a difference in the economic health and security of families.<sup>1</sup> Access to subsidies allows working poor families to use their limited income to meet other basic needs such as food, rent, and household utilities. When low-income families receive help meeting childcare costs they are more likely to enter and remain in the workforce and may work more hours. For example, a

<sup>1</sup>Matthews, *Child Care Assistance Helps Families Work: A Review of the Effects of Subsidy Receipt on Employment*, CLASP, 2006, [http://www.clasp.org/publications/ccassistance\\_employment.pdf](http://www.clasp.org/publications/ccassistance_employment.pdf).

study of a representative sample of low-income single mothers found that receipt of childcare subsidies increased the probability of employment by 15 percent.<sup>2</sup>

Childcare subsidies benefit children as well. Subsidies make *quality* childcare more affordable. Most children (80 percent) receiving CCDBG assistance are cared for in licensed settings with the majority (66 percent) in center-based care. These children are more likely to experience stability in their care arrangements, which support healthy development. Without a subsidy, many low-income families are unable to afford even minimal quality childcare, and they surely cannot afford settings that foster healthy development and early learning to close the achievement gap.

As recent as last month, new research published in the *Child Development* journal confirmed the importance of childcare subsidies for working families. Families receiving childcare assistance accessed better quality care than the care accessed by comparable families who were unable to get help.<sup>3</sup>

To be sure, there is room for improvement in the program. Stagnant funding for the block grant has led States to design their childcare programs in ways that make accessing quality childcare difficult for families. Rates paid to providers are far below the federally recommended levels, making it difficult for providers to support the costs of providing quality care. States have restricted income eligibility and other policies in order to manage funding shortfalls. Fundamental policy changes could be made in the program that would improve continuity for children and their parents.

Given the strong research base of the critical role childcare assistance plays in helping low-income parents find and retain work and the benefits that affordable quality care has for children, it's critical that any improvements not be made at the expense of reducing access to childcare assistance, particularly as the country continues to recover from the Great Recession. Even at current funding levels, only one in six federally eligible children receive assistance. More resources for childcare assistance are greatly needed.

#### ESSENTIAL IMPROVEMENTS FOR REAUTHORIZATION

CLASP supports the following policy recommendations, developed by a coalition of national organizations, *Essential Improvements to the Child Care and Development Block Grant*. While not without costs, these improvements would help stabilize families receiving assistance, improve the quality of care for more low-income children, and support caregivers in providing higher quality care.

Many of the below recommendations would improve the continuity of care for children, supporting positive child development and parental employment. Provisions such as requiring inspections for childcare programs, training for providers, and stronger professional development systems would provide basic health and safety assurances and increase the quality of available childcare. Strategies such as expanding higher quality care in low income and underserved areas are vital to making quality childcare available to additional high needs children. Finally, policies that make it easier for families to keep subsidies, such as 1 year eligibility, and better coordination between childcare and Head Start and State pre-kindergarten would improve both families' access to the program and strengthen the early childhood system as a whole.

#### *Essential Improvements to the Child Care and Development Block Grant*

The goals of this subchapter are to support States in ensuring that children receive high-quality childcare/early learning and after-school experiences in developmentally supportive, safe and healthy settings and that low-income parents receive the assistance they need to afford childcare so they can work or participate in education, training, or other activities that will enable them to work.

States will be required within 3 years from the date of enactment to:

- Require comprehensive State and Federal criminal background checks that are done in a timely fashion and are portable from program to program. Providers cannot be charged more than \$40 in combined fees for application and administration of the checks. These must include an appropriate appeals process, and other protections.
- Inspect and monitor all licensed and regulated providers at least twice a year, one unannounced and one announced: one to address health and safety and one to address issues affecting quality.

<sup>2</sup>Erdal Tekin, *Child Care Subsidy Receipt, Employment and Child Care Choices of Single Mothers*, 2004.

<sup>3</sup>Johnson, Ryan, and Brooks-Gunn, "Child-Care Subsidies: Do They Impact the Quality of Care Children Experience?" *Child Development*, June 2012.

- Create an integrated professional development system that includes (1) professional standards that specify the qualifications, content of education and ongoing development of early childhood education professionals; (2) career pathways of routes of continuous progress for early childhood professionals to achieve increased qualifications, understand professional opportunities, and be appropriately compensated; (3) articulation/transfer of professional development credentials, courses, credits, degrees and student performance-based competencies; (4) an advisory structure to examine needs and provide policy recommendations; (5) workforce data to gauge impacts and system change, inform planning, evaluation and quality assurance, including all settings; and (6) financing of the integrated professional development system including supports for programs, individuals, and the system's infrastructure.

- Such system shall promote access to training, professional development, and education (including initial and ongoing professional development) for all types of providers. Barriers such as costs, hours of work for providers, language, and culture shall be taken into account; and public financing shall be included.

Develop a system that ensures that all children receiving a subsidy as well as all children in childcare centers and family childcare homes receive a valid and reliable developmental screening and referral for appropriate services within a reasonable time of their entry into care.

- Establish a 1-year eligibility determination period that is in effect, regardless of a change in parent's income or work status.

- Establish a higher exit eligibility level that allows families to stay on childcare assistance even if their incomes grow to exceed the initial eligibility cutoff.

- Ensure that payment practices for childcare providers reflect generally accepted payment policies that providers use for their private pay parents.

- Develop and implement strategies to increase the supply and improve the quality of childcare in underserved areas such as higher payment rates and bonuses, direct contracting, grants, or other means of increasing the supply of high quality care in particular areas of the State or for particular categories of children such as care in low-income and rural areas, care for infants and toddlers, school-age children, children with disabilities and other special needs, and children in families with limited English proficiency, and care during non-standard hours, if shortages of these types of care are identified, and report annually to the Secretary of Health and Human Services on how these strategies are being used to expand the supply of this care.

- Demonstrate efforts to coordinate Early Head Start, Head Start, State- and locally funded pre-kindergarten and childcare assistance in order to encourage full-day and full-year programs.

- Guarantee that they will at a minimum maintain the number of children receiving federally funded childcare assistance as of fiscal year 2008 and reimbursement rates paid to childcare providers receiving Federal childcare funds as of fiscal year 2008.

- Submit the State childcare plan for CCDBG to the State Advisory Council on Early Care and Education for comment before the plan is submitted to HHS for funding. The plan must describe coordination among childcare, Head Start, State pre-kindergarten programs, State funded infant and toddler systems, home visiting and part C and section 619 programs, including the ways in which Federal and State resources are to be used to help childcare providers meet the State pre-kindergarten requirements and to help children enrolled in part-day pre-kindergarten and Head Start programs receive full-day services as needed.

- Demonstrate that initiatives to improve the quality of childcare give priority to providers and programs in which a significant share of children served are low-income (or receive federally funded childcare assistance) and include sufficient financial and other resources to support strategies that help providers at all levels of quality improve, including increased rates linked to the quality of a provider or program, initiatives to support the education of teachers tied to increased compensation, and ongoing financial resources to providers to improve the quality of care.

The legislation will:

- Permanently authorize a minimum of \$106.8 million or 5 percent of CCDBG discretionary funds (whichever is larger) for supports to programs serving infants and toddlers. These funds will be used for:

- Establishing or expanding neighborhood-based high-quality comprehensive family and child development centers;

- Establishing and operating community- or neighborhood-based family childcare networks;
  - Supporting statewide networks of infant-toddler specialists;
  - Initiatives to improve the quality of the infant-toddler workforce; and
  - Development of infant-toddler components within regulatory and quality improvement systems and support to reach higher levels of quality.
- Require that HHS provide technical assistance to States on alternative payment mechanisms, on developing and conducting statistically valid and reliable market rate surveys, and identifying acceptable approaches for States to use in developing and conducting market rate surveys to reflect cost variations by geography, age of children, children with disabilities and other special needs, children with limited English proficiency, hours of care including non-standard hours, and provider type. HHS will provide information on alternate costing mechanisms to help States begin to tie rates to the cost of implementing quality standards and/or within tiers, beginning with licensing.
    - Authorize a certain amount of mandatory funding.
    - Authorize such sums as necessary.
    - Authorize the Child Care Facilities Financing Act to authorize the Secretary of Health and Human Services to award competitive grants to eligible entities to deposit into childcare capital funds for technical and financial assistance to eligible childcare providers to pay the costs of acquisition, construction, or improvement of childcare facilities or equipment, or for technical assistance to such providers to help them undertake facilities improvement and expansion.

RESPONSES BY LINDA K. SMITH TO QUESTIONS OF SENATOR MURRAY,  
SENATOR SANDERS AND SENATOR CASEY

SENATOR MURRAY

*Question 1.* What benefits has the Child Care Aware Hotline and Web site provided over the years to families, childcare providers, and the Federal Government?

Answer 1. Over the years, the Child Care Aware hotline and Web site (<http://childcareaware.org/>), a project of Child Care Aware of America (formerly the National Association of Child Care Resource and Referral Agencies or NACCRRA), has provided parents with information about provider background checks, local childcare regulations, specialized services for military families, and tools for choosing a childcare provider. In program year 2010–11, over 76,000 families contacted the hotline, and the Web site helped make over 111,000 connections between parents and local childcare resource and referral agencies. The Child Care Aware hotline and Web site have also provided military families with targeted referrals and have administered the Military Fee Assistance program, which helps those who serve in the military find and afford childcare that meets their needs. In addition, the hotline and Web site have supported childcare providers through training webinars and other publications for professional development. All parent and provider resources are available in English and Spanish.

Since fiscal year 2000, the annual appropriations law for funding of the Child Care and Development Block Grant (CCDBG) has provided resources for a national childcare hotline. In most years, the funding was specifically designated in the law for Child Care Aware. However, the fiscal year 2012 appropriations law indicated that \$1 million was available for a competitive grant for the operation of a national toll-free hotline and Web site to develop and disseminate childcare consumer education information for parents and help parents access childcare in their local community. In late June, the Department of Health and Human Services (HHS) Office of Child Care published a Funding Opportunity Announcement (FOA) seeking applications by August 15, 2012.<sup>1</sup> Once awarded, this funding will support a National Child Care Consumer Education Referral Hotline and Web site.

The National Child Care Consumer Education Referral Hotline and Web site gives us the opportunity to incorporate the latest knowledge in childcare and to build on innovative State and local consumer education efforts, like indicators included in quality rating improvement systems (QRIS). The new FOA places stronger emphasis on transparency so that parents will be provided with clear information on quality indicators to help them make informed decisions about childcare. In addition, the FOA asks the grantee to focus on the hardest to reach clients—low-income children receiving childcare subsidies who, research shows, will benefit the most from quality

<sup>1</sup>The HHS Administration for Children and Families' Deputy Assistant Secretary and Inter-Departmental Liaison for Early Childhood Development was previously the executive director of NACCRRA. She has recused herself from any involvement in the competition.

placements. The new Web site and hotline will help parents make informed childcare decisions by providing information, either directly or through links to local entities, on the following:

- The full range of childcare choices available, including both home-based and center-based options;
- State health and safety requirements, including background on the standards and how they are enforced, and each provider's history of compliance; and
- Provider-specific information or indicators about quality of childcare. This includes the provider's status under a State or local QRIS or other quality indicators. Over half the States have implemented QRIS as a framework for organizing and guiding the progress of early care and education quality initiatives and communicating the level of quality to parents.

*Question 2.* Based on your experience improving the quality of military childcare during your time at the Department of Defense, what would be the optimal decision points providing balance of resources dedicated to quantity and quality?

*Answer 2.* Quantity and quality are both essential to an integrated childcare system. Too often discussions about childcare reform are burdened by a false dichotomy between access for children and quality of care—when they are actually one in the same. We need to improve access, but equally important is ensuring that low-income children supported by tax-payer dollars are in safe settings that promote their healthy development and school readiness.

It is not sufficient to view childcare as merely a work support for parents, and thus focus only on the number of families receiving assistance—investing in high-quality childcare is a key opportunity to give our most vulnerable children the support they need to reach their full potential and lay the foundation for success in school and beyond. For millions of children, childcare is the primary preschool setting and yet many childcare teachers and programs do not have access to the training, assistance, and support they need. Childcare should be a place that engages children's minds, sparks their curiosity, and begins to develop their cognitive and social skills.

While at the Department of Defense (DOD), I played a leading role in implementing the Military Child Care Act of 1989. Through this Act, DOD developed a system of high-quality childcare that provides minimum health and safety protections for children and allows parents choice among a variety of settings. During the first 2 years after passage of the Act, DOD invested resources to improve the quality of care while holding access constant. Once the quality was improved DOD became aggressive in expanding the access. Within the Act, there are four key provisions that built this framework of high-quality care:

- Adequate financing to ensure access for all military families. Fees are based on total family income and parent fees are matched with adequate Federal funding;
- Workforce preparation that is competency-based, conducted onsite and linked to higher wages. Everyone (center-based and family childcare) is required to complete minimum trainings that include: early childhood development, activities and disciplinary techniques appropriate to children of different ages, child abuse prevention and detection, and CPR and other emergency medical procedures;
- Regular inspections of all childcare programs, including quarterly unannounced visits; and,
- A hotline for parents to call to report safety and child abuse violations.

These four provisions allowed the Department of Defense to set the bar for quality childcare, providing both access and quality in military childcare.

*Question 3.* During the hearing, I questioned you about homelessness and the unique needs of childcare for homeless families. My bill, the Improving Access to Child Care for Homeless Families Act of 2012, would require States to describe in their childcare plan how the unique needs of homeless families will be met, including the dissemination of childcare subsidy information to homeless parents. In addition, it prioritizes homeless children for access to childcare, and creates a State pilot program to identify best practices for improving access to and continuity of care for homeless children. In addition to addressing these areas, what provisions of CCDBG present unnecessary barriers to access for these, our most vulnerable, families and children?

*Answer 3.* We appreciate our ongoing dialog with you and with service providers who work with families experiencing homelessness. Childcare assistance can help stabilize a family during a period of homelessness when parents need to search for new housing and when children can experience significant disruptions to their daily routines and early education. As a block grant, CCDBG offers significant flexibility for State implementation, and therefore by itself does not impose unnecessary bar-

riers to serving the homeless population. The flexibility within CCDBG offers significant opportunities to serve homeless families and children. However, not all States take advantage of these opportunities, and barriers may exist depending on a State's policies. Through the dialog, we have identified options that we would encourage States to take within current law to better provide seamless early childhood education and afterschool services to homeless children. Below are examples of areas of flexibility within current law that States can use to increase services to homeless families and children.

- **Offering a grace period for the documentation of requirements (e.g. written documents necessary to establish eligibility):** Homeless families may need additional time to access and provide copies of pay stubs or other documents.

- **Serving homeless children under the protective services category:** Under Child Care Development Fund (CCDF) regulations, Lead Agencies can waive income requirements and co-payment requirements for children categorized as "protective services" or "in need of protective service." Lead Agencies have the flexibility to include **homeless children in this protective service category.** Currently, 10 States take advantage of this flexibility to include homeless children under this category.

- **Offering priority for services through "special needs" definition:** CCDF regulations allow Lead Agencies to offer priority for services to very low-income families and children with special needs. Lead Agencies have the flexibility to define "special needs," which can include homeless children. According to a preliminary analysis of CCDF State plan data, eight States currently offer priority to homeless children through their definition of special needs.

- **Expanding the definition of working to include job search:** The Lead Agency can allow a family to retain their childcare subsidy during some period of job search. Since employment status and homelessness often go hand in hand, this policy offers key support for vulnerable families. Fifty States and territories (out of 56) have adopted this policy, but the length of time that families can retain childcare assistance during a job search period varies significantly.

- **Waiving co-payment for low-income families:** CCDF regulations allow Lead Agencies to waive the co-payment requirement for families at or below the poverty level. Since homeless families typically fall within this range, this policy would have a significant financial impact on the homeless population. Currently, 14 explicitly waive co-payments for families at or below poverty level.

We have established a work group at the Administration for Children and Families (ACF) to identify other opportunities we have to ensure that homeless families have access to childcare. We appreciate your leadership on this issue legislatively and look forward to continuing to work together to serve our most vulnerable children.

SENATOR SANDERS

*Question 1.* Current law provides for the possibility of automatically enrolling children in public health care (CHIP or Medicaid) when they are found eligible for a childcare subsidy, but no States have adopted this option. They could be required to do so. Meanwhile, we know that many kids arrive at kindergarten with undiagnosed learning disabilities and developmental delays. Childcare providers could be required to screen children entering their care for disabilities that would make them eligible for additional services. Can you comment on either or both of these proposals?

Answer 1. HHS has a long history of supporting partnerships between childcare programs and Medicaid. We have also been part of an interdepartmental collaboration aimed at meeting the Secretary's challenge of enrolling all eligible children in Medicaid and the Children's Health Insurance Program (CHIP) by 2015. We recognize that automatically enrolling children in CHIP or Medicaid when they are found eligible for assistance through CCDF can help streamline the eligibility determination process for families and administrators. However, State flexibility provided by CCDF means that States vary in what eligibility questions are asked of parents, who performs the eligibility determination, and how the State shares data with other agencies. These variations and the program's focus on State flexibility would make requiring States to automatically enroll children into CHIP and Medicaid as part of their CCDF automatic enrollment systems difficult.

States vary on the degree to which developmental screenings are required in their childcare programs. According to the CCDF State Plans for fiscal year 2012-13, 28 States encourage or require childcare programs to conduct developmental screening and referral for children participating in childcare programs. In several States, de-

velopmental screenings are required for childcare providers to reach the top level of the State's quality rating and improvement system (QRIS).

We continue to work with States and providers to expand the integration of developmental screenings into childcare programs while recognizing the training, tools, and resources providers need to conduct such screenings successfully. Screening tools can be costly to administer and difficult for childcare providers to use, especially in family childcare settings. ACF is currently working with other agencies [including the Health Resources and Services Administration (HRSA), the Centers for Disease Control and Prevention (CDC), and the Substance Abuse and Mental Health Services Administration (SAMHSA)] to explore lower cost, high-quality screening and referral tools for use in early care and education settings. OCC and some States have used CDC's "Learn the Signs. Act Early." free, research-based materials to raise awareness on developmental screenings and tracking, though these materials are not formally validated identification tools.

Additionally, HHS and the Department of Education recognized the importance of such screenings in the Race to the Top Early Learning Challenge (RTT-ELC) grant competition, which encouraged States to use the grant to incorporate developmental screening into their early childcare and education (ECE) systems. Four of the nine RTT-ELC States funded in fiscal year 2011 (California, Delaware, Maryland, and North Carolina) are incorporating developmental screenings into their early care and education (ECE) systems. One of the five States eligible to apply for Phase 2 RTT-ELC grants (Oregon) submitted a fiscal year 2011 RTT-ELC application proposing to incorporate developmental screenings into its ECE system.

- *In California*, screening efforts at the local level will be elevated through RTT-ELC to enable improved guidance and to support screening for children in ECE settings. The California Early Childhood Educator Competencies, which describe the knowledge and skills early childhood educators need to provide high-quality care, include: "Observation, Screening, Assessment, and Documentation." This competency ensures that health and behavioral screenings are well-integrated with other State ECE initiatives.

- *In Delaware*, RTT-ELC funds will enable the State to scale up a continuum of enhanced community engagement, expanded screening, and capacity for followup services. Delaware utilizes Help Me Grow (HMG), run by the Division of Public Health, which provides a comprehensive framework for screening, referral, and followup, especially for children with high-needs. New State law requires private insurers to compensate physicians for conducting evidence-based screening. Home visiting is being used as a mechanism for reaching and screening the hardest-to-engage populations in the highest-need neighborhoods. The State will provide a common comprehensive evidence-based screening tool for all ECE programs participating in its Quality Rating and Improvement System.

- *In Maryland*, health-related screenings and service referrals for children with high needs are performed through the statewide system of "Judy Centers" located in public elementary schools. Each Judy Center must make screenings available to any child enrolled in or receiving services through kindergarten, pre-kindergarten, an infants and toddlers program, preschool special education, or licensed childcare. In addition, each Judy Center may provide screenings and referrals to children with high needs who are enrolled in programs operated by local partnership agencies such as Family Support Centers, Early Head Start/Head Start, or Parents as Teachers. By 2013, Maryland will require the use of State-recommended developmental screening instruments for all licensed childcare programs. Maryland will begin training cohorts of pediatricians on developmental screening in collaboration with families and program staff.

- *North Carolina* utilizes the *Assuring Better Health and Child Development* (ABCD) model in primary care settings and integrates screening into all well-child visits. In ABCD practices, 99 percent of the children receive developmental screenings. ABCD currently operates in 16 counties with eight coordinators providing training and onsite technical assistance. With its RTT-ELC grant, the State will expand ABCD statewide by increasing the number of coordinators and linking to the Community Child Care Network of NC, a quality assurance network of physicians using Medicaid to provide incentives for improved care based on *Bright Futures National Standards* (American Academy of Pediatrics).

- *In Oregon*, as part of the Governor's early learning redesign and health care reform agendas, the Early Learning Design Team recommended that a set of standardized screening tools be applied at universal access points at prescribed intervals and be offered in a variety of settings by home visiting staff, ECE providers, and health care professionals. Oregon is one of five States participating in the ABCD III Initiative of the National Academy of State Health Policy. ABCD III will be developing and implementing community-level projects with eight managed-care orga-

nizations in Oregon to improve screening and followup care for children under 3 years.

Lessons learned from these States will contribute to a blueprint for wider implementation.

*Question 2.* Rural areas pose particular challenges for childcare providers, including transportation across potentially large distances, whether from home to childcare, from childcare to Head Start, and so on. In addition, both rural and high poverty areas may face a shortage of qualified care providers. Are you aware of any strategies to improve the supply and quality of care in rural and high poverty areas?

*Answer 2.* We recognize the unique circumstances of rural communities, including the challenges of developing an adequate supply of quality early care and education providers, providing access to training and professional development for teachers and practitioners, and addressing transportation barriers. An analysis of CCDF data showed that rural children receiving childcare subsidies were in care fewer hours per week and were more likely to be in family childcare arrangements than in center-based care. Additionally, we know that families in rural and high-poverty areas have fewer high-quality childcare options, particularly for infants and toddlers, school-age children, children with disabilities, and children in families with non-traditional work hours.

ACF has worked with States, childcare providers, researchers, and other stakeholders to identify additional strategies and best practices for ensuring that families in rural areas have access to high-quality childcare choices. In 2010, we sponsored a Rural Early Childhood Institute that aimed to bring visibility to the challenges facing rural communities and explore promising practices that support the success and well-being of young children and their families in rural areas. Also, this year the HHS National Advisory Committee on Rural Health and Human Services focused on early care and education with presentations, discussions, and site visits during its recent meeting in Kansas City, MO. Through this work, we have identified some strategies to improve the supply and quality of care in rural communities.

One strategy States are using to increase the supply of high-quality childcare and to address the unique needs of rural communities is to award grants to or enter into contracts with providers or provider networks for direct services. While the majority of children receiving childcare subsidies receive assistance in the form of a voucher, 21 States are using grants or contracts to provide childcare assistance to families. Often States use these grants and contracts to support specific populations or geographic areas where childcare may be lacking. Grants and contracts are also used to fund wrap-around services for children in Head Start or public pre-kindergarten programs to provide full-day, full-year care and to fund programs that provide comprehensive services, such as transportation, health screenings, and nutritional support.

By providing a guaranteed funding stream to providers for a set period of time, contracts and grants can be an effective tool to encourage entities to establish childcare businesses or nonprofit organizations. Grants or contracts may provide greater financial stability for childcare providers by funding a specified number of slots even if individual children leave the program. In contrast, because vouchers are portable, when parents leave a given provider, the provider loses the funding associated with that voucher. Without stable funding to pay for the higher costs of quality, most childcare providers, especially those in low-income or rural areas, cannot afford the qualified staff, equipment, and facilities that good program standards require. With greater financial stability, providers may be more willing to provide higher-cost care, such as for infants and toddlers, or to locate in low-income or rural communities.

In order to increase the supply of high-quality childcare in underserved communities, some States also provide financial support to assist with high startup costs, facilities upgrades to meet licensing requirements, and quality investments. Some examples of how States use financial supports to build supply are expansion grants to increase the number of available infant and toddler slots, equipment grants to providers that participate in professional development programs, and low-cost, short-term loans to help cover the cost of minor renovations in childcare facilities. A number of States also support family childcare networks, which provide training, coaching, and other supports to promote sustainability and quality in family childcare homes, including in rural areas that lack the population base to support center-based programs.

As one example of a comprehensive initiative supported by the Race to the Top-Early Learning Challenge, North Carolina is creating a Transformation Zone made up of a set of rural, distressed counties with high needs in the northeastern part of the State. After a thorough application process to demonstrate interest and level

of commitment of the critical stakeholders in their communities, the State expects that four to six counties will come together to form the initial Transformation Zone to improve outcomes for young children and families in the participating communities. Through community-building, infrastructure development, and implementation of evidence-based programs and practices, these communities will implement more effective ways of working together for shared accountability and better results. Specific activities may include: providing an infant/toddler specialist as a resource; providing incentives to add high-quality infant/toddler slots; providing a healthy-behavior specialist to support positive social-emotional development in childcare settings; and providing teacher salary supplements, rewarding the childcare workforce for increasing the level of educational attainment.

*Question 3.* One way we can truly improve our childcare in America and in Vermont is to treat childcare providers as the true professionals they are. Too often, childcare providers are paid too low and with poor benefits, factors that discourage talented professionals from entering the profession. We must pay our childcare workers like any teacher, give them great benefits, and assist them with paying off student loan debt. Unfortunately, investing the amount of resources necessary to make this happen is not possible in the current budget climate. What can we do today to improve the childcare workforce without having a significant negative impact on access to care? Do you agree that we should require a minimum level of training which includes principles of early learning and child development?

Answer 3. We agree that a well-trained workforce is necessary to ensure that children are in high-quality childcare programs. The President's fiscal year 2013 budget request outlines principles for reauthorization of the CCDBG Act, including supporting use of quality funds to expand professional development opportunities for the childcare workforce.

Quality childcare hinges on building an effective workforce trained on early learning and child development to support healthy interactions between children and providers. Mounting evidence shows that strengthening teacher-child interactions is integral to improving child outcomes. From a protection standpoint, research has shown that basic health and safety trainings, including CPR and first aid, are associated with lower instances of accidental injury or death in childcare settings.

In February 2012, the Government Accountability Office issued a report indicating that the paid early childcare and education (ECCE) workforce was made up of approximately 1.8 million workers in a range of positions, most of whom had relatively low levels of education and income. For example, nearly half of all childcare workers had a high school degree or less, as did 20 percent of preschool teachers. Average yearly income ranged from \$11,500 for a childcare worker working in a child's home to \$18,000 for a preschool teacher.

The Department of Health and Human Services recently partnered with the National Academy of Sciences to sponsor a workshop and report on the ECCE workforce, which focused on ways to build ECCE as a profession, including developing administrative and data systems, quality standards, and professional development activities.

To address the importance of childcare provider training, many States have begun implementing professional development systems that promote the use of evidence-based practices and provide pathways for teachers and caregivers to improve their knowledge and skills. Professional development systems support the workforce by providing increased benefits, scholarships, and financial incentives to providers as part of career pathways that lead to a publicly recognized credential. States are also supporting professional development through quality improvement initiatives for childcare programs. For example, 32 States and territories provide increased subsidy payments to childcare programs with higher quality; the indicators of quality (such as achieving higher levels under a State's quality rating and improvement system) often include staffing qualifications. It is also important for States to assess the capacity of local and community colleges to provide early care and education class offerings, as well as other training opportunities, for providers. Finally, as States design professional development initiatives, it may be useful to distinguish between requirements for different roles (such as director, teacher, aide) and for different types of care (such as centers versus family childcare).

We look forward to working with the committee to determine the best approach to ensuring that providers have the necessary knowledge and skills to provide safe and enriching environments for the children in their care.

SENATOR CASEY

*Question 1.* In your testimony and the questions that followed, you talked about making information about quality childcare readily available to parents. Do we

know what works best with regards to how to share this information? Are there examples you can point to of how this consumer information is being effectively transmitted to parents?

Answer 1. Providing parents with information about the quality of childcare available to them is necessary to ensuring that parents can make informed childcare choices. States have taken a variety of approaches to providing consumer education to parents and the general public.

One consumer education practice that many States use is to post licensing and regulatory requirements and compliance reports on a public Web site. Research suggests that online publishing of licensing violations and complaints impact both inspector and provider behavior. One study found that after inspection reports were posted online, there was an improvement in the quality of care, specifically the classroom environment and improved management at childcare centers serving low-income children.<sup>1</sup> In the fiscal Year 2012–13 CCDF Plans, at least 30 States and territories reported making all licensing information, including compliance records, available to parents and the public online, and 10 States and territories reported making at least some licensing information available on a public Web site or other online tool, such as a provider registry. Making available a Web site with accessible, easy-to-understand basic information about how childcare is regulated and monitored, as well as regulatory requirements met by individual childcare providers, can improve transparency and greatly reduce burden on families.

A quality rating and improvement system (QRIS) is another consumer education tool that has been adopted by more than half of the States to provide information about quality indicators to parents. A QRIS is a framework for organizing and guiding the progress of early care and education quality initiatives and communicating levels of quality to parents. The majority of QRISs use a symbol, level, or number to indicate different levels of quality, such as one star, two stars, or three stars. These simple-to-understand ratings allow parents to differentiate among childcare programs, based on measures of quality.

The QRIS framework includes five common elements: (1) program standards to define expectations for quality and quality indicators indicating different levels of quality; (2) supports, training, and technical assistance to help childcare programs in meeting childcare quality improvement standards; (3) financial incentives and monetary supports to assist childcare programs in meeting childcare quality improvement standards; (4) quality assurance and monitoring to measure childcare program quality over time; and (5) strategies to promote the childcare quality improvement standards to parents, programs, and the general public. These content areas align with the definition of “Tiered Quality Rating and Improvement System” included in the Race to the Top-Early Learning Challenge (RTT–ELC).

Parents in all 50 States also have access to childcare resource and referral (CCR&R) services that provide information on quality. Through a grant provided by CCDBG funds, a national toll-free hotline and Web site links parents to State and local CCR&R services. These agencies provide information on adult child ratios, training and inspection requirements and other quality-related information. While consumer education is essential for all families, some States have implemented additional efforts specifically targeted to parents receiving childcare subsidies. Several States include discussion of provider options during intake interviews and mail notices. States may also send parents on the waiting list for subsidy information about choosing quality care or the State’s QRIS. They may also host orientations or workshops for subsidy parents to help them learn about quality childcare. Twenty-two States and territories reported in their fiscal year 2012–13 plans that quality ratings were used in targeted consumer education for parents applying for or receiving childcare subsidies.

*Question 2.* You noted that disparities between low-income and higher income children start as early as at 9 months of age. How does dealing with this gap earlier in life compare in effectiveness to dealing with it later in life? Can you talk about the impact earlier investment could have on the Federal budget?

Answer 2. High-quality early education programs promote the development of young children and provide a high return on investment because they are linked to increased school readiness and achievement, reduced use of special education, reduced use of public assistance, and reduced rates of juvenile crime. Research by Nobel Prize-winning economist, Professor James Heckman of the University of Chicago on the high-quality HighScope Perry Preschool Program shows a 7 to 10 per-

<sup>1</sup> Witte, A. & Queralt, M., *What Happens When Child Care Inspections and Complaints Are Made Available on the Internet?* NBER Working Paper No. 10227, 2004.

cent per year return on investment.<sup>2</sup> A study of the Chicago Child-Parent Center preschool program found an 18 percent annual return.<sup>3</sup> Arthur Rolnick of the Federal Reserve Bank of Minneapolis, who testified before the subcommittee last summer, has concluded that early care and education is the best investment that this country can make.

Research has also shown that the earlier a child enters a high-quality early care and education program, the greater return on investment both in terms of child outcomes and the economy as a whole. As I mentioned in my testimony, disparities in child outcomes are evident as early as 9 months and grow larger by 24 months of age.<sup>4</sup> Children at highest risk for falling behind are those who grow up in low-income homes, and the more risk factors a child has, the wider disparities. There also is an increasing body of research that shows that chronic stress can disrupt the development of brain architecture from the earliest years, and that children in poverty are at higher risk for adverse physical and mental outcomes resulting from the accumulated stressors of living in economically disadvantaged circumstances.<sup>5</sup> In fiscal year 2010, half the children served by CCDF lived below the Federal poverty line, putting them at risk of falling behind their peers. However, these children can also have biggest gains from attending a high-quality childcare program, and the longer a child is in a high-quality program, the more the child will get out of the program. An evaluation of 12 Educare programs showed that kindergarten-bound children who began the program between birth and 2 years old score higher on school readiness tests than children who began the program at 3 or 4 years old.<sup>6</sup> Heckman's research has also found that investments in early childhood education have larger economic gains than programs targeted at adults.

RESPONSE BY ROLF GRAFWALLNER TO QUESTIONS OF SENATOR MURRAY,  
SENATOR SANDERS AND SENATOR CASEY

SENATOR MURRAY

*Question 1.* Having a stable childcare situation could do wonders for a homeless family—it would allow parents time to work, and hopefully get the family into a home. And childcare could also lessen the time a homeless child spends at a shelter, campground, or in a car—wherever the family is living. What kinds of specific outreach do your programs make to find and serve families who are homeless?

*Answer 1.* The Maryland State Department of Education (MSDE) and the Maryland Department of Human Resources (DHR) formally work together to learn who and where the homeless are in each county. This is being facilitated by a Memorandum of Agreement (MOA) for each county that the agencies use to work together to serve families. Judy Centers are especially helpful, as are local departments of social services. Homeless 4-year-olds are automatically eligible to be enrolled in the pre-kindergarten programs operated by the county-wide local boards of education.

*Question 2.* How do you identify and serve these homeless families? What are some of the unique barriers to serving homeless families?

*Answer 2.* Many of the homeless families also request other services, so local social service agencies often identify them through a social or income assistance worker. MSDE, through the local departments of social services, assists the families by offering them a childcare subsidy voucher and working with the regional Resource and Referral Agencies to find care. Due to the unique mailing address issues for homeless families, the vouchers are often available for pick up or given to a social worker to deliver.

Some of the unique barriers to serving homeless families are transportation which includes getting the child to and from the care arrangement, and finding a quality

<sup>2</sup> Heckman, J. & Moon, S.H. & Pinto, R. & Savelyev, P. & Yavitz, A. "The rate of return to the HighScope Perry Preschool Program," *Journal of Public Economics*, Elsevier, vol. 94(1-2), February 2010.

<sup>3</sup> Reynolds, A.J., Temple, J.A., White, B.A., Ou, S., Robertson, D.L. "Age 26 cost-benefit analysis of the Child-Parent Center early education program," *Child Development*, 82, 379-404. 2011.

<sup>4</sup> Halle, T., Forry, N., Hair, E., Perper, K., Wandner, L., Wessel, J., & Vick, J. *Disparities in Early Learning and Development: Lessons from the Early Childhood Longitudinal Study—Birth Cohort (ECLS-B)*, Child Trends, 2009.

<sup>5</sup> Garner, A., Shonkoff, J., Siegel, B., Dobbins, M., Earls, M., McGuinn, L., Pascoe, J., & Wood, D. "Early Childhood Adversity, Toxic Stress, and the Role of the Pediatrician: Translating Developmental Science into Lifelong Health," *Pediatrics*, vol. 129(1), January 2012.

<sup>6</sup> Yazejian, N., & Bryant, D.M. *Promising Results: Educare implementation study data*, Chapel Hill: FPG Child Development Institute, UNC-CH, June 2012.

care setting for them due to providers sometimes not having or wanting to fill a slot short-term due to the transiency of homeless families.

*Question 3.* What role does 12-month authorization for childcare subsidy play in providing greater stability in childcare for low-income families, and for other families in poverty?

*Answer 3.* A 12-month authorization for childcare subsidy would help low-income families to participate in more stable care. If the change reporting requirement could be updated, and a change like the one for SNAP—simplified reporting or periodic review forms completed by the customer—could be instituted so that only changes reaching a certain income threshold would have to be reported it would be a great enhancement for all parties. This would create less frequent redeterminations for customers, greater consistency of care for children, stability for big or small business childcare providers and increased efficiency for childcare case managers.

*Question 4.* Regarding childcare for homeless families, what are we seeing happen on the ground? What challenges are faced in proving continuous access for homeless families?

*Answer 4.* The homeless family's circumstances are quite tenuous. They are often discovered when they approach social services for some kind of other assistance. They request TANF or need shelter because they come from domestic violence situations or are unemployed. Childcare is one of the supports they need in order to pursue or continue work, or just to stabilize their lives and know that their children are safe and in a healthy childcare environment.

Continuous care for families is challenging because providers often do not want to accept a child for a short-term arrangement. Other challenges include having to continue to prove proof of income, identity, etc. Social services does a good job of obtaining this information for other sources in an attempt to assist families, but it is still a burden causing unnecessary stress on families.

In regard to Head Start, Federal law does not require enrollment of homeless children, but guidance from ACF tries to resolve the issue of group size, ratio, and the needs of homeless children. Federal policy about homeless children in Head Start differs from Maryland's in that local school systems are required to enroll homeless children in pre-kindergarten regardless of group size. Aligning Federal policies regarding homeless children with the State policies for pre-kindergarten would provide consistent access to these programs and prevent unintended barriers established by the lack of Federal policies regarding homeless children.

*Question 5.* What is the size of the current wait list in your State and on average how many months are families waiting for childcare subsidy? From your perspective, are there things the Federal Government can be doing to decrease the wait list, aside from additional funding?

*Answer 5.* The size of the waiting list in Maryland is 12,362 families and 18,909 children. The wait list has been in effect since March 2011. The term wait list is a misnomer. Maryland has actually instituted a freeze on non-TANF customers. Families wait until there are enough funds available to serve all or most of the children on the list.

If the reauthorization incorporates the McKinney-Vento definitions of homelessness and makes homeless children a priority for subsidies, that should raise awareness and outreach. Allowing a little cap flexibility should also prove helpful. Requiring mandatory TANF transfers from agencies that administer the subsidy program, but do not manage the regulations or the budget would also help, because the CCDF funds could be used for the wait list customers. (This is not the case in MSDE after TANF funds have been redirected for fiscal year 2013, thereby eliminating TANF for childcare subsidy.)

SENATOR SANDERS

*Question 1.* Current law provides for the possibility of automatically enrolling children in public health care (CHIP or Medicaid) when they are found eligible for a childcare subsidy, but no States have adopted this option. They could be required to do so. Meanwhile, we know that many kids arrive at kindergarten with undiagnosed learning disabilities and developmental delays. Childcare providers could be required to screen children entering their care for disabilities that would make them eligible for additional services. Can you comment on either or both of these proposals?

*Answer 1.* Maryland was not aware of the possibility of enrolling children in Medicaid when they are found eligible for a childcare subsidy. Perhaps other States are

not aware of it either. Making it a requirement is an excellent way to gain access to the health care many children so desperately need.

Maryland Child Care Regulations require that a health and developmental screening be completed by the child's pediatrician/health care provider prior to enrollment in childcare. This screening may or may not identify developmental delays or learning disabilities. As part of Maryland's Race to the Top Early Learning Challenge Grant, four State-recommended valid developmental screening instruments for children birth–5 years will be introduced and training on their use will be provided to pediatricians and childcare providers with the goal of identifying children in need of additional services. Childcare programs will be required to implement the use of an approved screening tool by 2013 (for those participating in Maryland's Quality Rating and Improvement System) and by 2014 for all other childcare providers. Procedures will be in place for pediatricians and childcare providers on how to followup on children who are identified with potential learning disabilities who may be eligible for additional services.

*Question 2.* Rural areas pose particular challenges for childcare providers, including transportation across potentially large distances, whether from home to childcare, from childcare to Head Start, and so on. In addition, both rural and high poverty areas may face a shortage of qualified care providers. Are you aware of any strategies to improve the supply and quality of care in rural and high poverty areas?

Answer 2. Maryland employs several strategies to improve the quality of care in rural and high poverty areas including:

- Judy Center Model/Judith P. Hoyer Early Child Care and Education Enhancement Program;
- Breakthrough Center Approach—Title I School Attendance Areas;
- Strong outreach to programs, providers and local childcare associations by childcare resource and referral agencies;
- Quality improvement—a key component in Maryland's Quality Rating and Improvement System will be the addition of Quality Assurance Specialists, located throughout the State in regional childcare licensing offices, tasked with outreach, recruitment and support of programs embarking on quality improvement.

*Question 3.* One way we can truly improve our childcare in America and in Vermont is to treat childcare providers as the true professionals they are. Too often, childcare providers are paid too low and with poor benefits, factors that discourage talented professionals from entering the profession. We must pay our childcare workers like any teacher, give them great benefits, and assist them with paying off student loan debt. Unfortunately, investing the amount of resources necessary to make this happen is not possible in the current budget climate. What can we do today to improve the childcare workforce without having a significant negative impact on access to care? Do you agree that we should require a minimum level of training which includes principles of early learning and child development?

Answer 3. The quality of childcare is only as good as the environment, activities and relationship between the childcare provider and the child and family. In order to recruit and retain the best people for childcare, those working in the early education field must be able to meet their own economic needs with a living wage and means for advancement. A portion of the set-aside funds could be designated for workforce development within a range and up to a certain percentage, for activities that would directly impact the childcare provider and the quality of care. An example of a program that works is Maryland's Child Care Credentialing Program that pays cash bonuses to childcare providers who continue working in childcare, meet specific annual training and professional activity requirements and offers a career ladder with increased bonuses available as additional requirements are met. The Maryland Credentialing program provides training vouchers and/or reimbursement for State-approved training up to an annual amount for participating childcare providers.

A minimum level of training is essential for childcare providers to understand child development and developmentally appropriate learning activities. This is the "what we do and why we do it" minimum level of training that all families should expect of those they entrust with the care of their children. Maryland's childcare licensing regulations require all persons wishing to become licensed childcare providers or to work as teachers in licensed childcare centers to complete a minimum amount of training or academic coursework in the principles of early learning and child development before being permitted to serve children in care, and to complete continued training in this area during each year thereafter.

SENATOR CASEY

*Question.* Maryland, by housing CCDBG in the Department of Education, appears to have done a good job at aligning CCDBG with State educational goals. Could you explain in greater detail some of the steps Maryland has taken to encourage communication and promote alignment between CCDBG, other early education programs, and the elementary and secondary school systems? Within the context of CCDBG reauthorization, how do you think we can promote such alignment in other States?

*Answer.* Since 2006, the Maryland State Department of Education (MSDE) has had oversight of all early childhood programs, including childcare. The promotion of the alignment between CCDBG and other early learning programs as well as K-12 education includes the following:

**MSDE Standards for Implementing High Quality Early Childhood Programs for Kindergarten, pre-kindergarten (at public schools), Head Start and Child Care Centers.** These Standards are used for State program accreditation.

MSDE is using childcare subsidies and CCDBG quality funds for childcare centers that are pursuing or have obtained program accreditation. For instance, licensed childcare programs have access to accreditation support (which essentially pays for application fees, materials and planning time to achieve program accreditation) through Maryland's Child Care Credentialing Program.

**MSDE Early Learning Standards (Birth to pre-kindergarten) align with the Maryland State Curriculum Standards and will align with the new Maryland Common Core Standards (K-12).** MSDE is using CCDBG quality funds for developing the standards for children, birth to 48 months, funding infant/toddler specialists for all regions of the State, working with childcare providers and early Head Start, and promoting the use of early childhood curricula (which align with the early learning standards) in childcare centers and family childcare homes.

**MSDE's Child Care Workforce System** aligns with the State's teaching certification requirements by using a career ladder system which creates levels of credentials and links up to the State teacher certification through an alternative pathway model available to individuals holding 4-year degrees and employed in childcare (The alternative pathway model is currently being implemented as part of the Race to the Top—Early Learning Challenge Grant). MSDE spends a third of its CCDBG quality funds on the credentialing system (including bonuses, training vouchers, and scholarships).

Maryland also created program partnerships which blend/combine a variety of funding streams. These are:

**Judy Center Partnerships** (i.e., Title I schools entering into a formal partnership with Head Start, childcare, health services, etc.) to promote school readiness for children of low income, those with disabilities, and English language learners. The funds include State, Head Start, and CCDBG funds to implement the partnership. All the early childhood programs in the Partnership, including pre-K and kindergarten must obtain program accreditation and implement an early childhood curriculum.

**Childcare and pre-kindergarten (Preschool for All model).** MSDE issues State funds to accredited childcare centers (among others) to incorporate a pre-kindergarten (either half-day or full-day) in the childcare center. The pre-kindergarten must meet State pre-kindergarten regulations (including a State certified teacher). This model is currently in a pilot phase. The childcare centers use childcare subsidy to enroll children from low-income families. The State funding offers tuition breaks for families below 300 percent of FPG (thus providing relief in terms of childcare costs in addition to childcare subsidy for a segment of wage earners that do not have access to any financial support).

There are a number of States who have instituted similar programs and models. We propose that the CCDBG reauthorization, aside from requiring licensing standards, criminal background checks and providing automatic access for children who are homeless, consider the aforementioned models and advancements among the top tier States as the guide to steer Federal dollars toward improving the quality of the childcare system.

For that purpose, we propose the following:

**Development of a formal Memorandum of Agreement (MOA)** between all major child serving agencies for the purpose of developing a 3-year high quality State plan (replacing the current State plan cycle) which will facilitate interagency coordination, streamline monitoring, and allocate resources, including those from other Federal or State funds, to increase the number of children with high needs

having access to high quality programs. The plan should include specific benchmarks regarding increased enrollment of children with high needs in CCDBG-funded programs, as well as benchmarks on improving the overall workforce in childcare.

**As part of the 3-year State plan, all of a State's childcare programs receiving CCDBG funds should participate in the State's quality improvement system.** Those States, that do not have a quality improvement system in place, should submit a plan to establish such a system within 3 years.

Since there are States that reject the notion of a quality improvement system, States should have the option to request a waiver to be exempted from this requirement. In terms of funding, it is suggested to create base level funding allocation for all States and, in addition, "demonstration grants" to those States that have established or agree to embark on developing a quality improvement system.

**Provide sign-off** of the CCDBG State plan by the State's early childhood advisory council, the State's Chief State School Officer, and the State's Governor's office.

RESPONSE BY PHILLIP ACORD TO QUESTIONS OF SENATOR MURRAY,  
SENATOR SANDERS AND SENATOR CASEY

SENATOR MURRAY

*Question 1.* Having a stable childcare situation could do wonders for a homeless family—it would allow parents time to work, and hopefully get the family into a home. And childcare could also lessen the time a homeless child spends at a shelter, campground, or in a car—wherever the family is living. What kinds of specific outreach do your programs make to find and serve families who are homeless?

Answer 1. The Children's Home/Chambliss Shelter works with several programs in the community that serve homeless children. Those children are given a priority and bypass our waiting list. Presently, the program where the family is living pays the minimum childcare fee but I would suggest that CCDBG funds be available for those children.

*Question 2.* How do you identify and serve these homeless families? What are some of the unique barriers to serving homeless families?

Answer 2. Because we mainly serve these children in conjunction with another agency whose primary focus is serving homeless children we don't have to worry about identifying those families. Barriers are transportation, employment, and hours of employment—they usually have to take jobs that cause them to work nights and weekends, if they are living at a homeless shelter then food and clothing is not an issue but if they are truly homeless then food and clothes is an issue. Being able to secure childcare for the hours they have to work that care for the ages of their children and charge on a sliding fee scale is a major barrier.

*Question 3.* What role does 12-month authorization for childcare subsidy play in providing greater stability in childcare for low-income families, and for other families in poverty?

Answer 3. Requiring States to authorize childcare for an eligible family for a year—instead of requiring checks multiple times each year—would go a long way to make a difference for families.

Requiring authorization more frequently is a barrier because families that typically qualify for CCDBG get jobs that do not give their employees a lot of time off and what they get they use for when their children are sick. If they could be reauthorized by phone or online that would really help, too.

With a plan in place to be eligible for a year, the parent would know that their child's placement in a program like Children's Home can continue uninterrupted, which means that child will be with the same caregiver or teacher throughout the year, forming stronger bonds, avoiding the disruption that works against learning and development and that's too common when parents have to renew eligibility every few months.

States have the option to do this in current law but my State—Tennessee—does not; nor does Washington State. This should be a requirement in all States.

*Question 4.* What do you see as the biggest barrier to improving quality and what steps would you recommend for overcoming these barriers?

Answer 4. We know that the quality of a program is mainly determined by the skill level of the teacher. So, first I have to be able to pay a livable salary to attract and retain good teachers.

As a provider, the biggest barrier to improving quality is the low reimbursement rates States use to pay providers for care. What I'm able to do in my program—

who I can hire in the classroom and how much I can pay them, what curriculum and materials we can afford, all of it—is a question of the revenue available, of what parents and the State pay me.

It helps when States pay more for higher quality care like what occurs in my State's Quality Rating and Improvement Scale, which rewards programs that have achieved a star rating. This is definitely a step in the right direction, but even in States that reward higher quality programs with higher rates, those rates usually don't come close to the federally recommended level.

I want my teachers to have some type of credential, a CDA, an Associate Degree or Bachelor Degree. I'm competing with the public school system and Head Start so I have to have a subsidy of some type to have the funds I need to hire and retain good teachers which are the heart and soul of a quality Early Education Program.

*Question 5.* What other Federal or State resources do you rely upon to provide high-quality care and how difficult is it to access and combine those funding streams?

Answer 5. The Children's Home/Chambliss Shelter collaborates with Head Start and Early Head Start as well as with the public school system in relation to pre-K classrooms being located in our building. We utilize our local Child Care Resource and Referral agency that is funded through CCDBG.

If I'm serving a Head Start child then I can only get CCDBG funding for the non-Head Start hours. I can get CCDBG support for the child that is in the pre-K classroom because that is funded with State dollars. Bringing these together is an administrative and reporting challenge. It is also a programmatic challenge, with differing standards and requirements. Each of the programs also has its own monitoring requirements and routines.

*Question 6.* What is the one thing that your State has done in the last 5 years that has most significantly impacted quality in the childcare program, positive or negative? What was the cost associated with it?

Answer 6. Tennessee was one of the first States to establish a Quality Rating Improvement Scale (QRIS). Every State-regulated program in Tennessee has to be assessed annually. The results of that assessment along with the results of the State licensing results determines if you receive one, two or three stars.

If you serve CCDBG clients then you receive 10 percent more in reimbursement for a one star, 15 percent more for a two star and 20 percent more for a three star.

In addition to QRIS and the increased reimbursement for better quality programs, we also have six unannounced visits every year for all regulated programs in our State.

I think these three components have contributed to increased quality ECE services to low-income children in the State of Tennessee. All of these initiatives are funded through the quality part of the CCDBG funds. I don't know the exact cost but I do know that Tennessee puts about 15 percent of their funds into quality and at one time it was 17 percent, as contrasted against the 4 percent required.

I'm distressed that all the CCDBG funds in Tennessee are used to support the TANF clients and not the working poor because there aren't enough funds to reach these families. Without access to subsidy, many families will be forced into cheaper, low-quality options and children will suffer. With fewer children enrolled through subsidy, many programs are hard pressed to maintain budgets, deliver quality, and in some cases even stay open.

*Question 7.* Traditionally, States have been the primary enforcers of health and safety standards, while the Federal role has focused on quality standards. In your view, is this the appropriate role for State and Federal Governments?

Answer 7. Yes, I think that health and safety is a more appropriate State responsibility but I think the Federal role should be quality *and* access.

State regulatory requirements are the foundation of quality, the starting place. Because there is not consistency between the States I think CCDBG should establish a minimum requirement for health and safety that the States have to establish in order to receive 100 percent of the CCDBG funds. The Federal Government is going to have to take the lead to help States ensure that all low-income children have access to quality early childhood education programs and services.

SENATOR SANDERS

*Question 1.* Current law provides for the possibility of automatically enrolling children in public health care (SCHIP or Medicaid) when they are found eligible for a childcare subsidy, but no States have adopted this option. They could be required to do so. Meanwhile, we know that many kids arrive at kindergarten with

undiagnosed learning disabilities and developmental delays. Childcare providers could be required to screen children entering their care for disabilities that would make them eligible for additional services. Can you comment on either or both of these proposals?

Answer 1. I'm not that sure about the SCHIP or Medicaid eligibility issue but I do agree that every child should be screened while they are in a regulated early education program.

In Tennessee we have a program called Tennessee Early Intervention Screening that works with ECE programs across the State, they focus on screening children under 3 years of age and then making the appropriate referral. We work with the United Way to do assessments on all of our children twice a year.

If the goal is to make sure every low-income child has access to quality early childhood education then certainly there should be some mechanism to automatically enroll them if they meet the criteria for another program that has the same eligibility requirements.

*Question 2.* Rural areas pose particular challenges for childcare providers, including transportation across potentially large distances, whether from home to childcare, from childcare to Head Start, and so on. In addition, both rural and high poverty areas may face a shortage of qualified care providers. Are you aware of any strategies to improve the supply and quality of care in rural and high poverty areas?

Answer 2. Actually CCDBG was that strategy but it takes a critical mass of children in those rural areas receiving CCDBG in order for a program to sustain itself. With the reduction in CCDBG funds (and in Tennessee restricting those funds to only TANF clients) and the implementation of the pre-K program which diverted the poor 4-year-old children to the public school system, there was not that critical mass to help sustain those programs.

Our 30-hour training requirement on the front end and our monitoring and QRIS helps improve the quality of the service if we had the CCDBG subsidy to help establish and sustain those rural programs.

*Question 3.* One way we can truly improve our childcare in America and in Vermont is to treat childcare providers as the true professionals they are. Too often, childcare providers are paid too low and with poor benefits, factors that discourage talented professionals from entering the profession. We must pay our childcare workers like any teacher, give them great benefits, and assist them with paying off student loan debt. Unfortunately, investing the amount of resources necessary to make this happen is not possible in the current budget climate. What can we do today to improve the childcare workforce without having a significant negative impact on access to care? Do you agree that we should require a minimum level of training which includes principles of early learning and child development?

Answer 3. All of my ECE teachers and assistant teachers have to have 30-clock hours of training within the first year of employment, according to State regulation.

In addition to that training we require all of our teachers to complete a course called Tennessee Early Learning Development System (TNELDS). This is a one-time course that focuses on early development stages and behaviors. It is about a 3-hour class per age group: infants and toddler, 3- and 4-year-old children, and school age. Plus, my program requires all staff, full-time and part-time to complete 24 hours of training each year.

Early Education Teachers are professionals and we do need to pay them accordingly, provide benefits and require ongoing training like their counter parts in the public school system. But at the current rate of investment in these programs, and the mix of low reimbursement rates and parent fees, this will continue to be hard to come by.

#### SENATOR CASEY

*Question 1.* You discussed how many parents have been cutoff from CCDBG subsidies in recent years, due to budget cuts. How do parents adapt when their children are removed from subsidized childcare? Where do those children end up when their parents are at work? How does it impact their parents' ability to maintain employment?

Answer 1. Studies of low-income families on waiting list for childcare assistance show a range of negative consequences: families are unable to work, face tremendous financial pressures, or use care that is less than satisfactory or unstable.

I have had many parents sit in my office and cry because they were not able to get a CCDBG Child Care subsidy and they could not afford my fee which is established using a sliding fee scale based on their income and the number in the family.

A typical family in need of a CCDBG Child Care subsidy could be a single mother, whose husband has deserted her and his three children. She has limited skills and is only able to get a job making minimum wage, which is \$7.25 per hour or \$15,080 annually if she works 40 hours per week. Her net take-home pay is about \$12,064 or \$232 per week. There is no way she can pay for high-quality childcare and have money to pay her other bills. Even with food stamps and a housing subsidy she can't afford to pay for a good early childhood education for her children, she has to have a CCDBG Child Care subsidy to make it work.

Working poor parents do whatever they have to in order for their children to get a good start in life and a good education. Following are some things that my parents tell me that they do in order for their children to attend my early childhood education program:

- They work two jobs or more.
- They go without necessities for themselves, such as food and medicine.
- They borrowed money and go into debt to pay their childcare fee.
- They put off paying other bills, resulting in them having to move frequently or having their utilities shut off or losing their vehicle.
- If they were in school they had to drop out or cut back to one class.
- If they were fortunate enough to have some money saved when they experienced a divorce or desertion then they would spend their savings on childcare.
- A lot of our parents end up filing for bankruptcy. Many have their wages garnished.
- Many parents have to put their children in substandard childcare that they know is negatively affecting their children.
- A lot of school-age children become "latch key" children, and in the summer elementary-age children watch their pre-school age siblings because their parent can't get a CCDBG Child Care subsidy.

When Tennessee stopped maintaining a waiting list there were 37,000 families on the waiting list. This situation exists in most every State in our Nation. Working poor families have to have childcare in order to work and they have to have a CCDBG Child Care subsidy in order to pay for childcare that provides a good early education. It is very sad that we are forcing parents to go without food or to file for bankruptcy because the CCDBG program is woefully under-funded.

RESPONSE BY JANET SINGERMAN TO QUESTIONS OF SENATOR MURRAY,  
SENATOR SANDERS AND SENATOR CASEY

SENATOR MURRAY

*Question 1.* Having a stable childcare situation could do wonders for a homeless family—it would allow parents time to work, and hopefully get the family into a home. And childcare could also lessen the time a homeless child spends at a shelter, campground, or in a car—wherever the family is living. What kinds of specific outreach do your programs make to find and serve families who are homeless?

*Answer 1.* Child Care Resources Inc. (CCRI) operates *Child Care Search*, a consumer education and referral (CER) service to help all families, including homeless families with children, to access information about early care and education and school-age childcare programs across the five counties served by the agency. Additionally, our CER staff engage in extensive community outreach to increase the visibility of this service, including providing phone-based, walk-in, Internet accessible and, as-needed warrants, onsite referrals at community social service agencies. Homeless families access CER services either directly or through caseworkers to whom they may be assigned at a local department of social services, community non-profit agency, and/or area shelters.

Child Care Resources Inc. also serves as childcare subsidy administrator for Mecklenburg County and as such, manages the largest county childcare subsidy allocation in NC. However, due to inadequate Federal and State funding, CCRI only received enough funding in fiscal year 2012 to serve a monthly average of 7,116 children or 24 percent of all eligible children.

When funding is inadequate to serve *all* children, a waiting list must be established and access to childcare is granted through priority needs. A committee convened by the local department of social services determines Child Care Subsidy Priority Populations every 2 years as part of the local WorkFirst (TANF) plan. As of August 1, there were more than 4,100 children on CCRI's waiting list for childcare subsidy dating back to January 2010.

In such an environment, homeless families would languish on the waiting list as long as other non-priority populations of children and families (e.g., non-TANF working poor families). However, CCRI has been authorized by Mecklenburg County

to provide priority childcare subsidy access to caseworker-approved families residing in one of four local shelters who are employed at least 20 hours per week. This means that such families, once determined to be eligible, receive immediate access to childcare subsidy which enables them to select and use a three-, four- or five-star (higher quality) licensed childcare program. When a family leaves a shelter for more permanent housing, the child can continue to receive childcare subsidy, but his/her family is required to meet the regular guidelines of employment of at least 30 hours per week with a household income less than the NC income eligibility household limits.

Working poor homeless families who do not qualify for TANF, do not have an active child protective services case, or are not connected to one of the shelters referenced above are currently not likely to access childcare subsidy when a childcare subsidy waiting list is in effect.

At the State level, the North Carolina Division of Child Care and Early Education has been meeting for more than a year with a coalition of individuals representing the interests of homeless children and families and anticipates that in the near future, a policy will be adopted at the State level that will classify income/work eligible homeless children as a statewide priority population to be served (averting the placement of such families on waiting lists for access to childcare subsidy).

*Question 2. Have you seen barriers to childcare access for those families?*

Answer 2. Families with children are the fastest growing group among the homeless. A community needs assessment is one of the first steps to identify the magnitude of the challenge to serve homeless families and to identify where they are located and their general cause of homelessness. Establishing partnerships between CCR&R agencies and organizations that serve the homeless is critical to ensuring these families have access to the information they need about childcare and to assisting them in accessing available services (i.e., assist in connecting them with subsidy agencies, caseworkers to help them with childcare and TANF potential eligibility as well as food stamps, Medicaid and other essential supports for which they may be eligible).

Typically, parents can't look for a job with children in tow. CCR&Rs work with shelters to ensure that children can be cared for onsite or families have access to childcare in the community. A recent example of this was CCRI's provision of planning and startup assistance to Hall House, a transitional housing site that was a collaborative effort of a variety of Charlotte-based nonprofits led by a local agency that exclusively serves homeless children and their families.

While access to childcare subsidy funding is the most significant barrier to accessing childcare faced by such families, there are a myriad of simple details that must also be addressed (for example, a physical and mailing address is needed when making an application for assistance). Being homeless is not just about being without a home. There are physical, psychological, and other challenges when working with a family who has lost everything. For women, there may be a domestic violence situation that the family has left. For some families, there may be a series of economic problems that have led to homelessness, a divorce or separation, addiction or mental health challenges. In some areas of the country following a natural disaster, families can become homeless overnight and need to put their lives back together, which begins with the cleanup or salvage of whatever may be remaining of their current home while making plans to begin anew. Understanding the reasons for homelessness for families guides efforts to assist them.

In Mecklenburg County, there is sufficient access of quality childcare, so supply side issues are not a barrier. Similarly, many childcare providers serving children birth to five provide transportation to and from their program from shelters. Also, due to the McKinney-Vento Act, Charlotte Mecklenburg Schools provide transportation for school-age children from school to the childcare program of the family's choice.

*Supporting Families and Child Care Programs in the Aftermath of Natural Disasters*

Childcare resource and referral agencies throughout the country have played a critical role in assisting families with childcare as communities rebound from floods and hurricanes. During emergency situations, CCR&Rs have helped set up temporary childcare programs to enable parents to wait in line for government assistance, fill out forms, ask questions of various agencies, clean up their current property (where it may be unsafe for small children to accompany them) as well as look for employment. Child Care Resources Inc. was one of the first CCR&Rs to do just this when it set up emergency childcare during Hurricane Hugo, Hurricane Floyd,

in preparation for Y2K issues, and for Hurricane Katrina evacuees who were temporarily housed at Charlotte's Coliseum.

CCR&Rs have trained childcare staff working in temporary childcare programs to be better prepared to address the challenges of caring for children who may have suffered a traumatic experience or who are reacting to their parents who are reacting to a traumatic experience. These children benefit from caregivers who are trained to work with them and, when appropriate, refer their families to available mental health services. In addition, CCR&Rs work with childcare providers after a disaster to assist them in getting the help they need to remain open for business, engage in activities to repair their programs, or otherwise ensure that the supply of childcare is available to ensure that parents can have access to childcare while they restore their lives. Childcare is critical following a disaster for the restoration of a community.

*Question 3.* What role does 12-month authorization for childcare subsidy play in providing greater stability in childcare for low-income families, and for other families in poverty?

*Answer 3.* The continuity of care that children receive during their early years is critical to their healthy development as they learn to form secure attachments and bond with their primary caregivers (parents and others). A 12-month certification period is not only more family friendly (enabling parents to stay at work rather than leave for appointments to re-determine their eligibility on a quarterly or semi-annual basis), but also ensures that young, at-risk (due to their family income) children can remain in the same childcare program for at least a year before their care could be interrupted due to a change in family status. Such continuity of care will positively impact their social emotional development and enable families to avoid having to search for new and perhaps, less reliable, childcare placements.

A 12-month certification period would provide greater stability for both low-income families and children and families in poverty. Head Start (which has lower income eligibility thresholds than childcare subsidy) already utilizes a 12-month certification period.

With regard to homeless families who encounter many transitions, a 12-month certification period would support children who desperately need stability and continuity of care as their families work to restore their lives. Childcare can and does provide a caring and nurturing refuge that helps to offset the crisis caused to their families by virtue of homelessness. For any family living in poverty, access to quality care that is for a more stable amount of time can help make a difference in a child's sense of security and healthy development.

*Question 4.* Can you elaborate on the role of Child Care Resource and Referral programs in improving the quality of childcare available, especially to low-income and homeless families?

*Answer 4.* The CCR&R system is a network that spans local, State and national levels and fills a unique systemic niche. At the local level, a childcare resource and referral agency is a community-based organization whose purpose is to deliver coordinated direct services that: facilitate access to early care and education and school-age childcare options to families, improve the quality of those options through a variety of services to providers, employers and communities, and provide objective information for planning and policy development to public and private sectors.

Across the Nation, there are more than 600 childcare resource and referral agencies in 48 States and the District of Columbia that provide an array of supports designed to improve the system of early care and education and school-age childcare in the communities they serve. Childcare resource and referral (CCR&R) agencies are the primary organization in a community that works with and relates to all parts of the early care and education and school-age childcare delivery system—families, early care and education and school-age childcare professionals, schools, business, government, advocates and policymakers.

Childcare resource and referral agencies deliver an interrelated set of "core" services to families, childcare providers, and communities. The data and insights derived from the delivery of these connected core services together inform and strengthen a complex and often fractured early care and education and school-age childcare system.

*1. CCR&Rs help parents find childcare.*—Choosing childcare is one of the most important decisions families make, but all too often they must rely on word-of-mouth. Local CCR&R organizations help parents take the guesswork out of choosing care—giving them referrals to local childcare providers, information on State licensing requirements, availability of childcare subsidies, and information about child development, SCHIP, WIC, the Earned Income Tax Credit, and a wide array of par-

enting resources. CCR&Rs also support families who choose relatives and neighbors to care for their children while the parents work. CCR&Rs provide guidance by phone, in person, and in other ways, such as the Internet, that are tailored to each individual family. CCR&Rs put added emphasis on assisting families who have difficulty finding care such as those with infants and toddlers, those with special needs children, those transitioning off of welfare, and those needing care during irregular or non-traditional hours. Because all childcare needs are not alike and because all childcare resources are unique to each community, ensuring that R&R counselors meet the needs of individual families and communities is a priority.

2. *CCR&Rs support families to raise healthy children.*—By talking with parents, CCR&R childcare specialists gain a unique understanding of the delicate balance of family life, particularly for low-income families. They understand the myriad of challenges that young families face and help them to understand that finding high-quality childcare is an important first step to raising happy, healthy children. Through one-on-one consultation, parent/family workshops, hot lines, Web sites, walk-in counseling and referral sites, mobile applications, newsletters, public awareness campaigns and more, CCR&Rs reach out to parents with trusted, local information that enables them to make informed choices.

3. *CCR&Rs build the supply of childcare.*—In many communities, demand for childcare far outstrips supply. CCR&Rs provide an entry point to the childcare field, helping providers meet and exceed licensing requirements. CCR&Rs also support providers by offering low-cost or free training in diverse topics like health & safety, child development, licensing requirements, child nutrition, sound business practices and more. CCR&Rs work with local and State governments and the private sector to leverage resources for building and maintaining the supply of quality childcare.

4. *CCR&Rs improve the quality of childcare.*—No one has a greater impact on the quality of care than the people who work with children every day. That is why CCR&Rs across the country provide ongoing professional development opportunities to childcare providers and staff. By supporting accreditation and quality improvement programs, helping create financial incentives for education, partnering with higher education, and advocating for better compensation for providers, CCR&Rs help improve the quality of care for all children.

5. *CCR&Rs bridge childcare and education.*—High-quality childcare has many benefits, including preparing children for school. CCR&Rs strive to create childcare settings that help children grow and learn. Educating parents about early learning and the components of quality care is also a major part of CCR&R services. Partnering with schools to support early learning programs and children's transition from early care and education into kindergarten is also part of what CCR&Rs do to support young children. CCR&Rs are dedicated to informing communities about the important links between early learning and later success in school.

6. *CCR&Rs document childcare needs and trends.*—What makes CCR&Rs unique is their ability to gather information to better understand family needs. CCR&Rs are the major source of information about the local supply, cost and features of childcare. CCR&Rs are also able to track trends about the changing needs of families and to analyze the strengths, weaknesses and gaps in early care and education and school-age childcare and routinely publish/disseminate this information to help local and State public policymakers, employers, funders and others make good decisions about systemic and strategic investment.

7. *CCR&Rs engage new partners.*—High-quality childcare does more than benefit children; it can create positive results for entire families and for communities as a whole. By reaching out to business leaders, law enforcement, school teachers, and others, CCR&Rs help make childcare an issue the entire community cares about. CCR&Rs collaborate with other family support services to promote a holistic vision of childcare that includes health, literacy, and special needs.

8. *CCR&Rs tell the childcare story.*—By providing resources, documenting community needs, and creating new ways to meet those needs, CCR&Rs bring the voices of children, families, and childcare providers to the public in order to galvanize support for addressing the needs of families, employers, childcare providers and others concerned about childcare issues.

In the broadest sense, the field of community-based childcare resource and referral (CCR&R) defines its mission as “doing whatever it takes to make early care and education and school-age childcare work for families and communities” from within the community served. The specific services that each CCR&R offers as it pursues this mission are determined by community needs and by the kinds of structures and activities that local leaders and planners envision and develop.

Core CCR&R services include:

### *Consumer Education and Referral*

CCR&Rs provide free standard, consumer education referrals to all parents utilizing a provider database which contains comprehensive data gathered from area early care and education and school-age childcare programs. Standard referrals include lists of approximately 10–15 providers who meet the stated needs and preferences of the family, such as the age of the child, the star level of the program desired, location, hours, cost and desired program features. In addition to early care and education and school-age childcare referrals, CCR&Rs often provide families with referrals to a wide array of supportive community services. Referrals are accessible in person, over the telephone, and increasingly have become available through CCR&R agency Web sites. Referral services are typically staffed by degreed early childhood professionals. CCR&Rs are expected to reach 20 percent of all families receiving referrals to conduct followup evaluative interviews that document the type of care found, levels of satisfaction with services provided and help identify market strengths and needs.

In North Carolina, CCR&Rs play a key role in educating parents about the star-rated childcare licensing system and its components, as well as encouraging parents to select higher star-rated facilities.

### *Professional Development*

CCR&Rs typically conduct annual training surveys to determine the training needs of early care and education and school-age childcare professionals. Based on survey findings and knowledge of the field's needs, CCR&Rs typically offer a calendar of training opportunities that are available at low or no cost to participants that address the topics approved by the State's childcare licensing department. Training participants receive licensing credit toward the fulfillment of annual licensing requirements and/or continuing education credit through a community college system or an IACET (International Association of Continuing Education and Training) approved training organization. Training delivered through CCR&Rs can be seated, at community sites, at individual ECE/SACC programs, at community colleges or delivered via the Internet or other distance learning or hybrid learning methodologies.

In addition, CCR&Rs work to promote the higher education and compensation of the early care and education and school-age childcare field by partnering with community colleges, TEACH and other scholarship and wage enhancement programs, and by creating career lattice/professional development plans for the communities served. CCR&Rs author a variety of publications and newsletters to keep the field abreast of new issues and training opportunities. Finally, CCR&Rs partner with professional associations to support their ability to serve early childhood and school-age childcare programs and practitioners.

In North Carolina, CCR&Rs are relied upon to deliver Division of Child Development and Early Education-approved training that enables programs to meet and exceed licensing requirements. In addition, CCR&Rs are involved in supporting practitioner advancement in higher education which research studies demonstrate leads to improved childcare program quality.

In addition, many CCR&Rs offer parenting, child/development, and work/life balance training to employees at their worksite. Another example of CCR&R training is college-credit bearing coursework delivered by CCR&R trainers that have been approved as adjunct instructors of local community colleges. In this instance, practitioners are able to access community college credit-bearing coursework at the CCR&R and this training is often paired with technical assistance that supports the participant's application of theory acquired to practice within the classroom.

CCR&Rs are increasingly involved in accessing, arranging for and/or delivering training on specific curricula to help childcare programs identify and implement curricular strategies to improve the quality of care delivered to children.

### *Technical Assistance*

CCR&R technical assistance (TA) services include the provision of assistance with the startup of childcare programs, support to programs that have self-identified a technical assistance need, mandatory targeted assistance to a program as a result of a licensing violation or abuse and neglect substantiation, and/or responding to a program's or individual teacher's request for information to improve the quality of care delivered. Typically, such technical assistance is delivered at no or low cost to the provider/program and does not require intensive, repeated quality improvement services of an extended time period. Examples of episodic, short-term TA services include responding to a call from a provider about discipline, accommodating a child with special needs, biting, parent/provider relations, explaining specific require-

ments of a higher star-rated license, or addressing problems with a specific classroom.

Enhanced TA services typically involve more intensive work such as providing in-depth services to support the startup of a childcare program or working with a program on the development and execution of a quality improvement or maintenance plan to achieve and sustain higher quality. Another example of an enhanced technical assistance project is CCR&R sponsorship of a Family Child Care Network across a community, county or region. Such work is labor-intensive and usually requires a specific “enhanced” funding source in order for it to be available within a community. Smart Start is a primary funder of such more-intensive TA quality improvement/maintenance initiatives in North Carolina and CCR&Rs’ success in delivering such services has significantly improved the quality of early care and education programs in the regions served.

Other examples of enhanced technical assistance services include conducting a market-needs assessment analysis to determine the need for a childcare facility in a proposed setting, consulting on the design of a childcare facility, developing a request for proposals for an operator of a childcare program, assisting a sponsor with the selection of an operator, developing a marketing plan for a new childcare program, assisting in the ordering of materials and equipment for a new facility and/or consulting with the facility to develop staff and parent handbooks, etc.

North Carolina’s CCR&Rs are also contracted to provide a cadre of trained school-age childcare, infant toddler, and behavior specialists to provide training and consultation services to ECE/SACC programs across the State. Childcare health consultants are also, at times, housed within CCR&Rs, as are inclusion specialists.

#### *Data Collection, Analysis, Reporting & Community Education*

Through the provision of core services, CCR&Rs gather a great deal of information about the unique characteristics, strengths and needs of families, children, early care and education and school-age childcare programs and practitioners, and communities served. CCR&Rs mine this data for its planning and policy relevance and use it to inform strategies to address community, regional and Statewide needs. CCR&Rs also report such data to public and private sector stakeholders to leverage interest in and attention to the needs of young children and those who care for them.

#### *Child Care Subsidy Administration*

More than 40 percent of CCR&Rs across the Nation are involved in some form of childcare subsidy administration as an enhancement of CCR&R core services. In North Carolina, several CCR&Rs assume this role in managing the county and local Smart Start, United Way, and/or other publicly or privately funded childcare subsidy programs. CCR&R management of such services de-stigmatizes access to childcare financial assistance for families and enables families to receive counseling and referral services from child development experts. Childcare subsidy services managed by CCR&Rs emphasize the importance of higher quality childcare, resulting in parents’ increased tendency to enroll their children in higher star-rated facilities that better prepare them for school.

*Question 5.* How have Child Care Resource and Referral agencies informed public policy and connected community efforts in eliminating both the “preparation gap” for children birth to age five and the “opportunity gap” for all children to succeed in school and life?

*Answer 5.* Child Care resource and referral agencies work individually to inform public policy at the local and regional level and collectively, at the State level (through each State’s childcare resource and referral network) and at the national level through the National Association of Child Care Resource & Referral Agencies (now doing business as Child Care Aware® of America) to inform public policy. CCR&Rs work daily to improve the quality of childcare in communities and to promote the healthy development and school readiness of young children.

CCR&Rs work with parents to better understand the questions to ask providers, what to look for in a quality setting, and the options available in a community. CCR&Rs work with childcare providers to strengthen the quality of care that is offered. CCR&Rs partner with the State and other organizations within the State to strengthen the quality of care within communities to meet the needs of parents who must balance work and family. Many CCR&Rs work with or are on State early care and education councils to promote quality early care and education that meets the needs of families.

CCR&Rs collect real-time data on the demand and supply of childcare within communities. Many of these agencies use this data to draft reports to their State and to the public about childcare use, demand, and condition to better inform public pol-

icy to promote the availability of affordable, quality childcare. With the data from CCR&Rs, NACCRRA has released six studies about State licensing and oversight, seven annual price reports—the cost of care for infants, preschoolers, and school-age children in centers and family childcare homes, an annual State-by-State childcare fact book, as well as other research reports that emanate from CCR&R data that serve to promote better quality childcare for all children, particularly low-income children who can most benefit from a quality setting.

*Question 6.* In your testimony you mentioned tiered-subsidy reimbursement. How does tiered-subsidy reimbursement operate and how does it affect childcare quality?

Answer 6. North Carolina was one of the first States in the Nation to establish a tiered quality-rating improvement system and since inception it has been embedded in childcare licensing. All programs that are 75 percent compliant with childcare licensure have a star rating of at least one star. Programs may earn up to five stars based on the quality of the program and the educational attainment of program staff. If a program meets minimum licensing standards, it is awarded a one-star license. In order to achieve a higher star-rated license, a program must exceed floor licensing quality standards (as reflected through objective measurement of classroom/program quality utilizing environment rating scales) and its teaching staff must engage in and achieve higher levels of advanced (college) education.

North Carolina's tiered reimbursement system differentiates childcare subsidy reimbursement rates paid to childcare programs based on the type of program (e.g., childcare center or family childcare home), the age of child, the county where the childcare program is located, and the program's star level. The reimbursement rate for childcare subsidy (which is based on market rate survey data) is also progressively differentiated based on the specific star level achieved by the program.

Quality childcare is more costly to deliver than childcare that meets the State's minimum licensing standards. Accordingly, reimbursement rates are set to recognize the differential cost of delivering higher quality childcare. The combined strategies of a tiered quality-rating improvement system and a tiered childcare-subsidy reimbursement system have worked to greatly advance and improve the quality of North Carolina's childcare system. Today, 64 percent of *all* children enrolled in licensed NC childcare programs are in higher quality (4- and 5-star) childcare programs and 66 percent of low-income children whose care was paid for using Federal funds are enrolled in higher quality (4- and 5-star) programs.

As I mentioned in my testimony, NC's General Assembly passed legislation in fiscal year 2011 that prohibits the payment of childcare subsidy for services delivered in one- and two-star childcare program settings. Despite a challenging economic environment, this State has decided to invest in the provision of higher quality childcare for low-income children.

SENATOR SANDERS

*Question 1.* Current law provides for the possibility of automatically enrolling children in public health care (SCHIP or Medicaid) when they are found eligible for a childcare subsidy, but no States have adopted this option. They could be required to do so. Meanwhile, we know that many kids arrive at kindergarten with undiagnosed learning disabilities and developmental delays. Childcare providers could be required to screen children entering their care for disabilities that would make them eligible for additional services. Can you comment on either or both of these proposals?

Answer 1. I believe that requiring the developmental screening of children enrolled in childcare would be beneficial for all children enrolled (and is currently the Federal requirement for Head Start children), but such a requirement must be accompanied by funding to ensure that:

1. There is sufficient initial and ongoing training in basic child development required of and available to the early childhood workforce;
2. Childcare programs have access to age-appropriate developmental screening instruments;
3. Childcare practitioners are able to access initial and ongoing training to properly utilize such tools and learn how to appropriately convey screening results to parents; and
4. Resources are available to appropriately refer children and families to community resources for needed services.

One such screening tool that is utilized in North Carolina through a variety of initiatives is the ASQ—the Ages and Stages Questionnaire®. The tool is a developmental and social-emotional screening instrument for children from 1 month to 5½ years of age. According to its authors, it is “highly reliable and valid, and looks at

children's strengths and trouble spots, educates parents about developmental milestones, and incorporates parents' expert knowledge about their children." One reason why ASQ works is that it begins with a parent questionnaire. Based on a parent's responses, a trained practitioner can identify a child's developmental need that may benefit from additional screening and make appropriate referrals for the child.

In North Carolina, this tool is being used in pediatrician's offices and in several initiatives that focus on identifying children with challenging behaviors or developmental delays. Clearly, funding would be needed to scale the use of such a tool across the Nation's early care and education system, but the return on investment would be significant in terms of earlier identification of children with developmental delays and/or undiagnosed learning disabilities.

*Question 2.* Rural areas pose particular challenges for childcare providers, including transportation across potentially large distances, whether from home to childcare, from childcare to Head Start, and so on. In addition, both rural and high poverty areas may face a shortage of qualified care providers. Are you aware of any strategies to improve the supply and quality of care in rural and high poverty areas?

*Answer 2.* Improving the supply and quality of care in rural and high poverty areas is difficult and complicated human service work. As parents learn, through childcare resource and referral and other sources, about the impact of higher quality childcare on children's healthy development and school readiness, they want the market to provide such care. However, parents are typically in their early earning years when their children are in their early learning years—and have difficulty affording the cost of higher quality childcare. In North Carolina, the average cost of care for one infant in a childcare center was \$9,185 last year. For middle income, high poverty and rural families, this is difficult to afford. In high poverty urban and rural communities alike, childcare providers are more likely to set their fees based on what they determine parents can pay for care, not what it actually costs the provider to deliver the care.

Childcare subsidy reimbursement through the Child Care and Development Block Grant (CCDBG) is not determined by the cost of quality. Rather, reimbursement rates are tied to what parents can afford to pay (the CCDBG required bi-annual market rate study recommends that States set reimbursement rates so that parents have choices among 75 percent of the providers in the community). Therefore, the per capita income of the community is the driver of the market rate, not the true cost of quality care. Thus, poor communities (whether urban or rural) are more likely to have a depressed market rate, which in turn, makes it difficult to achieve and sustain quality. Some States do not use the market rate survey in setting subsidy rates. There is a requirement to do one, but not to use it. Due to inadequate funding levels, many States use an out-dated market rate survey, some by as much as 10 years.

An alternate strategy could be employed to determine CCDBG authorized reimbursement rates that would be differentiated based on the actual cost of distinct quality levels, not what parents can afford to pay. The current system relies on an undercompensated workforce and program operators, and a patchwork of fledgling supportive programs that must constantly look for funding to sustain the availability of quality improvement and/or maintenance services needed by childcare programs. While North Carolina has prioritized public policy and investment in young children's school readiness, this commitment is not matched in most States and Federal action is required in order to ensure the economic productivity of families with young children and the healthy development and school readiness of children.

North Carolina has worked, utilizing both State, Federal and local public and private sector funds, to improve the quality and availability of childcare across the State, including high poverty and rural areas. These areas have special challenges—such as access to recruiting, hiring, and maintaining a trained and educated staff. Programs like the T.E.A.C.H.® Early Childhood scholarship programs and the WAGE\$® salary supplement program play a critical role in advancing the qualifications of the early childhood workforce. Additionally, childcare resource and referral agencies training and technical assistance services are also made available across the State, including rural and high poverty areas, to strengthen and stabilize childcare quality.

The childcare community must unite to urge the development of public will and policy to support further development of childcare resources for both rural and high poverty areas. Attention should be paid to developing and engaging cross-sector early care and education leadership. Years ago, there was a multi-year leadership training effort in NC that resulted in the development of nearly 200 early childhood leaders (many of whom went on to assume key roles in local CCR&Rs and Smart Start partnership organizations).

North Carolina early childhood advocates have always tried to establish public policy and programs that provide equal access for its high poverty and rural communities. These communities must also have local leaders who value quality early childhood education and have the knowledge and skills to move public will. Furthermore, these leaders must do their “homework” to have specific program strategies at hand, which are research-based or evidence-informed, that can produce lasting systemic gains and have the influence, funding and capacity to implement such strategies.

*Question 3.* One way we can truly improve our childcare in America and in Vermont is to treat childcare providers as the true professionals they are. Too often, childcare providers are paid too low and with poor benefits, factors that discourage talented professionals from entering the profession. We must pay our childcare workers like any teacher, give them great benefits, and assist them with paying off student loan debt. Unfortunately, investing the amount of resources necessary to make this happen is not possible in the current budget climate. What can we do today to improve the childcare workforce without having a significant negative impact on access to care? Do you agree that we should require a minimum level of training which includes principles of early learning and child development?

*Answer 3.* Yes, I agree. The quality of childcare cannot be strengthened without addressing the quality of the workforce. Training and education are key to advancing the quality of our Nation’s childcare system. All paid childcare providers who care for unrelated children on a regular basis should be required to complete a specific number of hours of initial competency-based training and engage in a specific number of hours of in-service training annually. The childcare resource and referral field is advocating for 40 hours of initial training and 24 hours of ongoing training on an annual basis:

- *Topics should include:* CPR, child guidance/behavior, child abuse prevention, detection, and reporting, child development, learning activities, and business practices and licensing requirements (for directors and family childcare home providers);
- *Training should be intentional, sequential, and evidence/research-based and lead to effective practice:* Training should enrich and extend understanding of child development and the delivery of quality early care and education and should focus on strengthening practitioner knowledge and skills;
- *Training should utilize traditional and new delivery methodologies:* States should be encouraged to ensure that there are multiple modes of access to training, including both seated and electronic/on-line course/class work, to increase access to training opportunities particularly in more remote areas;
- *Professional Development should lead to identified milestones of educational attainment:* States should develop programs that help the workforce progress toward a Child Development Associate credential, certificate programs in areas of specialization (e.g., infant/toddler, school-age, administration), Associate and Bachelor degrees, and that enable the workforce to achieve early educator certification which recognize the educational attainment of the individual worker; and
- *Scholarship and Compensatory Initiatives:* Invest in the expansion of programs like T.E.A.C.H and WAGE\$ (referenced above) which help make engagement in higher education affordable for the workforce, increase the return on investment for higher education, provide incentives to remain in the workforce after engaging in higher education, and enhance the continuity of care that children in childcare receive.

Quite simply, the advances needed cannot be *fully* achieved without significant increases in the Child Care and Development Block Grant. Yet, steps can and should be taken to ensure that whatever the level of Federal investment is in childcare, funding is spent on strategies and services that *well* serve (rather than just serve) young children and their families. To do otherwise would be to ignore the ever-increasing volume of brain development, school reform, and economic research which conclude that public investment in the education of young children produces unparalleled returns—in the short and long term—for our Nation.

SENATOR CASEY

*Question 1.* In your testimony, you talked about North Carolina’s consumer education and referral efforts, making information about quality childcare readily available to parents. Can you provide more detail about how you have effectively done so in North Carolina? What have you found to work well? Are there specific examples you can point to of how this consumer information is being effectively transmitted to parents in North Carolina?

*Answer 1.* In North Carolina, childcare resource and referral (CCR&R) activities, including consumer education and referral, are led and managed at the State level

by the North Carolina Child Care Resource and Referral Council (which functions as a State network) under contract to the North Carolina Division of Child Development & Early Education with funding primarily provided by CCDBG. Our State's CCR&R system is organized into 14 regions, each of which is led by a regional lead CCR&R agency. In most regions, there are also local CCR&R agencies that work under contract to the regional lead agency to help ensure access to core CCR&R services (e.g., consumer education and referral, training, technical assistance, and public education) across the communities served.

To ensure the consistent quality of consumer education and referral (CER) service delivery statewide, all CCR&R agencies delivering CER services:

- agree to meet annually determined service delivery utilization expectations that are tied to key demographic variables (e.g., size of child population by age and number of households with children under the age of 12 in which all adults present are employed);
- utilize NACCRRAware, a software tool offered by NACCRRRA (now doing business as Child Care Aware of America) that tracks referrals by numerous fields of information including age of the child, type of care preferred, regulatory status, desired program quality level (including education levels of staff and program engagement in quality improvement technical assistance), et cetera;
- fulfill requests for assistance via the phone, Internet and face-to-face;
- are guided in their work by a State-specific manual that defines CER service delivery expectations (including what must be addressed within a referral request) and protocols for case fulfillment;
- are required to collect commonly defined data sets about early care and education and school-age childcare (ECE/SACC) program features and consumer needs;
- receive consistent training from and are monitored by NC's statewide CER specialist; and
- obtain evaluation of services provided from at least 20 percent of the consumers who access CER phone/face-to-face service.

North Carolina has 100 counties. CCR&R regions are comprised of anywhere from three to 13 counties (regions with a smaller number of counties tend to be more urban than other regions) and there are 68 CCR&R agencies across the State. Until this past year, nearly all of these agencies were engaged in the delivery of consumer education and referral (CER) services. To further enhance cost and quality efficiencies, beginning in State fiscal year (SFY) 2013, NC's 14 regional lead CCR&R agencies are serving as the hub for the fulfillment of CER requests for assistance within their regions (exceptions to this practice have been granted in four NC counties based on extenuating circumstances; as a result, 18 vs. 68 CCR&R agencies are now fulfilling CER requests for assistance).

North Carolina's childcare licensing system awards programs one to five stars based on progressively higher levels of quality achieved. When parents call childcare resource and referral agencies to access consumer education and referral services, they: (1) learn about the importance of high quality early care and education and (2) how to discern quality differences between ECE/SACC programs and they receive referrals to ECE/SACC programs that meet their needs, preferences and ability to afford. After receiving such information, consumers consistently prefer and choose higher quality programs. In State fiscal year 2012, 93 percent of parents responding to followup questionnaires sent pursuant to receipt of CER services indicated that as a result of the information provided, they sought and selected 3-star or higher rated childcare programs.

*Question 2.* North Carolina appears to have done a good job at aligning the different programs that serve young children. What would you say are the three most important elements of promoting or establishing alignment between programs such as CCDBG, Head Start, and State pre-K programs?

*Answer 2.* The term "alignment" means different things to different people. Not all of North Carolina's or other States' expectations for early care and education programs are aligned. However, NC has been successful in working incrementally toward better alignment and the integration of CCDBG-funded programs, Head Start and State-funded pre-K. For example:

- all early care and education programs funded through CCDBG, Head Start and NC Pre-K are required to be regulated;
- maximum income eligibility for NC Pre-K and CCDBG-funded childcare is set at 75 percent of State median income;
- a child's eligibility for NC Pre-K and Head Start is for a 1-year period; and
- while staff education requirements differ across the three categories of ECE programs referenced, the early care and education workforce is similarly able to ac-

cess early care and education higher education coursework through a robust statewide community and 4-year college system and higher education scholarships and incentives/awards such as those available in NC through the T.E.A.C.H. Early Childhood® Project and the Child Care WAGE\$® Project.

Accordingly, it is important to:

1. *Require early care and education settings, regardless of funding stream, to be regulated.* Regulation establishes at least a minimum floor on the quality of early care and education programs. There should be common expectations for the health and safety of children enrolled in early care and education programs regardless of the program's funding stream. There should also be common minimum monitoring of early care and education programs regardless of their funding source. Moreover, when tiered quality rating and improvement systems are embedded in childcare regulation (as is the case in North Carolina), regulation also provides a common framework within which to align strategic and systemic investment in quality improvement.

[*One cautionary note:* the term regulation is defined differently among States. For example, in some States, regulation means licensing (for example, in North Carolina). In other States, the term regulation does not equate to licensing. In South Carolina, small family childcare homes are registered (a form of regulation, but below licensing standards). In Texas, homes caring for 1–3 children are “listed.” The list is a form of regulation but is a lower standard than licensing. Regulation “sub-licensing” is insufficient.]

2. *Incent/require ECE workforce supports so that ECE practitioners have access to a continuum of training and higher education that helps them to acquire the knowledge and skills they need to better serve children and families (regardless of the funding stream that supports the program in which one works).* Such supports include training that counts toward meeting regulatory requirements (including childcare resource and referral agency delivered licensing-credit bearing training, C.E.U. courses, and higher education accessible at 2- and 4-year colleges), teacher scholarship programs, and wage incentive programs that improve workforce retention.

3. *Align child certification periods (and/or recertification requirements) across all early care and education programs* (currently in North Carolina, children are determined eligible for a 1-year period for Head Start and the State's pre-K program, but a child's eligibility for CCDBG-funded childcare can be interrupted at any time due to changes in the work/training/income of a child's responsible adult and re-certification policies and practices at State and local levels—regardless of whether there has been a change in family income).

RESPONSE BY SUSANA CORO TO QUESTIONS OF SENATOR MURRAY  
AND SENATOR SANDERS

SENATOR MURRAY

*Question 1.* Having a stable childcare situation could do wonders for a homeless family—it would allow parents time to work, and hopefully get the family into a home. And childcare could also lessen the time a homeless child spends at a shelter, campground, or in a car—wherever the family is living. What kinds of specific outreach do your programs make to find and serve families who are homeless?

Answer 1. The childcare center that I work in, the Falls Church-McLean Children's Center, does not engage in outreach to homeless families. Our program receives referrals from the Fairfax County Office of Children and we hear from parents who have heard about our program from friends, neighbors, and other parents who use the center. We do not advertise at this time. We actively work with the Office of Children to serve low-income children. We are told by the Office of Children that they can only give out a list of childcare programs, that they cannot give recommendations or steer parents to our program. They have to stay neutral and cannot make referrals to specific programs or types of programs. I understand that the government can't seem to favor one program over another, but it seems to me that parents aren't looking for favoritism. They are looking to find quality care and are hoping that the list they get of places that might have openings for children are quality places.

*Question 2.* How do you identify and serve these homeless families? What are some of the unique barriers to serving homeless families?

Answer 2. My program does not currently serve homeless families. The program serves low-income families, but none are currently homeless. I can imagine this would be difficult, but we do not have that experience yet.

*Question 3.* What role does 12-month authorization for childcare subsidy play in providing greater stability in childcare for low-income families, and for other families in poverty?

*Answer 3.* I believe 12-month eligibility for childcare assistance would be better for families, less disruptive, and serve to better promote continuity for children. In my case, I can tell you that there is a lot of paperwork. It's difficult because families may not be able to take off from work. I know that the government is concerned about fraud—giving assistance for families who don't really qualify. But, the process is hard on families. You have to take off from work, not for 1 hour—but you have to wait for a long time. There are no appointments, first come-first served—sometimes you wait all day. It's a lot of work. Also, families need to bring a lot of papers to prove eligibility like a birth certificate, income information, work information). Everything must be reviewed. You can lose assistance for not having all your paperwork. When I had to take off from work to requalify, my childcare center had to have someone cover for me. The more frequently you have to prove you still qualify, the harder it is on your employer because the employer has to find coverage. There needs to be a better process.

At my center, the staff help the parents get the paperwork ready for recertification. If the families don't get recertified, the center doesn't receive funding. The staff help to make sure everything is in order before the parents go to the government to prove they are still eligible. Some parents don't read English, some don't write English. Staff spend several hours a week helping parents get all the information they need together and helping them to fill out forms, otherwise, the families lose assistance and the center doesn't get paid. Families who can't pay have to leave. In my center, the center tries to cover as much as they can, but most centers can't do that. They don't have the money.

*Question 4.* If you had unreliable childcare, would you feel comfortable heading to work in the morning?

*Answer 4.* Families need reliable childcare. I can't work when I'm worried about my kids. One time I found a lady to take care of my son. She had some type of family emergency during the day but she never called me. She left my son with a person I did not know, a stranger. It just wasn't right. She should have told me. She should have let me know what was going on with my son. When I came to pick up my son at the end of the day, someone different was caring for him. I didn't know her and I was very uncomfortable. I couldn't trust a person who would do that and not let me know, so I never brought my son back. I was done with that provider. Reliability is very important. Communication is very important. Children should not be passed off to a stranger without the parent knowing. It's wrong.

*Question 5.* When choosing childcare, what are the most important factors to you?

*Answer 5.* First, the person must be kind. I want to know that they will be warm and loving with my son like I would be. I also want to know how many adults work with the children. Does the childcare provider care for too many kids? Does she have help? If care is provided in a center, how many adults are in the room with the kids? I want to know that my kids will be safe.

I want to know that the provider is a professional, that she has had some training. I want to know that she knows how to work with kids and how to handle situations that come up with kids. I want the director and the staff to talk to me kindly, to care about me, and to care about my kids. I want them to be honest and trustworthy. I want the place to be clean. I know that kids will be playing, but I want the place to be organized and clean, safe for children. Then, I know the place will be good for my son.

I think it's important to give parents information because parents aren't experts. They don't know what to ask. This is not because parents aren't smart, they are. But, parents need help understanding what to ask, what to look for. Parents don't need a list of places. They need to know which places are good. I know I didn't have a lot of time to find childcare, but I tried to look at several places. If I knew which places were good places to start with, I would not have wasted so much time looking. I needed help, not a list.

SENATOR SANDERS

*Question 1.* Current law provides for the possibility of automatically enrolling children in public health care (CHIP or Medicaid) when they are found eligible for a childcare subsidy, but no States have adopted this option. They could be required to do so. Meanwhile, we know that many kids arrive at kindergarten with undiagnosed learning disabilities and developmental delays. Childcare providers could be required to screen children entering their care for disabilities that would

make them eligible for additional services. Can you comment on either or both of these proposals?

Answer 1. This is a hard question. The center I work in is different from most centers. I think it is a very good idea for screening of children for disabilities or delays. Our center is not the typical center. We have consultants who work with us. We have a speech therapist, an occupational therapist, and a counselor on staff. Centers don't generally have funding for consultants, special positions, or to train staff for screening. My center does have this funding because the board and the director spend a lot of time fundraising.

Parents have to be partners in the screening process. Parents know their children best. At the same time, parents may not know how their children are with other children in a center, in a social setting with other kids. So, the providers and the parents need to work together. Our center is very unusual. Staff have a 2-3 hour training in order to conduct the *Denver Developmental Screening Test*. Staff from the Office of Children train our staff on this screening tool. They provide us with technical assistance and they do not charge our center. The screening enables us to better work with the children and refer some to programs like Child Find.

*Question 2.* Rural areas pose particular challenges for childcare providers, including transportation across potentially large distances, whether from home to childcare, from childcare to Head Start, and so on. In addition, both rural and high poverty areas may face a shortage of qualified care providers. Are you aware of any strategies to improve the supply and quality of care in rural and high poverty areas?

Answer 2. We do not serve rural areas.

*Question 3.* One way we can truly improve our childcare in America and in Vermont is to treat childcare providers as the true professionals they are. Too often, childcare providers are paid too low and with poor benefits, factors that discourage talented professionals from entering the profession. We must pay our childcare workers like any teacher, give them great benefits, and assist them with paying off student loan debt. Unfortunately, investing the amount of resources necessary to make this happen is not possible in the current budget climate. What can we do today to improve the childcare workforce without having a significant negative impact on access to care? Do you agree that we should require a minimum level of training which includes principles of early learning and child development?

Answer 3. There should be minimum training for staff and for directors. Providers need training in both typical child development and atypical so that they can recognize and address both. School teachers make good money but providers who work with young children, who are also teachers, do not. The early years are important for later success. We need to make salaries for early childhood a priority. The subsidy rates are too low. They fall way below the actual cost of care. My center would not be a quality center if it weren't for private fundraising. We would not be able to operate on the subsidy levels alone.

My center just hired a new teacher who had been with a for-profit childcare center. She has a CDA and is in school to get an AA. She was making \$11 an hour. My center offered her a higher salary, 16 kids (not 20) in a classroom, and 3 teachers in each classroom. The for-profit she came from paid \$11-an-hour and she never knew who her teaching assistant would be from day to day because the turnover was so high. We pay \$180 a month toward health coverage for each employee. But, to make this all possible, my center raised \$300,000 last year.

[Whereupon, at 12:04 p.m., the hearing was adjourned.]