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THE FOUNDATION FOR SUCCESS: STRENGTHENING THE CHILD CARE AND DEVELOPMENT BLOCK GRANT PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON EARLY CHILDHOOD, ELEMENTARY, AND SECONDARY EDUCATION

COMMITTEE ON EDUCATION AND THE WORKFORCE

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

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THE FOUNDATION FOR SUCCESS: STRENGTHENING THE CHILD CARE AND DEVELOPMENT BLOCK GRANT PROGRAM

Tuesday, March 25, 2014
House of Representatives,
Subcommittee on Early Childhood, Elementary, and Secondary Education,
Committee on Education and the Workforce,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:06 a.m., in Room 2175, Rayburn House Office Building, Hon. Todd Rokita [chairman of the subcommittee] presiding.

Present: Representatives Rokita, Kline, Scott, Davis, Fudge, Polis, and Pocan.

Staff present: James Bergeron, Director of Education and Human Services Policy; Cristin Datch Kumar, Professional Staff Member; Nancy Locke, Chief Clerk; Daniel Murner, Press Assistant; Krisann Pearce, General Counsel; Mandy Schaumburg, Senior Education Counsel; Dan Shorts, Legislative Assistant; Nicole Sizemore, Deputy Press Secretary; Alex Sollberger, Communications Director; Alissa Strawcutter, Deputy Clerk; Tylease Alli, Minority Clerk/Intern and Fellow Coordinator; Jamie Fasteau, Minority Director of Education Policy; Scott Groginsky, Minority Education Policy Advisor; Julia Krahe, Minority Communications Director; and Megan O'Reilly, Minority General Counsel.

Chairman ROKITA. Good morning. A quorum being present, the subcommittee will come to order.

Welcome.

I would like to thank our witnesses for joining us to discuss opportunities to improve the Child Care and Development Block Grant Program.

My apologies for not being able to visit with you before the hearing. We will hopefully get some time to visit afterwards, but again, thank you all for being here.

As you may know, the full committee recently held a hearing to review the federal investment in early childhood care and development. During the hearing, we explored opportunities to streamline and improve existing programs to better serve children and their families.

Today we will continue that discussion as we examine one of the largest and most critical programs in the nation's network of early childhood programs, called the Child Care and Development Block Grant, or CCDBG as we call it here in Washington and other places.

Authorized in 1996 under the Child Care and Development Block Grant Act the CCDBG program provides funds to states to help low-income families access child care.

Parents receive funds in the form of vouchers or certificates to pay for the child care provider of their choice, be it public or private, secular or religious, or in a home-based or center setting.

CCDBG is invaluable to parents who are struggling to provide for their families. As a father of two boys myself, I know firsthand child care isn't just finding a place for your kids to go during your work day. It is a far more difficult decision about choosing a provider where you can trust trained professionals who will care for your child in a safe environment.

Unfortunately, this is where CCDBG falls short. In the nearly two decades that have passed since the last reauthorization of the law, it has become increasingly clear the CCDBG program fails to ensure states develop or adequately enforce the health and safety, training, and inspection standards that really are the foundation for quality child care.

Last year Child Care Aware of America released a report ranking the child care center regulations and oversight. The report found 10 states failed to conduct monitoring visits or inspections at least once a year. Even more troubling, five states do not check the child abuse registry before allowing an individual to even work in the center.

With nearly 1.5 million children and their families participating in the CCDGB program, federal policy makers must take steps to strengthen the program and ensure enhanced program quality and accountability are the focus and the outcome.

As many of you know, our colleagues in the Senate recently approved the Child Care and Development Block Grant Reauthorization Act of 2014. As Chairman Kline noted in our previous hearing on early care programs, the Senate legislation presents a solid foundation for reform, and I agree.

I am pleased the Senate legislation includes language to raise the standards for child care providers, requiring states to implement minimum training requirements and conduct annual inspections of licensed providers.

These provisions will help ensure caregivers are equipped to handle common health conditions and emergency situations, while also promoting facilities that are cleaner and safer for our nation's children.

The Senate legislation also takes important steps to enhance transparency and better inform parents of their child care options. Under the bill, states are required to make public information on a range of key issues, including availability of child care services, the quality of providers, data on childhood development research, and general best practices.

While many of these provisions will help to improve the quality of child care, we must also take steps to ensure these new require-

ments will help and not hinder, as is often the case, states in meeting the needs of children and their families.

I also hope today we can discuss policy changes that work to streamline the federal early childhood system and help increase coordination among existing programs.

If we are truly here to fight for people, and to empower people, so that they can build better lives for themselves and their families, access to quality child care is something we must address and frankly it is something we can do.

The reauthorization of the Child Care and Development Block Grant Act provides that opportunity to work together to advance bipartisan legislation that will help our nation's most valuable children and families.

I also look forward to examining the strengths and weaknesses of the CCDBG program and discussing opportunities for consensus between House priorities for reauthorization and the already-passed Senate legislation.

Once again, I thank our witnesses for joining us today. We look forward to your testimony and a productive discussion on this important matter.

I will now yield to my distinguished colleague and friend from Virginia, Mr. Scott, for his opening remarks.

Mr. Scott?

[The statement of Chairman Rokita follows:]

Prepared Statement of Hon. Todd Rokita, Chairman, Subcommittee On Early Childhood, Elementary, and Secondary Education

As you may know, the full committee recently held a hearing to review the federal investment in early childhood care and development. During the hearing, we explored opportunities to streamline and improve existing programs to better serve children and their families.

Today we will continue that discussion as we examine one of the largest and most critical programs in the nation's network of early childhood programs, the Child Care and Development Block Grant, or CCDBG, program.

Authorized in 1996 under the Child Care and Development Block Grant Act the CCDBG program provides funds to states to help low-income families access child care. Parents receive funds in the form of vouchers or certificates to pay for the child care provider of their choice, be it public or private, secular or religious, or in a home-based or center setting.

CCDBG is invaluable to parents who are struggling to provide for their families. As a father of two boys, I know firsthand child care isn't just finding a place for your kids to go during your work day. It's a far more difficult decision about choosing a provider where you can trust trained professionals will care for your child in a safe environment.

Unfortunately, this is where CCDBG falls short. In the nearly two decades that have passed since the last reauthorization of the law, it has become increasingly clear the CCDBG program fails to ensure states develop or adequately enforce the health and safety, training, and inspection standards that are the foundation for quality care.

Last year Child Care Aware of America released a report ranking state child care center regulations and oversight. The report found 10 states failed to conduct monitoring visits or inspections at least once a year. Even more troubling, five states do not check the child abuse registry before allowing an individual to work in a center.

With nearly 1.5 million children and their families participating in the CCDBG program, federal policymakers must take steps to strengthen the program and ensure enhanced program quality and accountability.

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I am pleased the Senate legislation includes language to raise standards for child care providers, requiring states to implement minimum training requirements and conduct annual inspections of license providers. These provisions will help ensure caregivers are equipped to handle common health conditions and emergency situations, while also promoting facilities that are cleaner and safer for our children.

The Senate legislation also takes important steps to enhance transparency and better inform parents of their child care options. Under the bill, states are required to make public information on a range of key issues, including availability of child care services, the quality of providers, data on childhood development research and best practices.

While many of these provisions will help to improve the quality of child care, we must also take steps to ensure these new requirements will help – not hinder – states in meeting the needs of children and their families. I also hope today we can discuss policy changes that work to streamline the federal early childhood system and help increase coordination among existing programs.

If we are truly here to fight for people, and to empower people, so they can build better lives for themselves and their families, access to quality child care is something we must address.

The reauthorization of the Child Care and Development Block Grant Act provides an opportunity to work together to advance bipartisan legislation that will help our nation's most vulnerable children and families. I also look forward to examining the strengths and weaknesses of the CCDBG program, and discussing opportunities for consensus between House priorities for reauthorization and the Senate-passed legislation.

Mr. SCOTT. Thank you, Mr. Chairman.

I want to thank you for convening the panel and our distinguished witness panel for their participation in today's hearing.

I look forward to learning about the Child Care and Development Block Grant or CCDBG. I am going to call it a block grant, which is the largest federal program providing funding for child care.

Through reauthorization of the block grant, which hasn't seen reauthorization since 1996, presents this committee with the unique opportunity to ensure access to affordable, quality, child care that will benefit our children and their parents. Quality child care programs can act as the first part of a continuum of learning that sets children on the path to success.

A recent report released by the Center for American Progress showed that over 85 percent of Americans, including 77 percent of Republicans, support expanding access to child care programs.

Today, the Child Care and Development Block Grant supports low-income parents' ability to work or participate in training or education programs, and thus their self-sufficiency, and provides young children with early childhood experiences that can improve their learning readiness.

The goals of the block grant are strongly related to preschool goals that our recent full committee hearing examined. Despite the similarities between child care and preschool services there are some fundamental differences between the two.

Preschool is mostly aimed at 4-year-olds, whereas the block grant funds child care for children from birth to age 12. Most preschool programs require specific teacher credentials, such as bachelor degrees, and child care tends to lack such provider requirements. Pre-K programs often have a specific evidence-based curriculum requirements which are mostly absent from child care settings.

A number of issues come to mind when we discuss federally-funded child care programs. In order to make the best of our investment, these programs must provide access to those who need

the care, it must be affordable for enough families to be able to use it, and services must be of high quality.

Poor child care access, affordability, and quality means that the continued congressional support or reauthorization of the block grant, including a modest funding increase, will be insufficient to meet the needs of low-income working parents and their young children.

On the topic of access, we know that despite about 1.4 million children receiving block grant subsidies, only one in six children eligible for federal child care systems under the block grant actually receives it.

There are almost 600,000 children eligible for child care on waiting lists in just 19 states. Some states don't even keep waiting lists. They just turn eligible families away.

About 40 percent of eligible children have access to Head Start, barely half of the 3-to 4-year-olds are enrolled in preschool programs, but just a third of the low-income children are enrolled in those programs and that is the group that really can benefit the most.

Early Head Start was established to provide quality child development services for children birth to age 3; it reaches of less than 4 percent of eligible infants and toddlers.

Even when low-income families do have access to child care, it is often unaffordable, forcing them to choose between paying for food, clothes, heat, or child care.

According to the US Census Bureau, families living in poverty spend an average of 30 percent of their income on child care, compared to only 7 percent for those who are well above the poverty level.

On the access and affordability issues that American families face, we know that barely a third of 4-year-olds that are in child care centers receive high-quality care. Because the block grant prioritizes workforce support for parents over education for children, the quality of some child care funds is poor, hindering some children's development and learning.

One report found that 42 percent of children are in state pre-K programs that meet less than half the recommended quality standards.

The block grant requires that states spend 4 percent of their grants on quality service—quality activities for this floor is clearly insufficient.

Research from the National Center for Children and the National Institute of Child Health and Human Development confirms that children receive numerous benefits from high-quality care, such as better cognitive development, fewer behavioral problems, enhanced cooperation, increased school readiness, and improved language use and comprehension.

They will also be less likely to be involved in the criminal justice system, become a teen parent, or drop out of school.

As with pre-K, the return on public investment and positive outcomes are generated only when you have quality care. Poor quality care can in fact be harmful and put children on the wrong path.

That is why an expanded federal investment in quality child care is needed, including Head Start, along with support for preschool

programs, given the importance of quality of care and early education to future outcomes. Congress and this administration are examining ways to improve the quality of publicly-funded child care under this block grant.

Bipartisan reauthorization passed by the Senate 2 weeks ago emphasizes the necessary quality improvements including increasing the quality set aside for 4 percent to 10 percent in critical health and safety provisions such as program inspections, monitoring, provider training, credentials, and professional development.

I am eager for a bipartisan collaboration as we reauthorize the block grant, as well as other legislation that addresses the educational needs of our children, such as HR 3461, the Strong Start for America's Children Act.

We need bipartisan collaboration to allow all children to receive the opportunity to fulfill their potential.

Thank you, Mr. Chairman. I yield back.

[The statement of Mr. Scott follows:]

Prepared Statement of Hon. Robert C. ″Bobby″ Scott, a Representative in Congress from the State of Virginia

Thank you, Mr. Chairman. I also want to thank our distinguished witness panel for their participation in today's hearing. I look forward to learning about the Child Care and Development Block Grant, or CCDBG, which is the largest federal program providing funding for child care.

Reauthorization of the Child Care and Development Block Grant, which hasn't seen a reauthorization since 1996, presents this Committee with a unique opportunity to ensure access to affordable, quality child care that will benefit our children and their parents. Quality child care programs can act as the first part of a continuum of learning that sets children on the path to success. A recent report released by Center for American Progress showed that over 85% of Americans ? including 77% of Republicans ? support expanding access to child care programs.

Today, the Child Care and Development Block Grant supports low-income parents' ability to work or participate in training or education programs, and thus their self-sufficiency, and provides young children with early childhood experiences that can improve their learning readiness. These goals of CCDBG are strongly related to the preschool goals that our recent full committee hearing examined.

Despite the similarities between child care and preschool services, there are some fundamental differences between the two: preschool is mostly aimed at 4-year olds, whereas CCDBG funds child care for children from birth to age 12; most preschool programs require specific teacher credentials, such as bachelor's degrees, and child care tends to lack such provider requirements; and prekindergarten programs often have specific evidence-based curricular requirements, which are mostly absent from child care settings.

A number of issues come to mind when we discuss federally funded child care programs - in order to make the best of our investment, these programs must provide access to those who need child care, must be affordable enough for families to use, and services must be of a high quality.

Poor child care access, affordability, and quality means that continued Congressional support or reauthorization of CCDBG, including a modest funding increase, will be insufficient to meet needs of low-income working parents and their young children.

On the topic of access, we know that despite about 1.4 million children receiving CCDBG subsidies, only one in six children eligible for federal child care assistance under CCDBG actually receives it. An estimated 590,000 children eligible for child care are on waiting lists in 19 states and that number doesn't include two states that don't keep waiting lists and instead simply turn away eligible families. Just 40% of eligible children have access to Head Start. Barely half of 3 and 4 year olds are enrolled in preschool programs, and just a third of low-income children are enrolled in such programs. Early Head Start, established to provide quality child development services to children birth to age 3, reaches less than 4% of eligible infants and toddlers.

Even when low-income families do have access to child care, it's often unaffordable, forcing some of them to choose between paying for food, clothes, heat,

or child care. According to the U.S. Census Bureau, families living in poverty spend an average of 30% of their income on child care, compared with 18% for families earning between 100% and 150% of the Federal Poverty Level (FPL), and 7% for families earning at or above 200% of the FPL.

On top of access and affordability issues American families face, we know that barely a third (35%) of 4-year olds in child care centers receive high-quality care. Because CCDBG prioritizes workforce support for parents over education for children, the quality of some of the child care it funds is poor, hindering some children's development and learning. One report found that 42% of children are in state prekindergarten programs that meet less than half of the recommended quality standards. CCDBG requires that states spend at least 4% of their grants on quality activities, but this floor is clearly insufficient.

Research from the National Center for Children and the National Institute of Child Health and Human Development confirms that children receive numerous benefits from good quality care such as better cognitive development, fewer behavioral problems, enhanced cooperation, increased school readiness, and improved language use and comprehension. They will also be less likely to be involved in the criminal justice system, become pregnant as a teenager, or drop out of school. As with prekindergarten, the return on public investment and positive outcomes are generated only by quality care - poor quality care can in fact be harmful and put children on the wrong path.

That's why an expanded federal investment in quality child care is needed, including Head Start, along with state support for preschool programs. Given the importance of the quality of care and early education to future outcomes, Congress and the administration are examining ways to

improve the quality of publicly funded child care under the CCDBG. The bipartisan CCDBG reauthorization passed by the Senate two weeks ago emphasizes necessary quality

improvements, including increasing the quality set-aside from 4% to 10%, and critical health and safety provisions, such as more program inspections and monitoring, and provider training, credentials, and professional development.

I am eager for bipartisan collaboration to reauthorize the Child Care and Development Block Grant, as well as other legislation that addresses the educational needs of our country, such as the H.R. 3461, the Strong Start for America's Children Act. We need bipartisan collaboration to allow all children receive the opportunity to fulfill their potential. Thank you.

Chairman ROKITA. I thank the gentleman.

Pursuant to Committee Rule 7(c) all subcommittee members will be permitted to submit written statements to be included in the permanent hearing record.

Without objection the hearing record will remain open for 14 days to allow statements, questions for the record, and other extraneous materials referenced during the hearing to be submitted into the official record.

It is now my pleasure to introduce our distinguished panel of witnesses. First we have Ms. Paula Koos. She is the executive director of the Oklahoma Child Care Resource and Referral Association.

Welcome.

Next we have Mrs. Linda Kostantenaco. She is president of the national Child Care Association, the owner director of the Kiddie Koup Children's Enrichment Center in San Antonio, Texas.

I practiced your name much better then when I actually said it. That is the story of my life. Excuse me. Welcome.

Dr. Olivia Golden is the executive director for the Center for Law and Social Policy otherwise known as CLASP.

Welcome.

Ms. Gloria Jarmon is Deputy Inspector General for Audit Services within the Office of the Inspector General at the US Department of Health and Human Services.

Thank you for your public service, and welcome.

Before I recognize each of you to provide your testimony, let me briefly explain our lighting system. This is more of a reminder for us up here probably than it is for you, but just for the record, you each will be given 5 minutes to give your testimony.

When there is 1 minute remaining, the green light will turn to a yellow light, and of course when it turns red, that means you need to have stopped unless you get gaveled down by me in an angry manner.

I am sure it won't be the case. It will be interesting dinner conversation. You can go home and say, "I was gaveled down in Washington." In fact, I think there are T-shirts in the gift store. "I went to Washington and got gaveled down."

Now I would like to recognize Ms. Koos for 5 minutes.

Thank you.

STATEMENT OF MS. PAULA KOOS, EXECUTIVE DIRECTOR, OKLAHOMA CHILD CARE RESOURCE & REFERRAL ASSOCIATION, INC., OKLAHOMA CITY, OK

Ms. KOOS. Good morning. I want to thank the chairman, Mr. Kline, of the committee, Chairman Rokita of the subcommittee, and the members of the subcommittee for inviting me to testify today.

Child care is a way of life for the majority of families. It is the same in Oklahoma, but child care is hard to find. It is hard to afford, and too often the quality is questionable. Parents worry about the cost and they worry about the safety of their kids when mom and dad are at work.

I am the executive director of the Oklahoma Child Care Resource and Referral Association. My agency is one of about 600 CCR&Rs across the country. We help parents locate child care, and we give families consumer education so that they can make informed choices. Our services to families are free because of the child care development block grant, CCDBG.

We also work with providers every day to help improve the quality of child care through training and technical assistance. Child care is actually a network of small businesses mostly owned by women. In my state this is an industry that generates $500 million in revenues and it employs over 20,000 workers who earn $290 million annually.

My agency offers training related to strengthening the workforce and also business related training and technical assistance because we know sound fiscal management is the foundation of quality programs.

I urge the subcommittee to consider business TA as an important component within the quality set aside. Oklahoma is well known for our strong child care system. Child Care Aware of America consistently ranked Oklahoma among the top five states in its review of child care licensing policies. We were also the first in the nation to establish a quality rating and improvement system for child care.

Our Reaching for the Stars Program gives parents a better way to understand and choose quality settings. All child care programs that accept subsidy payments funded by CCDBG participate in the rating system. This offers parents choices and ensures that there is accountability in the expenditure of public funds.

But Oklahoma does not have a perfect system. We continue to work toward safety, accountability, and quality.

Two child tragedies in Oklahoma led to the strengthening of our child care system. In May 2007, 2-year-old Joshua Minton died in a family child care home in Tulsa. The child care owner admitted to using masking tape to tape his hands and mouth because he was whining just prior to naptime. She is serving a life sentence today for first-degree murder.

Despite a history of licensing violations the state did not act to close the program. Since Joshua's death the state has revised its program closure policies and tightened state background check requirements and inspection enforcement activities.

The second boy whose story I would like to share with the committee did not die. Demarion Pittman, a 3-year-old boy suffered heatstroke and extensive brain damage after being left in a stifling hot van operated by an uninsured child care program in August of 2007. His family has already faced millions of dollars in medical costs.

In 2008 state legislation was enacted to require all licensed child care programs to carry liability insurance. The measure also requires agencies that aren't able to obtain insurance to inform parents that they have no liability coverage.

Most states do not require child care programs to purchase liability insurance. And of the states that do, many are in response to tragedies.

In conclusion, it has been 17 years since the child care and development block grant was last reauthorized. We now have the benefit of researched data that demonstrates clearly the disparity among state policies. It is time to provide some minimum protection for all our children to ensure the public dollars are spent in an accountable way.

I urge the subcommittee to give every consideration possible to requiring comprehensive background checks for child care providers and volunteers who care for unrelated children; set minimum health and safety requirements for all children in child care; require those who work in child care to have at least 30 hours of pre-service training and 24 hours of annual training; ensure that all child care programs are subject to inspection prior to licensure and at least once annually, especially when CCDGB dollars are used to pay for care; increase the quality set aside for activities related to improving the quality of care; and consider a study by the National Academy of Sciences to review the cost of child care and recommend ways to design a better system.

Thank you. I have several documents I would like to submit for the record.

[The statement of Ms. Koos follows:]

Paula Koos
Executive Director
Oklahoma Child Care Resource & Referral Association
Oklahoma City, Oklahoma

House Education & the Workforce
Subcommittee on Early Childhood, Elementary, and Secondary Education Hearing
"The Foundation for Success: Strengthening the Child Care and Development Block Grant Program"
March 25, 2014

Good morning. I want to thank the Chairman of the House Education & the Workforce Committee, Representative Kline, the Chairman of this subcommittee, Representative Rokita and the Ranking Member of the Subcommittee, Representative McCarthy, for inviting me to testify.

As Executive Director of the Oklahoma Child Care Resource & Referral Association, I am honored to be here today and I look forward to sharing my experiences and responding to any questions that you might have. My testimony will focus on the role Child Care Resource & Referral plays in Oklahoma (and across the nation) in supporting the importance of parent choice and in providing consumer education information so parents can make informed choices in selecting care for their children.

What is the role of Child Care Resource & Referral agencies? What challenges face parents as they look for and select child care? To answer those questions, I want to start with an overview of child care generally throughout the United States as well as child care resource and referral activities. Following that, I will focus on what Oklahoma has done to assist parents and providers to ensure that child care is safe and promotes a child's healthy development.

Child Care throughout the Country

First, child care is a way of life today for the majority of families. Times have changed over the years and more mothers are working today than 24 years ago when the Child Care and Development Block Grant (CCDBG) was first enacted. There are nearly 11 million children under age 5 in some type of child care setting an average of 36 hours every week. The average cost of care varies by state and ranges from $4,863 per year for center-based care for an infant in Mississippi to $16,430 per year for an infant in Massachusetts. In Oklahoma, center-based infant care costs about $7,480 per year, which is certainly not as high as Massachusetts. As a percentage of state median income, however, it is hard for the majority of families to afford child care. One infant in child care in Oklahoma costs a family about 11 percent of state median income for married couples and 36 percent for single mother families.

Throughout the country, there are 107,286 licensed child care centers and 134,920 licensed family child care homes. Together, these programs employ about 2.3 million paid child care providers nationwide. Generally, these caregivers are young and enter their jobs with little training and education. On average, they earn slightly more than $10 per hour. In 17 states, staff in a child care center classroom do not need a high school diploma or GED. Many more states do not require a high school degree for family child care home providers. The cost is compounded for families with more than one child.

Health and safety protections for children in child care and training requirements for child care providers vary by state. The accountability for children's safety and the expenditure of public dollars (which include inspections and monitoring oversight) are different in each state. I understand and support the need for state flexibility; however, at the same time, there needs to be some minimum core health and safety protections for all children in child care in our nation.

Parent Expectations versus State Policies

Over the past decade, there have been a number of parent polls with regard to child care. We continually look for every way to improve services to parents and better understand how we can best assist them.

National polling and the focus groups we have held with Child Care Aware of America have found that parents have very clear expectations about what they want from their child care provider and what they expect from the government when it comes to protecting their children in child care. Parents think that a child care license is some type of gold standard, in short, the state's seal of approval in order to offer child care. Parents assume a license means that adults providing child care have had a background check and training specific to child care. Parents believe there are required health and safety protections for their children, and some expert does inspections to ensure compliance with laws and policies for child care. Parents also assume that all child care settings are monitored when, in many states, large numbers of providers are legally exempt from oversight. The reality is that there is a large gap between parent expectations and state policies.

The Research on State Child Care Licensing Policies

Since 2005, Child Care Aware of America has conducted 7 comprehensive reviews of state licensing policies. Oklahoma has ranked among the top 5 states for centers and the top 2 states for family child care homes during this time. The research also shows:

Health & Safety Requirements:

- Only 16 states, including Oklahoma, address each of the 10 health and safety requirements recommended by pediatric experts to protect children in child care centers.

- Only 15 states, including Oklahoma, address each of the 10 health and safety requirements recommended by pediatric experts to protect children in family child care homes.

(Pediatric experts recommend a minimum of the following for child health protection: hand-washing, nutritious meals and snacks, immunizations, exclusion of ill children, following universal health precautions (for bodily fluids), medication administration, access to toxic substances, sanitation, weekend/evening care, and incident reporting. Pediatric experts recommend a minimum of the following for child safety protection: placing infants to sleep on their backs, appropriate discipline/child guidance, electrical hazards, water safety, fire drills, outdoor playground surfaces, emergency plans, supervision, transportation guidelines, and firearm access policies).

Background Checks:

- Only 12 states require a comprehensive check for staff working in centers.
- For family child care home providers, only 11 states require a comprehensive check.
- State auditors conducting a cross-match in 4 states found 267 sex offenders in child care programs. (Illinois found 90 matches; Kentucky found 30, Massachusetts found 119 and Washington found 28).

A comprehensive background check for child care providers helps ensure that children are safe in child care. A comprehensive check includes: a fingerprint check against state and federal records, a check of the child abuse registry and a check of the sex offender registry.

Training:

- For child care centers, 43 states require an orientation training for new staff. 38 states require training in child abuse prevention and reporting. 34 states require training in safe sleep practices. 13 states require training in the dangers of shaken baby syndrome. 9 states require CPR training for all staff.
- For family child care homes, 22 states require training in child abuse prevention and reporting. 33 states require training in basic health and safety. 36 states require CPR training. Some states have no topics that are required in initial training before working with children.

Research clearly shows that training and education of the child care workforce is the single largest way to improve the quality of care, which includes measures to promote child safety.

Inspections

- 10 states do not inspect child care centers at least once a year. For example, California inspects child care programs once every five years. Oklahoma requires 3 inspections per year.

- 17 states do not inspect family child care homes at least once a year. For example, California and Montana inspect family child care homes once every 5 years. Michigan inspects family child care homes once every 10 years. Oklahoma requires 3 inspections per year.

- About half the states, including Oklahoma, post child care facility inspection reports on the internet, which enable parents to make informed choices.

Regular monitoring promotes child safety as well as accountability for the expenditure of public dollars.

Child Care Resource & Referral Services

Assisting Parents. In too many communities today, child care is hard for parents to find, hard to afford, and too often of questionable quality. For low income parents, the task is even more difficult. There are more than 600 Child Care Resource and Referral agencies throughout the country, serving nearly every zip code, assisting parents in finding child care. They help make a stressful and chaotic process calmer and more understandable and help parents make better informed choices about child care.

In Oklahoma, there are 193,000 children under age 6 with working parents and another 238,000 children between the ages of 6 and 12 with working parents. About 28 percent of our children under age 6 live in poverty, about 86,000 children. About 31 percent of our children, nearly 100,000 live in working families below 200 percent of the poverty level.

In Oklahoma, my agency, the Oklahoma Child Care Resource & Referral Association, is a private non-profit corporation that contracts with the Oklahoma Department of Human Services to guide and administer our statewide network of resource and referral agencies. Child Care Resource and Referral in the state has worked with parents for more than 30 years. We have eight agencies that serve families in all 77 counties to offer consumer education and referrals to help families make better informed child care choices. We **do not** make recommendations about child care programs to any family. However, we provide them with information so that they can make an informed decision that meets the needs of their family.

Families can contact us by phone, search for child care on our web site, read our consumer education materials (many of which are provided in English and Spanish), or new last year – use our Find Child Care

app through their smart phone. Our services to assist families are free because of the funding available from the Child Care and Development Block Grant, (CCDBG), to support quality related activities, including child care resource and referral services.

We receive many different types of parent requests. Over 50 percent of parents contacting us are looking for infant or toddler care. Nearly 88 percent of parents are looking for full-time care. An increasing number of parents contacting us are looking for non-traditional hour care – about 38 percent of parents last year sought care available at night or on the weekends. This is a 5 percent increase over the last two years and may reflect a shift in the economy and the types of jobs that parents are finding.

We also have a Hispanic Services Project, which provides referrals in Spanish for parents across the state. Bilingual referral specialists are employed in both Oklahoma City and Tulsa to cover metropolitan areas and referral services for the rural areas are provided by a state coordinator. The Hispanic Services project assists both parents and providers.

Oklahoma has had a quality rating and improvement system for child care since 1998, which is called Reaching for the Stars. It is a 3 Star, four level system, which seeks to provide parents with a better way to understand the quality of child care settings because the state has set criteria for each level. All child care programs accepting subsidy payments in Oklahoma are required to participate in the star rating system. Providers move up levels as they exceed licensing standards which is the baseline. Facilities that meet basic licensing standards are rated 1 star. Children whose care is paid for with subsidy must be in at least 1 star plus care. There are a few exceptions, but today, 94.6 percent of the children in Oklahoma whose care is paid for with a CCDBG subsidy are in 2 or 3 star care. Subsidy payments are tiered to align with star levels.

We have found this does not restrict parent choice. Instead, it offers parents choices among quality providers and at the same time, ensures that there is accountability in the expenditure of public funds so that CCDBG is not a blank check with no protections for children or oversight.

Across the country, the most recent federal data shows that 1.5 million children on average every month are in CCDBG funded child care settings. About 17 percent (256,241) are in unlicensed care. In fact, in 11 states, 30 percent or more of the children whose care is subsidized by CCDBG money are in unlicensed care. Unlicensed is not necessarily illegal care, as the category includes care that is legally not required to get a license. For example, in 8 states, family child care home providers are not required to obtain a license until at least six children are in the home.

With regard to unlicensed care, very little is known about the settings for which the federal government provides support. In particular, such care typically means no comprehensive background checks, no minimum health and safety protections for children, no child care provider training, and no facility inspections. In some cases, there is "self-certification," which means no external accountability, not a policy I would recommend. Thankfully, Oklahoma has taken a strong stance on accountability to protect children. In Oklahoma, all facilities, both centers and homes, must be licensed. There are a few exceptions to the licensing law, recognized as license-exempt. This includes care provided by a relative of the child or by a nanny or housekeeper in the child's own home; care in a setting that operates less than 15 hours per week; care in a setting that takes children who attend on a drop-in basis while parents are nearby in the same building; and care by informal arrangements to care for children once in a while.

The parents that contact us have similar types of questions. They want to know where the "good" places are. They want to know the places with openings near their work or neighborhood. They want to know how much child care will cost. They want to know what questions to ask and what they should look for

in a good program. We do not make recommendations, but we do provide a list to parents that shows the star level under our quality rating system. Parents can make their own choices. No one in our child care resource and referral network has ever heard a parent say- can you give me a list of the places at the bottom of the Reaching for the Stars list? Quality and cost are parents' two top concerns. One of the most important aspects of our work is our consumer education work with parents. Our post-service evaluations overwhelmingly show that parents are thrilled with the assistance we offer them. Finding child care is a stressful time for parents and our services help to alleviate that stress.

Assisting Child Care Providers. In Oklahoma, there are 1,709 licensed child care centers and 2,372 family child care homes. Our agencies work with providers every day to offer safe settings that promote healthy child development in an age appropriate manner. We offer training, technical assistance and consultation to providers. Training is provided in both child-related and business requirements. From guiding people who are thinking about launching a child care business, to assisting providers to offer the best quality of care for children, we offer many services. In FY2012, our agencies responded to 7,682 requests from providers for technical assistance and administered nearly 1,500 hours of formal training.

It is important for the Subcommittee to understand the different services offered to providers. Training is related to strengthening the quality of the workforce – the competence and skills of the workforce. Technical assistance has many forms, but one of the most important is to ensure that those who have taken a training can translate that training to effective practice. What we know from the research is that child to staff interaction is one of the most important factors in improving child outcomes. Just because someone has attended a training, does not necessarily mean that they can effectively implement what they have learned.

Our agencies offer technical assistance or, TA, on the phone and on-site. One area of TA that I urge the committee to consider is business related technical assistance. There has been so much focus on child development, which we can all agree is extremely important, we often fail to recognize that almost all child care programs are a small business. In 2012, we commissioned a study, "The Economic Role of Oklahoma's Child Care Industry," which found that the state's 4,100 child care programs represented a network of small businesses, many of which are women owned and operated, that generate nearly $500 million in revenue and provide employment for about 20,500 workers with earnings of $290 million annually. This is on par with other sectors in Oklahoma such as the state's printing and ready-mix concrete manufacturing industries and employs about the same number of workers as the home health care, legal, and accounting industries statewide.

Child care is a business. Business related technical assistance can assist child care providers with operating more efficiently and effectively. When you think about quality programs, please think as well, about the ability of child care programs not just to offer trained and competent staff, but also to use sound fiscal and management practices, which are the foundation to quality programs and essential to their sustainability.

Consultation is similar to TA, but can best be described as assisting programs to better meet the needs of children. For example, helping the director and staff better meet the needs of a disabled child or design effective strategies for a child who exhibits challenging behaviors.

Data. Our agency is the data hub for child care information in Oklahoma. From the location of centers and homes, to the cost of programs by the age level of the child, to supply and demand information, our agency operates a database that is continually updated and tapped to provide policymakers and others within the community with the information they need to address the needs of young children or better target services based on community needs and available resources.

The Children Who Helped Shape Oklahoma's Child Care Policies

Oklahoma does not have a perfect system, but rather, we have put a stake in the ground for safety, accountability, and quality. We look every day to figure out how we can continuously improve in all that we do. I would be remiss if I didn't share with you the stories of two boys in Oklahoma whose tragedies led to the strengthening of our child care system.

In May of 2007, two-year-old Joshua Minton died at Noah's Ark family child care home in Tulsa. The child care owner admitted to using masking tape to tape up his hands and mouth because he would not stop whining at nap time. She is serving a life sentence today for first degree murder. While horrific for the family, this story is critical for your consideration. The issue at hand was that years of inspection reports cited repeated violations for inadequate supervision, inoperable smoke detectors, citations for physical and verbal abuse to children, incomplete child records, leaving children in a running van unattended, non-compliance for fire and tornado drills, violations related to access to hazardous chemicals (bleach), lack of background checks for assisting caregivers, and many other things (some of which were related to hitting and spanking with wooden objects) were not adequately addressed. At several points, state licensing staff requested that the provider voluntarily close her family child care home but did not move to close the facility. The provider refused. She said that she needed the income and that the working families she served, needed her. On April 13, 2007, in a response to another request by the state licensing office to cease operating a child care program, she told the licensing staff she would enroll in anger management classes. On May 17, Joshua Minton died.

It's heart-wrenching that it took a tragedy like the death of a toddler for the state to revise its program closure policies and tighten up state background check requirements and inspection enforcement activities. The law enacted after Joshua Minton's death also included the creation of a new child abuse registry check for child care providers with substantiated child abuse cases.

The second boy, whose story I want to share with the subcommittee, did not die. Demarion Pittman, a 3 year-old boy, suffered heat stroke and extensive brain damage after being left in a stifling hot van by an employee of an uninsured child care program in August of 2007. He was in a coma for 2 months and was left unable to walk or talk and his family has already faced millions of dollars in medical costs. In 2008, state legislation was enacted to require all licensed child care programs to carry liability insurance. The measure also requires programs that are unable to obtain insurance to inform parents that they have no liability coverage.

Most states do not require child care programs (both center-based and family child care homes) to purchase liability insurance. Of the states that do, many are in response to tragedies.

Conclusion:

In conclusion, it's been 17 years since the Child Care and Development Block Grant was last reauthorized. We now have the benefit of research data that demonstrates clearly the disparity among state policies. Oklahoma's policies are not perfect, but we have laid out a framework for safety, accountability, and quality. I believe it's time to provide some minimum protections for all our children across this great country and to ensure that public dollars are spent in an accountable way. I urge the Subcommittee to give every consideration possible to:

- **Improve safety protections for children.** Require comprehensive background checks for child care providers and volunteers who care for unrelated children. Set minimum health and safety protections for all children in child care.
- **Strengthen the Child Care Workforce.** Require those who work in child care to have at least 30 hours of pre-service training and 24 hours of annual training. These are the recommendations from pediatric experts (see the National Resource Center for Health and Safety, Caring for Our Children recommendations).
- **Enhance Monitoring**. Insure that all child care programs are subject to inspection prior to licensure and at least once annually, especially when CCDBG dollars are used to pay for care.
- **Improve Quality**. Increase the quality set-aside for activities related to improving the quality of child care.
- **Subsidy Rates.** Child care is expensive. It is hard for most families to afford; it is not merely a challenge for families in poverty. Consider a study by the National Academy of Sciences to review the cost of child care and recommend ways to design a better system.

Thank you. I would like to submit the following documents for the hearing record:

(1) A brief summary of state requirements on health and safety
(2) The Economic Role of Oklahoma's Child Care Industry Report
(3) State Summary 2012, Oklahoma Child Care & Early Education Portfolio
(4) A brief summary of child tragedies in child care
(5) The Oklahoma Commission on Children & Youth Office of Juvenile System Oversight Report (the investigation into Joshua Minton's death)
(6) A brief summary of Child Care Resource & Referral services throughout the United States

Paula Koos
Executive Director
Oklahoma Child Care Resource & Referral Association
Oklahoma City, Oklahoma

House Education & the Workforce
Subcommittee on Early Childhood, Elementary, and Secondary Education Hearing
"The Foundation for Success: Strengthening the Child Care and Development Block Grant Program"
March 25, 2014

Good morning. I want to thank the Chairman and the members of the Subcommittee for inviting me to testify today.

Child care is a way of life for the majority of families. It is the same in Oklahoma. But... child care is hard to find... hard to afford... and too often the quality is questionable. Parents worry about the cost... and they worry about whether or not their kids will be safe while mom and dad are at work.

I am the Executive Director of the Oklahoma Child Care Resource & Referral Association. My agency is one of about 600 CCR&Rs across the country. We help parents locate child care and we give families consumer education so that they can make informed choices. Our services to families are free because of the funding available from the Child Care and Development Block Grant, (CCDBG).

We also work with providers every day to help improve the quality of child care through training and technical assistance. Child care is actually a network of small businesses, most of them owned by women. In my state, this is an industry that generates nearly 500 million dollars in revenue and employs over 20,000 workers who earn 290 million dollars annually. My agency offers training related to strengthening the workforce and also business related training and technical assistance because we know that sound fiscal management is the foundation of quality programs. I urge the Subcommittee to consider business TA as an important component within the quality set-aside.

Oklahoma is well known for our strong child care system. Child Care Aware of America has consistently ranked Oklahoma among the top 5 states in its review of state child care licensing policies. We were also the first in the nation to establish a quality rating and improvement system for child care. Our Reaching for the Stars gives parents a better way to understand and choose quality settings. All child care programs that accept subsidy payment funded by CCDBG participate in the rating system. This offers parents choices and ensures that there is accountability in the expenditure of public funds.

Oklahoma does not have a perfect system, but we continue to work toward safety, accountability, and quality. Two child tragedies in Oklahoma led to the strengthening of our child care system.

In May of 2007, two-year-old Joshua Minton died in a family child care home in Tulsa. The child care owner admitted to using masking tape to tape up his hands and mouth because he would not stop whining at nap time. She is serving a life sentence today for first degree murder. Despite a history of licensing violations, the state did not act to close the program. Since Joshua's death, the state has revised its program closure policies and tightened state background check requirements and inspection enforcement activities.

The second boy, whose story I want to share with the subcommittee, did not die. Demarion Pittman, a 3 year-old boy, suffered heat stroke and extensive brain damage after being left in a stifling hot van operated by an uninsured child care program in August of 2007. His family has already faced millions of dollars in medical costs. In 2008, state legislation was enacted to require all licensed child care

programs to carry liability insurance. The measure also requires programs that are unable to obtain insurance to inform parents that they have no liability coverage.

Most states do not require child care programs to purchase liability insurance. Of the states that do, many are in response to tragedies.

In conclusion, it's been 17 years since the Child Care and Development Block Grant was last reauthorized. We now have the benefit of research data that demonstrates clearly the disparity among state policies. It's time to provide some minimum protections for all our children to ensure that public dollars are spent in an accountable way. I urge the Subcommittee to give every consideration possible to:

- Require comprehensive background checks for child care providers and volunteers who care for unrelated children. Set minimum health and safety protections for all children in child care.
- Require those who work in child care to have at least 30 hours of pre-service training and 24 hours of annual training.
- Ensure that all child care programs are subject to inspection prior to licensure and at least once annually, especially when CCDBG dollars are used to pay for care.
- Increase the quality set-aside for activities related to improving the quality of child care.
- Consider a study by the National Academy of Sciences to review the cost of child care and recommend ways to design a better system.

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2012

The Economic Role of Oklahoma's Child Care Industry

Prepared for:
Oklahoma Child Care Resource and Referral Association (OCCRRA)

Funded by:
Potts Family Foundation

Report by:
RegionTrack, Inc.

January 31, 2013

The Economic Role of Oklahoma's Child Care Industry

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*The **Oklahoma Child Care Resource and Referral Agency** (OCCRRA) is a resource and referral network working statewide to assure that Oklahoma families have access to quality care and education for their children. Information about OCCRRA services is available online at www.oklahomachildcare.org.*

*The **Potts Family Foundation** provides support for sustainable early childhood initiatives and nonprofit capacity building.*

RegionTrack, Inc. (regiontrack.com) is an Oklahoma City-based economic research firm specializing in regional economic forecasting and analysis. Mark C. Snead, Ph.D., economist and President of RegionTrack, is the principal author of the report.

Key Facts about the Economic Role of Oklahoma's Formal Child Care Sector

1. Child care has quietly become a sizeable industry sector with nearly $500 million in revenue in 2012.
2. The state's licensed child care facilities provide employment for 20,500 workers (17,600 FTE) with earnings of $290 million annually.
3. Child care facilities purchased $110 million of goods and services from other state industries in 2012.
4. The state's working families are served by a network of almost 4,100 licensed child care facilities, including 1,700 child care centers and 2,400 family care homes.
5. More than 112,000 children are enrolled in formal child care in Oklahoma, or almost one in five children of child care age with working parents.
6. The number of children in formal care increased more than 75 percent over the past two decades, with more than 80 percent of children in care enrolled on a full-time basis.
7. Paying for child care remains a key factor in the decision to work for many of Oklahoma's working families, with costs of $3,500-7,000 per child annually for full-time care.
8. Oklahoma's child care subsidy system provided $134 million in benefits in 2012 to help those parents most in need go to work and achieve increased financial independence. Federal subsidies offset nearly all of the cost of the state subsidy system.
9. Total economic activity in the child care sector is similar to that of the state's printing and ready-mix concrete manufacturing industries. Child care facilities employ approximately the same number of workers as the home health care, legal, and accounting industries statewide.
10. Economic activity in the child care sector indirectly supports an estimated $367 million of spillover economic output in other state industries and 3,900 additional jobs with earnings of $133 million annually.
11. Direct and spillover economic activity in the state's child care industry produced an estimated $23 million in annual income and sales tax to state and local government in 2012.
12. In just the past two decades, the role of formal child care has expanded well beyond maintaining the safe custody of children as parents participate in the workforce. Child care is now closely intertwined with the state's early childhood education and workforce development efforts.
13. The number of children in care has leveled off in recent years, but demand for increased quality of care continues to drive change in the industry. Oklahoma has received considerable national recognition for its enhanced quality initiatives.
14. Recent research on Oklahoma's child care system suggests that subsidized child care for low-income working parents can produce net economic benefits to the state economy even after accounting for the cost of subsidies.

Introduction: The Economic Role of Child Care in Oklahoma

The Economics of Child Care[1]

Past efforts to evaluate the economic role of the child care sector traditionally focus on the role the industry plays in the decision of parents to work. This 'labor force' view of child care focuses on the role of child care in providing for the safe custody of children while parents participate in the workforce. Although helping parents gain financial independence through work remains the cornerstone of the industry's efforts, other economic dimensions of the industry are gaining increased attention.

More recently, the industry is viewed as both a growing sector of the state economy and an increasingly important component of the state's economic infrastructure. The increased number of children in care the past two decades has produced a sizeable industry sector that generates significant direct and indirect economic spillover impacts to the state economy. Along with its historical role in workforce development, child care is now working hand-in-hand with early childhood education efforts in the state and has become the entry point for many children into the state's education system. In short, the child care industry continues to serve its vital function of helping working parents maintain employment but has grown into a large industry sector that is now highly focused on the development of the children in its care.

Measuring Child Care's Economic Impact[2]

This report provides an overview of the economic role played by the child care industry in the Oklahoma economy in 2012.[3] While much of the expansion of the role of child care has gone unnoticed in recent years, it is important to understand the range of economic impacts now being generated by the formal child care industry.

The first section of the report describes the current structure of the state's licensed child care system, including trends in the number of providers and children in care. The second section evaluates the direct contribution of the industry to state economic activity and provides estimates of the indirect, or spillover, economic impacts generated. The final section examines state efforts to enhance early childhood development through higher quality child care as well as research examining the impact of child care on overall state economic growth.

Profile of Oklahoma's Child Care Industry

Oklahoma's Licensed Child Care Facilities

The state's formal child care system has increasingly become a critical partner for Oklahoma's working families.[4] A network of almost 4,100 licensed and regulated child care centers and family care homes provide formal child care services to families in all 77 Oklahoma counties (*Figure 1a*).

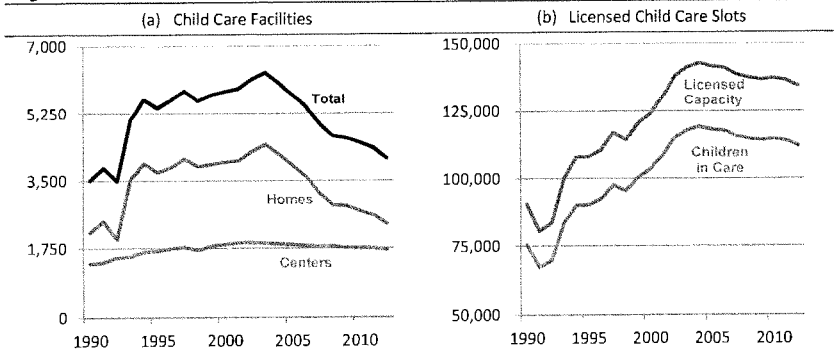
More than 112,000 children were enrolled at the state's licensed child care facilities in 2012.[5] This represents about one in five children statewide of child care age with working parents.[6] Although most children continue to receive care from family members or through other forms of informal care, many of the state's working parents, particularly single mothers, would not be able to remain in the labor force without access to formal child care services.

More than 112,000 children are served by 4,100 licensed child care facilities operating in all 77 counties

The Expanded Role of Formal Child Care

The size of the child care industry in Oklahoma has undergone significant change the past two decades. Enrollment expanded rapidly between 1991 and 2004, as the number of children in care increased by more than 75% (*Figure 1b*). The expansion in the system was driven largely by welfare reform efforts and expanded access to Federally-funded child care subsidies.

Figure 1. Oklahoma Child Care Facilities and Capacity *(1990-2012)*



Source: OKDHS, OCCRRA, and RegionTrack

Since 2004, the industry has been in a slow consolidation phase, as child care enrollment has declined about 5 percent, from a peak of 119,000 children to 112,000 children in care currently. The slow downward trend in enrollment reflects a partial reversal of the surge that took place in the 1990s in the labor force participation rate for women, though nearly 60 percent of working-age women remain active in the labor force. More recently, continued declines in enrollment reflect a shift to more informal forms of care in the aftermath of the recent recession.

Meeting the Needs of Working Parents

The mix of child care facilities has adapted over the years to meet the needs of working parents and provide choice in child care. Currently, the industry is comprised of about 1,700 child care centers and 2,400 family care homes *(Figures 1 and 2)*. More than 80 percent of the children receiving care in both centers and family care homes are enrolled on a full-time basis.

***Figure 2. Child Care Facilities by Children in Care** (2012)*

Facility Type	Licensed Facilities	Children in Care		
		Full-Time	Part-Time	Total
Child Care Centers	1,709	80,941	14,408	95,349
Family Care Homes	2,372	14,047	2,617	16,665
Total	4,081	94,988	17,026	112,014

Source: OCCRRA, OKDHS, and RegionTrack

Child care centers have long served as the backbone of the industry in caring for the majority of children. Currently, the state's 1,700 child care centers provide care for more than 95,000, or 85 percent, of the 112,000 children in formal care *(Figure 2)*. While the number of centers has remained stable for many years, the number of licensed family care homes has fluctuated closely with overall demand for child care services the past two decades. The number of family care homes in Oklahoma more than doubled between 1992 and 2004 to meet the surge in demand for formal care in the period. The number of licensed homes has since contracted along with overall enrollment from nearly 4,500 homes in 2003 to fewer than 2,400 currently. Family care homes provided care for more than 16,500 children (15 percent of enrollment) statewide in 2012.

Parents also have access to child care facilities that meet a range of licensing criteria. The state instituted the "Star" quality rating system[7] for child care providers in 1998 in order to raise the quality of child care beyond basic licensing criteria, primarily by tying subsidy rates

to the quality of care. More than half of the state's licensed facilities, representing two-thirds of the available slots, currently hold national accreditation or meet additional qualifications that exceed the basic licensing requirements of a 1-Star facility *(Figure 3)*.

***Figure 3. Child Care Facilities by Star Rating** (2012)*

Star Rating	Facilities	Licensed Slots	Subsidized Slots
1 Star	1,932	42,316	1,408
1+ Star	160	1,801	604
2 Star	1,758	69,834	26,580
3 Star	231	20,522	8,955
Total	4,081	134,473	37,547

Source: OCCRRA and OKDHS

Paying for Care in Oklahoma

Access to safe and affordable child care remains a critical concern for Oklahoma's working parents with young children. Paying for care is especially challenging for low-income working families, with annual costs of $3,500-7,000 per child in full-time care. Child care is often the third-largest budget item for working families with children in paid care, typically behind only housing and transportation.

Working families face annual child care costs of $3,500-7,000 per child in Oklahoma

Because child care is simply not affordable for many families without financial assistance, the Oklahoma Department of Human Services takes an active role in assuring the availability of affordable and high quality care. Subsidies are available to help low-income working parents offset the cost of care and achieve a greater degree of financial independence. Subsidies are paid directly to child care providers and may include a family co-payment based on income. Subsidized care is also available to parents seeking job training.

Oklahoma's child care subsidy system provided $134 million in benefits to low-income working families in 2012

In 2012, the state subsidy system helped to offset the cost of care for more than 37,500 children and is a critical source of support for many of these working families *(Figure 3)*. Payments to child care providers on behalf of parents totaled $134 million, or approximately $3,570 per child in subsidized care. These payments represent more than one-fourth of the total receipts of the state's

licensed facilities. Subsidy recipients have access to high quality care, with more than 90 percent of children receiving subsidies enrolled in Two- and Three-Star rated facilities.

Federal grants and tax credits also play an important role in funding child care services. Federal child care grants[8] and other child-care related funding to the state totaled $132 million in 2012 and offset nearly all of the direct cost of the subsidy system. Oklahoma families received an additional $30 million in tax credits from the Federal Child and Dependent Care Credit.[9]

Economic Impact of Oklahoma's Child Care Industry

Direct Economic Contribution of the Child Care Industry

In meeting the expanded role for formal child care the past two decades, Oklahoma's network of child care providers has quietly expanded into a sizeable component of the state economy. In 2012, the state's 4,100 licensed child care centers and family care homes generated an estimated $496 million in revenue *(Figure 4)*.[10] The expansion in economic activity has been driven by a rise in both the number of children in care and the cost of care. On a per child basis, the industry generated more than $4,400 in revenue for each of the 112,000 children in care.

Oklahoma's child care facilities generated almost $500 million in revenue in 2012

Child care is among the most labor-intensive of the state's services industries and relies upon 20,500 full- and part-time workers to manage facilities and provide direct care. Much of the direct economic impact of the industry occurs through the payment of $290 million in labor income to workers (Figure 4) and the subsequent spending of these earnings within the state.

Figure 4. Economic Profile of Oklahoma's Child Care Sector *(2012)*

Facility Type	Licensed Facilities	Licensed Slots	Children In Care	Revenue (mil.)	Labor Income (mil.)	Employment
Child Care Centers	1,709	113,511	95,349	$431.3	$254.1	17,303
Family Care Homes	2,372	20,962	16,665	64.7	35.7	3,204
Total	4,081	134,473	112,014	$496.0	$289.8	20,507

Source: OCCRRA, OKDHS, and RegionTrack

The industry produces an unusually high share of total earnings relative to the size of the industry due to the labor-intensive nature of direct child care. Although average pay has increased along with growth in the industry, workers remain comparatively low-paid, with earnings of $16,450 annually per full-time-equivalent worker.

Purchases of goods and services needed to operate a child care facility also exert significant direct economic impact on other state businesses *(Figure 5)*. In 2012, Oklahoma's child care centers and family care homes purchased an estimated $110 million in goods and services from other businesses within the state. A wide range of products and services are required, including business and financial services, real estate, food products, transportation and maintenance services, and utilities.

***Figure 5. In-State Purchases by Oklahoma Child Care Facilities** (2012)*

Industry	Purchases
Business Services	$23,604,005
Real Estate	16,547,087
Financial Services	16,152,455
State and Local Government Services	12,145,379
Food and Agricultural Products	11,410,413
Communications	7,765,567
Utilities and Energy	5,606,722
Retail and Wholesale Trade	4,960,794
Other Goods and Services	3,578,906
Professional Services	2,934,665
Transportation Services	2,842,012
Maintenance/Repair Of Structures	1,323,930
Entertainment Services	969,954
Total Purchases	$109,842,000

Source: IMPLAN and RegionTrack

The Child Care Industry is a Large Network of Small Businesses

The state's 4,100 child care facilities form a large network of traditional small businesses, many of which are women-owned and operated. Child care centers are fewer in number but are larger businesses on average and provide care for more children than family care homes. As a result, centers play a much larger role in the total economic impact generated by the industry than homes. Overall, child care centers account for more than 80 percent of the children enrolled in formal care and generate more than 80 percent of the industry's total gross receipts.

A typical operating[11] child care center in Oklahoma has 60 children enrolled, earns annual revenue of $257,500, and provides payroll of $152,000 for 7 full-time and 3 part-time workers. In comparison, a typical family care home is operated out of a personal residence, provides care for 6 or 7 children, earns annual revenue of $28,500, and provides earnings of $15,750 for 1 or 2 workers.

The aggregate size of the child care industry and its increased role in the state economy is evident when viewed alongside other major industry sectors *(Figure 6)*. The industry's $496 million in revenue is similar to that of the state's printing industry and exceeds that of the state's newspaper publishing and ready-mix concrete industries. Total wages paid in the industry exceed those paid in the retail clothing, radio and television broadcasting, and dry cleaning and laundry services sectors. The number of workers in child care is similar to grain farming and retail clothing stores, both of which are similarly-sized labor-intensive industries with significant part-time employment. And, similar to the personal care services and investigation and security services industries, the majority of the revenue generated within the industry is used to pay workers.

Figure 6. Child Care vs. Similar-Sized Oklahoma Industries *(2012)*

Industry	Industry Output (mil.)	Employment	Labor Income (mil.)
Grain farming	$658.9	21,802	$127.2
Retail clothing stores	582.4	13,184	248.9
Radio and TV broadcasting	573.0	2,849	284.6
Printing	515.2	3,686	144.9
Child day care services	**496.0**	**20,507**	**289.8**
Ready-mix concrete manufacturing	467.9	1,667	80.5
Newspaper publishers	419.6	4,029	151.4
Personal care services	395.7	8,017	231.1
Investigation and security services	360.4	8,332	228.6
Dry cleaning and laundry services	336.1	8,108	267.8

Source: Bureau of Labor Statistics, IMPLAN, and RegionTrack

The highly labor-intensive nature of child care places the industry alongside many of the state's key services sectors based on total employment *(Figure 7)*. The industry employs approximately the same number of workers as home health care, legal services, and accounting-related firms. Child care providers also employ about a third more workers than the state's telecommunications firms and insurance carriers.

Figure 7. Employment in Oklahoma Services Industries (2012)

Industry	Employment
Truck transportation	29,404
Civic, social, and professional organizations	24,776
Home health care services	21,947
Child day care services	**20,507**
Legal services	19,928
Accounting, tax preparation., bookkeeping, & payroll services	19,319
Architectural, engineering, and related services	18,874
Telecommunications	15,150
Insurance carriers	14,540

Source: Bureau of Labor Statistics, IMPLAN, and RegionTrack

Spillover Economic Impacts

The direct economic activity in the child care industry in turn generates substantial economic spillover activity statewide. Economic models[12] can provide estimates of the share of economic activity in a regional economy that originates from a given industry sector such as child care. These models reflect the interrelationships among the various sectors of the economy and can provide useful estimates of the amount of spillover economic activity generated.

In describing the spillover impacts from child care, the revenue, employment, and earnings generated within the child care sector are deemed "direct" impacts. These direct impacts in turn generate additional economic activity referred to as "indirect" and "induced" spillover, or multiplier, effects.[13]

Based on model estimates, the $496 million in direct economic activity in the state's child care facilities in 2012 in turn supported an additional $367 million in spillover economic output at other Oklahoma firms. This added output further supported an estimated 3,900 existing jobs and $133 million in labor income[14] paid to workers in other industries across the state *(Figure 8)*.

Estimates suggest that economic activity within the child care sector indirectly supports $367 million in other state economic output and 3,900 additional jobs with earnings of $133 million annually

Figure 8. Child Care Industry Multiplier Effects (2012)

Impact	Direct Effects	Indirect/Induced Multiplier Effects	Total Impacts
Output (Gross Revenue)	$496.0 mil.	$367.0 mil.	$863.0 mil.
Employment (FTE jobs)	17,631	3,879	21,510
Labor Income	$289.8 mil.	$133.3 mil.	$423.1 mil.

Source: IMPLAN and RegionTrack

Other spillover impacts from the child care sector include an estimated $23.2 million in annual tax payments to state and local government *(Figure 9)*. The primary tax streams are state and local sales tax and state personal income tax.[15] The largest source is direct tax payments by the state's child care facility operators and workers who earned an estimated $290 million in direct labor income in 2012. These workers paid an estimated $15.9 million in direct tax, including $10.1 million in sales tax and $5.8 million in state income tax. On average, state child care workers paid approximately 5.5 percent of their direct earnings in sales and income tax. Additional estimated tax revenue totaling $7.3 million annually is generated as a result of the spillover effects on other state industries.

Figure 9. Estimated Tax Revenue From Child Care Industry Activity (2012)

Multiplier Effect (millions)	Labor Income	Taxes			Total Tax
		State Sales	Local Sales	State Income	
Direct	$289.8	$5.87	$4.24	$5.80	$15.90
Indirect & Induced	133.3	2.70	1.95	2.67	7.32
Total	$423.1	$8.57	$6.19	$8.47	$23.22

Source: RegionTrack, IMPLAN, and Oklahoma Office of State Finance

Child Care and State Economic Development

The economic role of child care extends beyond the direct operations of the industry and the resulting spillover impacts generated. The availability of child care is now closely intertwined with the state's efforts to enhance early childhood development and maintain the quality and stability of the state's labor force. Meeting the state's ongoing demand for workers in coming years remains a concern given troubling demographic trends and demands for an increasingly skilled workforce.

Raising the Quality of Care in Oklahoma

Demand for increased quality of care continues to drive the makeup of services provided by the state's child care industry. Research has long pointed to a strong link between the quality of child care, both formal and informal, and early childhood development.[16] The increased usage of formal child care services in Oklahoma the past two decades only underscores the need for increased focus on the quality of care.

The child care system in Oklahoma continues to undergo enhanced quality initiatives and receive national recognition

The State of Oklahoma has long taken an active stance toward improving the quality of child care. A number of quality enhancement initiatives currently underway include efforts to improve training and certification of workers, provide access to professional consulting services, enhance child safety, provide better information flow, and increase compensation of child care workers. Among these efforts:

- The Oklahoma Child Care Resource & Referral Association is a network of eight regional agencies formed to assist child care providers in their efforts to offer age-appropriate learning experiences in healthy, safe environments through training, technical assistance and consultation, as well as help parents find quality care that meets their needs.
- The Oklahoma Department of Human Services recently formed a group of Consultation and Technical Support Specialists (CATSS) to aid One-Star Plus and higher rated child care facilities to improve the quality of care through onsite consultation and technical support.
- The REWARD Oklahoma program provides education-based salary supplements to teachers, directors, and child care practitioners working with young children in child care settings.
- The Oklahoma Early Learning Guidelines for Three through Five Year Olds and The Oklahoma Early Learning Guidelines for Infants, Toddlers and Twos were adopted in 2007 and 2010, respectively. These initiatives provide guidance to teachers concerning the knowledge and skills children need in order to experience success.

- The Oklahoma Registry measures and recognizes through certification the professional development of individuals working in the early care and education field.
- Scholars for Excellence in Child Care awards scholarships to child care professionals to pursue coursework and certification in the areas of child development and early childhood education.
- The Child Care Mental Health Consultation program provides mental health professionals as consultants to licensed child care centers and homes.
- Oklahoma Core Competencies for Early Childhood Practitioners were adopted in 2009 to define best practices and standards for those who work with children in early care and education settings and programs.
- The Child Care Restricted Registry was established in 2010 to identify prospective child care workers who had a specified criminal history, confirmed child abuse or neglect history, or child care licensing history of revocation or denials of a child care license.

Oklahoma has received considerable national attention for its efforts to improve the quality of care at its licensed child care facilities. The National Association of Child Care Resource and Referral Agencies (NACCRRA) recently recognized Oklahoma as the top ranked state for child care center licensing and oversight in 2011.[17] The state was similarly ranked first by NACCRRA in their review of family child care home program requirements and oversight in 2012.[18]

Economic Growth and Subsidized Child Care

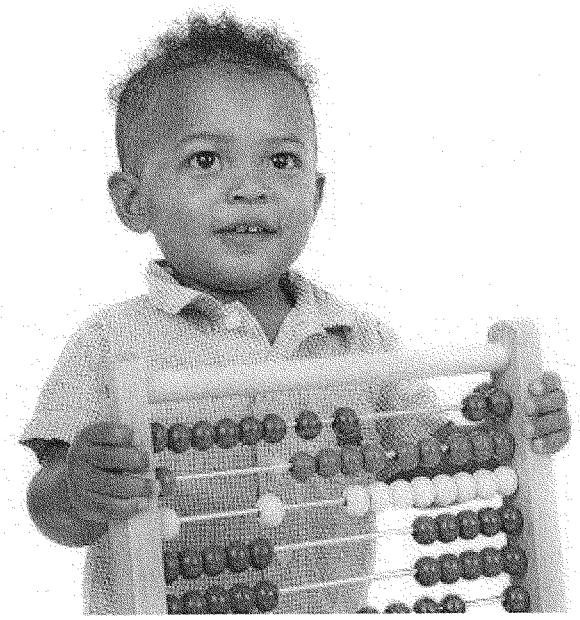
The link between child care availability and the state's workforce also has implications for overall state economic growth. Economic research generally confirms that child care subsidies increase the likelihood that low-income workers will choose to enter the labor force. While subsidies bring new entrants into the workforce, concern remains that the cost of subsidies may offset any potential net economic gain to the state economy and that subsidies merely redistribute income at the expense of overall economic growth.

Research indicates that child care subsidies can produce net economic benefit to the state economy even after the cost of subsidies is considered

Recent research[19] on Oklahoma's child care system examines this question of the broad economic impact the current child care subsidy system has on state economic growth. Using a custom model[20] of the state economy, the results indicate that subsidies do in fact work to encourage low-income parents to use child care benefits as a means for entering the labor force. Many low-skilled workers will opt to participate in the labor force if assistance is available to offset the financial hurdle of child care costs.

The results also suggest that subsidies can provide net economic benefits to the Oklahoma economy even after accounting for the cost of subsidies. The key question is how the subsidies are funded. When new taxes are levied to pay for child care subsidies, the cost slightly more than offsets the overall increase in economic activity. However, when funding for subsidies is shifted from other forms of government spending, subsidies for working parents produce small net benefits to state economic growth. This suggests that subsidization of parents to enter the labor force produces more net economic activity, on average, than many alternative uses of state spending.

In general, the results from the study suggest that is possible to raise the income of the least-skilled and most disadvantaged workers in Oklahoma by subsidizing child care without imposing burdensome drag on overall state economic activity. Working parents, often the least skilled, can become more financially independent by engaging in productive work and not imposing economic burden on the broader state economy. Hence, maintaining access to quality, affordable child care has the potential to serve as a viable economic development policy channel going forward.



Endnotes

[1] For this report, the child care industry is defined as those formal child care centers and family care homes licensed and monitored by the State of Oklahoma. State law mandates that anyone who provides child care on a regular basis be licensed by the Oklahoma Department of Human Services. Care by family members and other forms of informal care are not regulated and are excluded from the report.

[2] This report serves as a follow-up to an initial study of the Oklahoma child care industry released in 2004. See: Snead, Mark C. *The Economic Impact of Oklahoma's Child Care Industry*. Jan. 2004. Oklahoma State University, Center for Applied Economic Research. Available online at http://economy.okstate.edu/caer/files/okchildcareimpact2003.pdf

[3] The profile of the child care industry and subsequent economic impact estimates are based on fiscal year 2012 data ended June 2012.

[4] The decision by a parent to enter the work force does not necessarily imply the use of paid, organized child care services. Many parents instead choose to share parental care duties with the other parent, use paid or unpaid relative care, or use other informal care arrangements.

[5] The number of children in care is determined using a database on child care facilities maintained by OCCRRA. Available data items include licensed capacity, desired capacity, and vacant slots based on the desired capacity for each facility. The number of children enrolled is determined using the share of utilized licensed slots estimated at the facility level. In the sample, approximately 86.0 percent of licensed slots at child care centers, and 79.5 percent of licensed slots at family care homes, were utilized in December 2012. These estimated shares are used along with the total number of licensed slots in June 2012 as reported by OKDHS to estimate total enrollment by facility type.

[6] There are an estimated 598,504 children in Oklahoma ages 0-12 with either two working parents or a single parent who works. Source: Oklahoma State Data Center, Policy, Research, and Economic Analysis Division, Oklahoma Department of Commerce.

[7] In Oklahoma's Star system, One-Star facilities meet the state's basic licensing criteria; One-Star Plus facilities are making progress toward Two-Star certification; Two-Star facilities have either attained national accreditation or meet additional qualifications including an enhanced learning environment, increased parental involvement, and ongoing program assessment; Three-Star providers are nationally accredited or in compliance with Head Start performance standards and meet additional quality criteria.

[8] These grants are primarily from the Child Care and Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) programs. Federal grants and other direct child care-related funding received by the state totaled $132.1 million in FY2012 based on OKDHS reports.

[9] The federal Child and Dependent Care Credit provides for a tax credit of up to 35 percent of the cost of care for a qualifying child or disabled adult.

[10] Revenue estimates are formed by multiplying the number of children in care by estimates of the revenue collected per child. Separate estimates of revenue per child are computed for both child care centers and family care homes by Star Rating using survey data collected by the Oklahoma Department of Human Services.

[11] A small percentage of licensed child care facilities (2 percent of child care centers and 4.5 percent of family care homes) will not be in active operation at any given time. Non-operating facilities are excluded in estimating the direct and spillover economic impact estimates per facility.

[12] A multi-sector IMPLAN input-output model of the Oklahoma economy is used to estimate the underlying linkages between the child care industry and the state economy. Caution must be exercised when using input-output multipliers to estimate the total economic activity 'supported' by an existing industry or firm. Input-output multipliers are intended to predict the change in economic activity that results from an incremental change in the current state of a regional economy. More specifically, the estimates we provide for the child care industry reflect input-output model predictions of the incremental impact that would result if the $496 million in industry revenue in the existing child care industry was introduced to the state economy. The actual realized impact is determined by the overall adjustment process that would take place in each locale as child care industry expands.

[13] The indirect effect is the statewide inter-industry economic activity resulting from purchases by the state's child care facilities, while the induced effect reflects the economic activity resulting from new household spending out of employee earnings received as part of the direct and indirect effects. For convenience, the spillover impacts are typically summarized using economic impact multipliers. The multipliers quantify the amount of spillover activity resulting from each dollar of activity in the state child care sector. The indirect and induced effects are derived using the Type I multipliers [(direct + indirect)/direct] and Type II multipliers [(direct + indirect + induced)/direct] below:

Oklahoma Child Care Services Economic Impact Multipliers

	Direct Effect	Indirect Effect	Induced Effect	Type I Multiplier	Type II Multiplier
Output	1.00	0.31	0.43	1.31	1.74
Employment	1.00	0.10	0.12	1.10	1.22
Labor Income	1.00	0.19	0.27	1.19	1.46

Source: IMPLAN

More generally, the output multipliers provide an estimate of the amount of output generated statewide per dollar of new output generated in the child care industry. Employment multipliers provide an estimate of the number of jobs generated statewide per new job added in the child care industry. Labor income multipliers provide an estimate of the amount of new labor income generated statewide per new dollar of labor income added in the child care industry.

[14] The earnings multipliers are based on labor income rather than a narrower measure of income such as employee compensation because the child care industry has a large number of self-employed workers. Labor income better reflects the impact of the combined earnings of both wage and salary and self-employed workers.

[15] Direct personal income tax estimates assume a 2.0 percent average personal income tax rate for child care workers. Direct sales tax estimates assume that 45 percent of labor earnings are subject to state and local sales tax within Oklahoma at an average tax rate of 7.75 percent.

[16] For a comprehensive study of the effects of the quality of early childhood care on child development, see: *NICHD Study of Early Child Care and Youth Development*. National Institute of Child Health and Human Development. Available online at http://www.nichd.nih.gov/research/supported/Pages/seccyd.aspx.

[17] See "*We Can Do Better*." Mar. 2011. NACCRRA. The Department of Defense was the only entity to receive a ranking higher than Oklahoma. Available online at:
http://www.naccrra.org/sites/default/files/default_site_pages/2011/wcdb_sum_chpts1-5.pdf

[18] See "*Leaving Children to Chance*." Mar. 2012. NACCRRA.
http://www.naccrra.org/sites/default/files/default_site_pages/2012/lcc_report_full_april2012.pdf

[19] See: Rickman, Dan S. and Mark C. Snead. "*A Regional Comparative Static CGE Analysis of Subsidized Child Care*." Growth and Change. Mar. 2007. Vol. 38, No. 1, pp. 111-139.

[20] The study uses a custom Computable General Equilibrium (CGE) model of the state of Oklahoma to evaluate the distributional economic impacts of child care subsidies for low-skilled, low-wage workers.

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oklahoma child care
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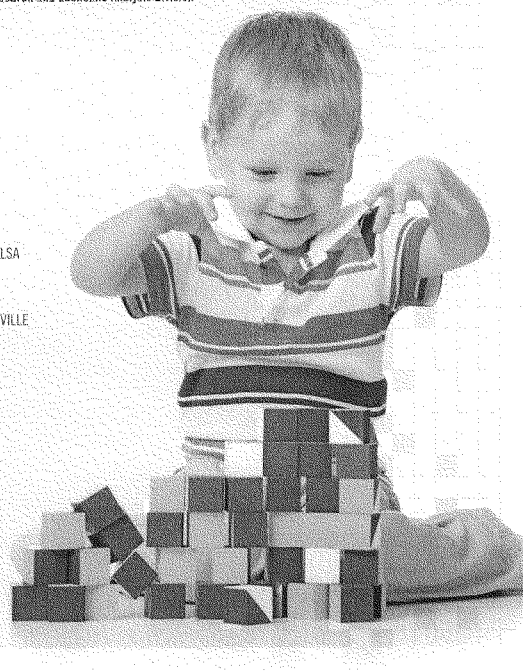

2012 OKLAHOMA CHILD CARE PORTFOLIO

A publication reporting on the quality, affordability and availability of child care and early education in Oklahoma. Data from the Oklahoma Child Care Portfolio is included on the website for the Oklahoma Child Care Resource & Referral Association at www.okchildcareportfolio.org

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TO VIEW THE COMPLETE COUNTY DATA PROFILES AND DATA TABLES:
www.okchildcareportfolio.org

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OKLAHOMA STATE PROFILE

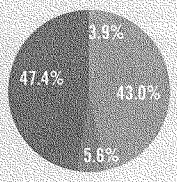
NEED

1) Children Needing Care while Parents Work

Age	Child Population	Children with Working Parents	
	NUMBER	NUMBER	PERCENT
0–5	316,500	183,461	58.0%
6–12	361,743	251,625	69.6%
0–12	678,243	435,086	64.1%

QUALITY

2) Star Ratings for Child Care Facilities



One-Star
One-Star Plus
Two-Star
Three-Star

94.6% of children receiving child care assistance from DHS received care in a Two or Three Star facility.

AVAILABILITY

3) Licensed Child Care Capacity

Type of Facility	Number of Facilities	Number of Spaces
Child Care Centers	1,709	113,511
Family Child Care Homes	2,372	20,962
STATE TOTAL	4,081	134,473

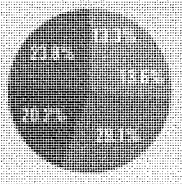
AFFORDABILITY

4) Average Costs of Child Care in Oklahoma (dollars per week)

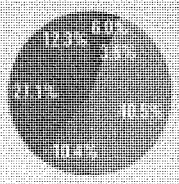
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Child Care Center	$135.00	$119.45	$104.80	$101.21	[illegible]	[illegible]
Child Care Home	$97.78	$91.03	$91.50	$90.36	[illegible]	[illegible]

REQUESTS TO R&R

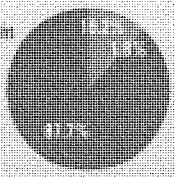
5) Ages for Which Care is Sought



7) Non-Traditional Schedules Sought



6) Amount of Care Sought



EARLY EDUCATION

8) Enrollment

	Pre-Kindergarten (4-Year-Olds)		Kindergarten (5-Year-Olds)	
	HALF DAY	FULL DAY	HALF DAY	FULL DAY
# Children	105	444	19	618
Enrollment	19,542	80,391	2,105	68,082

76% of 4-year-olds are enrolled in a full or part-day Pre-K program.

100% of 5-year-olds are enrolled in a full or part-day Kindergarten program.

OVERVIEW

THE 2012 OKLAHOMA CHILD CARE PORTFOLIO IS THE SEVENTH COMPILATION OF DATA AND INFORMATION ABOUT HOW OKLAHOMA IS CARING FOR ITS YOUNGEST RESIDENTS. The project reports and analyzes Oklahoma licensed child care statistics by age group. It assesses child care supply, demand, quality and cost-per-child, and explores the economic factors that impact the status of child care in the state. The data includes licensed child care centers, family child care homes and Head Start programs. In addition, the Portfolio data also addresses public school kindergarten and pre-kindergarten programs, which sometimes collaborate with licensed child care providers to deliver early care and education to Oklahoma families.

The lead organization for the project is the Oklahoma Child Care Resource & Referral Association, a private, not-for-profit corporation that receives contracted funds from the Oklahoma Department of Human Services, Oklahoma Child Care Services (OKDHS-OCCS) to guide and administer the statewide network of resource and referral agencies.

The Association:

- helps parents find quality care that meets their needs and helps those eligible to locate and apply for assistance in paying for care
- assists child care providers in their efforts to offer age-appropriate learning experiences in a healthy, safe environment that meets the OKDHS licensing requirements, including training, technical assistance and consultation
- provides information to enable policy-makers and community members to advocate effectively for continuous improvements in Oklahoma's child care system

In the State of Oklahoma, child care must generally be licensed by OKDHS, unless it

- is provided by a relative of the child or by a nanny or housekeeper in the child's own home
- operates less than 15 hours per week
- takes children who attend on a drop-in basis while parents are nearby in the same building
- consists of informal arrangements which parents make with friends or neighbors to care for their children once in a while

For complete information on the Oklahoma Child Care Facilities Licensing Act—its requirements, enforcement and exemptions—please contact the Oklahoma Department of Human Services, 1-800-347-2273 or www.okdhs.org.

For the most part, the Oklahoma Child Care Resource & Referral Association concerns itself with licensed child care. However, some tribal resource and referral agencies also serve relative providers who are exempt from licensing requirements.

The 2012 Portfolio focuses on the economic impact of care in our state and how Oklahoma can continue to lead the nation in quality standards.

ECONOMIC IMPACT

OCCRRA COMMISSIONED MARK SNEAD, PRESIDENT AND ECONOMIST FOR REGIONTRACK, INC., TO MEASURE THE IMPACT OF CHILD CARE ON OKLAHOMA'S ECONOMY IN 2012. The newest report is an update to *The Economic Role of Oklahoma's Child Care Industry*, first published by Dr. Snead in 2003.

Child care continues to play a vital role in Oklahoma's economy. Child care allows parents to work and provide for their families. Small child care businesses employ workers and purchase goods. While the short term economics of the child care industry are important, the role of long term effects is even greater. Children who receive quality early care and learning experiences are more likely to hold a job, go to college and be married. They are less likely to go to jail, have substance abuse problems and depend on welfare. The impact of quality early learning environments is most dramatic for children from low-income families.

Dr. Snead's research shows the direct revenue generated by the child care industry has increased in the last decade by $90 million with a total of nearly $500 million in 2012. Child care has become a sizeable part of the state economy, comparable in revenue to the printing business or to ready-mix concrete manufacturing. Child care is a labor intensive sector which employees about 20,500 people. This level of employment is similar to the separate industries of legal services, home health care, and accounting, bookkeeping and payroll services.

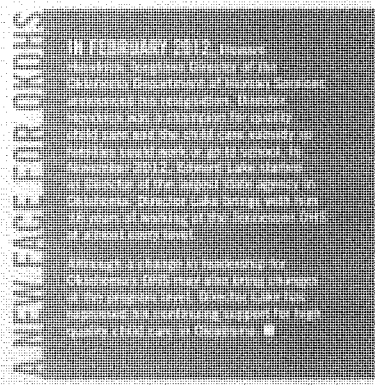
In addition, economic activity in the child care sector indirectly supports an estimated $367 million of spillover economic output in other state industries and 3,900 additional jobs with earnings of $133 million annually.

More than 112,000 children are enrolled in formal child care in our state which equals about one in five children of child care age, birth–12. This is an increase of more than 75 percent over the past two decades. The updated study noted a consolidation in the child care industry over the last decade. Fewer programs are caring for the same overall total number of children. There are almost 2,000 fewer child care facilities in operation, with a trend toward programs licensed for larger numbers.

Child care is a major expense for families. It costs an average of $6,250 a year for full time care for an infant in an Oklahoma child care center. Low-income working families simply cannot afford the cost. The Oklahoma Department of Human Services offers child care subsidy benefits to families who meet income guidelines so that children can be cared for in licensed, high quality settings while their parents work or attend school or training. Child care subsidies provide net economic benefits to the Oklahoma economy even after accounting for the cost of subsidy[1] according to new research; the program pays for itself and adds to economic growth.

The study suggests that maintaining access to quality, affordable child care has the potential to serve as a viable economic development policy agenda going forward. The child care industry yields positive economic benefits in three areas; early childhood investment, families in the workforce and the growth of small child care business. The child care industry in Oklahoma indisputably has created a positive economic impact on our state.

[1] *The Economic Role of Oklahoma's Child Care Industry*, Report by Regiontrack, Inc., January 23, 2013. Page 10.



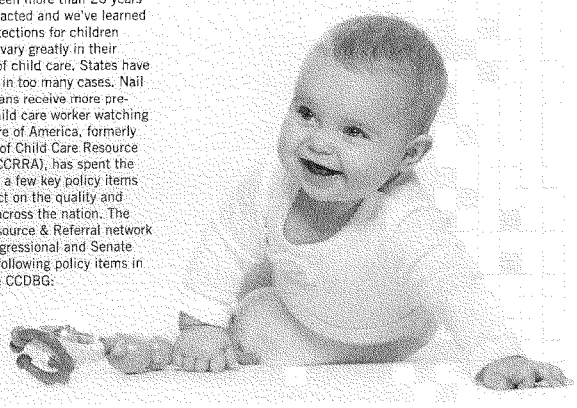
LEGISLATIVE CHANGE

THE LEGISLATIVE SESSION OF 2012 PROVED TO BE AN EXCITING ONE RELATING TO CHILD CARE. Many pieces of legislation were introduced that could have had a direct impact on the child care industry. The Child Care Resource & Referral network across the state mobilized to educate legislators and other local leaders about the lasting impacts particular pieces of legislation could have on the child care system and ultimately, the children of our state.

Ultimately, SB1800 was the only piece of legislation regarding child care that passed the Oklahoma Legislature and was signed by Governor Mary Fallin. SB1800 added language to existing legislation that pertains to the Child Care Advisory Committee of OKDHS, whose role is to carry out the provisions of the Oklahoma Child Care Facilities Act, prepare and recommend minimum requirements and standards for child care facilities, advise on the development of quality child care programs, and educate the public regarding quality child care. *The committee now has the responsibility for creating a Child Care Facility Peer Review Board.*

At the federal level, the network continues its work for the reauthorization of the Child Care and Development Block Grant (CCDBG), the federal law that allocates funding to states for child care and has guidelines for how states operate their child care systems. It's been more than 20 years since the law was first enacted and we've learned that without stronger protections for children in the federal law, states vary greatly in their standards and oversight of child care. States have failed to protect children in too many cases. Nail and veterinarian technicians receive more pre-service training than a child care worker watching children. Child Care Aware of America, formerly the National Association of Child Care Resource & Referral Agencies (NACCRRA), has spent the last few years focused on a few key policy items that would have an impact on the quality and standards for child care across the nation. The Oklahoma Child Care Resource & Referral network meets yearly with its Congressional and Senate members to discuss the following policy items in the reauthorization of the CCDBG:

- Require complete background checks for all paid providers who regularly care for unrelated children. This includes fingerprint checks.
- Require quarterly unannounced inspections of licensed providers. This is the same as what Congress requires for military child care. *Oklahoma already meets this standard.*
- Require all paid providers to complete adequate training. This means 40 hours of initial training and 24 hours of annual training. This is a modest requirement compared to the hundreds to training hours states require for manicurist or barbers who have important jobs but aren't caring for the lives of children. Initial training should include CPR, first aid, child abuse detection and reporting, basic safety and health, and child behavior and development. More than a checklist, training is intended to strengthen behavior and promote quality care.
- Increase the quality set aside to 12 percent and further increase it to 25 percent over time. This would bring child care on par with Head Start. Quality set aside funds can be used for compensation projects, training and technical assistance efforts, and development and support of innovative strategies, all of which can improve quality of care.



FROM A NATIONAL PERSPECTIVE

WHILE NATIONALLY, CHILD CARE STANDARDS ARE WEAK, OKLAHOMA HAS CONTINUED to maintain its ranking at the top for its standards and oversight of child care homes and centers. Child Care Aware of America, formerly NACCRRA, reports biennially on child care homes and centers. Oklahoma consistently earns high marks in comparison with the other fifty states, the District of Columbia and the Department of Defense.

OVERSIGHT OF FAMILY CHILD CARE HOMES

In the updated 2012 study,[2] Oklahoma ranks number 1 with 120 out of a possible 150 points (80 percent) based upon 15 factors including a licensing requirement for providers caring for even one unrelated child; pre-licensing inspections; surprise inspections after licensing and when complaints have been filed; criminal background investigations of child care workers; access to learning materials; and training/educational requirements for providers.

Although our state was deemed better than all others, including Washington, DC and the Department of Defense, Child Care Aware of America's report noted that a score of 80 percent left room for improvement. Because "care offered in a family child care home is one of the largest segments of the child care industry," it is imperative that these environments be safe, healthful and developmentally appropriate. This can only be assured with adequate state licensing requirements, continual monitoring and quick, effective enforcement actions when problems are discovered. Child Care Aware has an ongoing presence on Capitol Hill for the federal reauthorization of the Child Care and Development Block Grant to establish basic requirements and standards for all states regarding family child care homes.

OVERSIGHT OF CHILD CARE CENTERS

In an updated report issued in 2011,[3] NACCRRA reviewed states' policies, standards and oversight of child care centers, ranking Oklahoma first among the 50 states (or second behind the Department of Defense's independent system). Oklahoma moved up one spot, in front of the District of Columbia, but maintained its number one ranking among the states. Our state earned 114 out of a possible 150 points (76 percent) to beat the national average of only 87 points (58 percent). Rankings were based on 15 separate criteria. Ten relate to basic state standards. The other five relate to oversight of compliance with the standards.

Although 76 percent leaves much to be desired, Oklahoma's rank, when compared with the other 50 states, reflects continual progressive leadership and commitment to improving the quality of care for its children.

PARENTS AND THE HIGH COST OF CHILD CARE

Parents who pay for child care know too well the burden the large expense can have on their finances. The updated report[4] shows national child care costs far exceeds the amount a family spends on food. In 40 states and the District of Columbia, center based infant care was higher than 10 percent of median income for a two-parent family. In Oklahoma, infant care in a child care center is 14 percent of the median household income.

Daily, low and middle income families sacrifice the quality of care for cheaper substandard care in order to make ends meet. The economy over the past couple of years has done nothing to improve this situation for parents but has pushed them further into a corner, making quality care for their children further out of reach.

PARENTS PERCEPTIONS OF CHILD CARE

NACCRRA spent a year, from 2009 to 2010, conducting a scientific poll on the perception of child care in America and gathering parents' stories. The stories in the report[5] are from just a few of the millions of parents across the nation who face daily child care challenges. Studies have repeatedly shown that high-quality child care helps children enter school ready to learn. The bottom line conclusion is that families expect safe, high quality, affordable child care that prepares children for success in school and in life. Unfortunately, the reality is often much different. NACCRRA estimates less than 10 percent of the nation's child care is of high quality even though studies have repeatedly shown that high-quality child care helps set the foundation for future success. ■

[2] Leaving Children to Chance: 2012 Update: NACCRRA's Ranking of State Standards and Oversight of Small Family Child Care Homes. For the full report, see: http://www.naccrra.org/policy/state-and-federal-policy/_site_page/2012/_doc_report_full_april2012.pdf

[3] We Can Do Better: 2011 Update: NACCRRA's Ranking of State Child Care Standards and Oversight. For the full report, see: http://www.naccrra.org/policy/state-and-federal-policy/_site_page/2011/_doc_report_2011_final_08.01.11_.pdf

[4] Parents and the High Price of Child Care: 2012 Update. For the full report, see: http://www.naccrra.org/sites/default/files/default_site_page/2012/_doc_report_2012_final_08.01.12_.pdf

[5] The Economy's Impact on Parents' Choices and Decisions About Child Care. For the full report, see: http://www.naccrra.org/sites/default/files/default_site_page/2010/_doc_economy's_impact_on_parents_choices_and_decisions_2010.pdf

THE NEED FOR CHILD CARE

SOME 11 MILLION U.S. CHILDREN UNDER AGE FIVE SPEND TIME IN SOME FORM OF CHILD CARE EVERY WEEK WHILE THEIR PARENTS WORK. On average, that time comes to 35 hours a week.[6] Furthermore, 64 percent of American mothers of children under six years old are in the workforce.[7]

In Oklahoma, as in the rest of the nation, child care is a necessity for families who need two incomes in order to make ends meet, as well as for single parents working to support their children. Over 180,000 (58 percent) of Oklahoma children under six need care because both parents work or because a single head-of-household parent works. In addition, more than 250,000 (69.9 percent)[8] of Oklahoma's children aged six to 12 live in families where all parents work. These children may need care before and/or after school and during holidays and breaks from school.

Whether care is provided by a relative, a friend or a licensed facility, it is a fact of life that working parents must find arrangements for their children during at least part of the week. When a child regularly spends time with a non-relative caregiver, the provider must be licensed and should furnish a safe, loving and educational environment. The more time spent with a non-parental caregiver, the greater the impact of the caregiver on the child's development.

To assist parents in finding a child care provider that meets their needs, the Oklahoma Child Care Resource & Referral Association maintains a presence in all 77 counties to offer information and referrals, along with consumer education that helps families make knowledgeable selections. From their personal, telephone and electronic contacts with parents who seek child care, the community

9) Children Needing Care while Parents Work

Age	Child Population	Children with Working Parents	
	NUMBER	NUMBER	PERCENT
0–5	316,500	183,461	58.0%
6–12	361,743	251,625	69.6%
0–12	678,243	435,086	64.1%

10) Counties with Greatest Need (children under 13 with working parents)

County	Percent
Carter County	71.8%
Noble County	72.1%
Nowata County	77.3%
Tillman County	78.7%
Love County	80.9%

11) Counties with Least Need (children under 13 with working parents)

County	Percent
Cimarron County	46.7%
Harmon County	47.1%
Okfuskee County	48.4%
Washita County	48.8%
Beckham County	52.3%

agencies maintain records about what types of child care parents need. A majority of the requested referrals were for full time care (87.7 percent) and infant or toddler care (50.7 percent).

In addition to the typical Monday through Friday daytime work schedule, many parents need care while they work non-traditional shifts at nights and on weekends. Thirty-eight percent of parents who sought assistance finding child care needed an atypical schedule; this is a five percent increase in two years.

While there is still disparity in levels of need from county to county in our state, the overall need for child care has decreased since 2008. This could be attributed in part to the sluggish economy. An increase in unemployment means a decrease in the need for child care.

Single working parents are perhaps the group with the most urgent need for child care because the wellbeing of the family depends on only one wage earner. In Oklahoma County, 30 percent of children under 13 live with a single parent in the workforce. Seminole and Tillman Counties have higher numbers of single parents, with 36.8 percent and 38.0 percent, respectively. ■

[1] *Child Care in America: State Fact Sheets*. NACCRRA. For full report, see: http://www.naccrra.org/sites/default/files/default_site_pages/2012/12/child-care-america-fact-sheets.pdf

[2] *Employment Characteristics of Families Spreadsheet, 2011*. Bureau of Labor Statistics. http://www.bls.gov/news.release/famee.htm#tbl

[3] *Oklahoma Early Care & Education Portfolio: 2012 Updated Data*. To view the data and its sources, see http://www.okecpp.org/portfolio.aspx

AVAILABILITY OF CHILD CARE

WHEN PARENTS NEED CARE FOR THEIR CHILDREN WHILE THEY WORK, MOST HAVE A NUMBER OF OPTIONS, INCLUDING RELATIVE CARE, A FAMILY CHILD CARE HOME, A LARGE CHILD CARE CENTER, a local Head Start center or even a nanny or housekeeper who will provide care in the child's own home. Some will turn to care by a friend or neighbor—which may or may not be a legal option.

RELATIVE CARE

If they have extended family members available and willing to care for their child, parents may prefer relative care over other options, primarily because they are familiar with the relative and share common values, and because the care may be more affordable. Even the most loving aunt, uncle or grandparent may not be qualified to provide an age-appropriate learning environment or opportunities for the child to interact with peers. On the other hand, this type of care can build and strengthen generational ties and cultural affiliations. Unfortunately, in our modern, mobile society, extended family members may not live nearby, or may, themselves, be employed outside the home. Because relative care is not licensed, no records are available to indicate how many parents choose this option.

FRIEND AND NEIGHBOR CARE

In Oklahoma, a friend or neighbor who cares for an unrelated child as much as 15 hours per week must be licensed by OKDHS. Because there are providers of this type of care that choose to ignore the law and are not licensed, parents need to be advised of the potential hazards of this type of arrangement. Without training, inspections and minimum standards, the friend or neighbor may not be able to provide the basics of health and safety. Financial considerations may entice a parent to choose an unlicensed home that is operating illegally, but this places the child in a potentially dangerous situation where there is no outside oversight.

FAMILY CHILD CARE HOME

When a provider cares for one or more unrelated children in his or her own home, the provider must be licensed as a family child care home. Many parents prefer this type of small, home-like setting for their child. The number of children allowed in a home can vary from one to as many as twelve in a large family child care home. The caregiver to child ratio is generally smaller than in a center and depends upon the mix of ages in the home. To be legal, all such homes must be licensed and are subject to periodic, unannounced inspection. Throughout Oklahoma, there are 2,372 licensed family child care homes, making 20,962 spaces available statewide. These numbers have continued to decrease over the last decade. The recession made its mark in Oklahoma and small businesses, such as family child care homes, were not spared.

CHILD CARE CENTER

A child care center typically offers more structured activities, a greater variety of learning materials and equipment, more children of like ages and multiple caregivers. They are typically more costly to operate and, therefore, must charge higher fees. Many parents prefer this type of setting precisely because it is larger and offers a wider range of services. In Oklahoma, there are 1,709 licensed child care centers (inclusive of Head Start Centers), offering a total of 113,511

12) Licensed Child Care Capacity

Type of Facility	Number of Facilities	Number of Spaces
Child Care Centers	1,709	113,511
Family Child Care Homes	2,372	20,962
STATE TOTAL	4,081	134,473

spaces. Even though the number of centers has decreased since 2010, the capacity of the centers has increased.

HEAD START CENTER

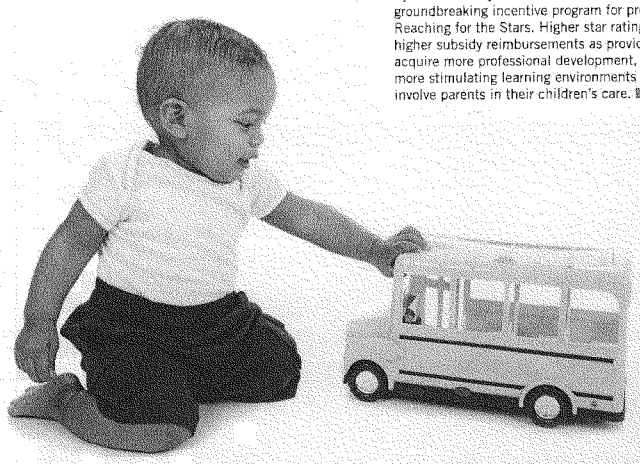
Head Start is a federally funded comprehensive child development program serving low-income children and their families. Head Start actually consists of two programs: Head Start (HS) and Early Head Start (EHS), with the first serving pre-school-aged children and the second serving children from prenatal to age three, including pregnant women. To be eligible for a Head Start or Early Head Start placement, a family's income must be at or below the Federal Poverty Level (for 2012 that translates to $23,050 for a family of four[5]).

VARIATIONS IN AVAILABILITY

Demand exceeds supply in certain requested hours of child care. In Fiscal Year 2012, more than one-third (2,415) of all parental requests for child care referrals fielded by Oklahoma's resource and referral agencies concerned care during non-traditional times, such as evenings (40.5%), overnight hours (10.4%), or weekends (27.1%). The need for child care during swing and night shifts will no doubt continue to present a challenge to both parents and providers. No matter the total number of referrals, the number of requests for this type of care has remained consistent in recent years.

Slots for infants have increased over the years, but the demand is consistently high. Twenty-four percent of requests to resource and referral agencies are for infant care. Caring for infants requires more staff, as well as more specialized supplies and equipment. These additional expenses may explain why some child care centers (16%) choose not to serve infants.

Sixty-eight percent of all licensed child care spaces in Oklahoma are available for families who need assistance in order to pay for care, and 28 percent of all Oklahoma children in licensed care receive subsidies. Furthermore, over 94 percent of children receiving child care assistance are located in a two-star or three-star facility. The large number of subsidized spaces in higher quality facilities may be attributable to Oklahoma's groundbreaking incentive program for providers, Reaching for the Stars. Higher star ratings mean higher subsidy reimbursements as providers acquire more professional development, create more stimulating learning environments and involve parents in their children's care.



[5] US Department of Health and Human Services, 2012 Poverty Guidelines, http://aspe.hhs.gov/poverty/12poverty.shtml#guidelines

AFFORDABILITY OF CHILD CARE

CHILD CARE IS EXPENSIVE. IN FACT, CARE FOR CHILDREN WHOSE PARENTS WORK FULL TIME REPRESENTS A SUBSTANTIAL FAMILY BUDGET ITEM, OFTEN RIVALING HOUSING COSTS. Fees vary depending on the child care setting; the age of the child; the geographic location of the facility; the care schedule used; and the quality of care (as indicated by the provider's level of professional development, the quality of the learning environment and the degree to which parents are involved in their children's care).

CHILDREN UNDER TWO

Care for an infant (under one year old) is the most costly category, followed closely by care for children under two. In Oklahoma, full-time care for an infant averages $120.00 per week in a child care center. Care for an infant averages $97.78 per week statewide in a family child care home. While the cost of care for an infant in a child care home has remained about the same over the past four years, the cost in a center has increased 15 percent.

For a child older than 12 months but younger than 24 months, the state average for a center is $113.45 per week. The state's average cost for a child this age in a family child care home is $95.83 per week. Costs may vary from county to county.

OLDER CHILDREN

Costs drop as children's ages increase, largely because staff-to-child ratios can be higher with older children. Care for a school-aged child averages $82.68 per week for care in a center statewide and $82.15 per week for care in a family home. From ages 0-3, rates are generally higher in a center. Beginning with school ages, however, a family home setting is generally more expensive.

CHILD CARE COSTS AND FAMILY INCOME

Assuming that a family needs care for an infant in a child care center for 46 weeks (52 weeks minus six weeks for maternity leave) during its first year of life, the fees could run $5,520, using the statewide average. If the infant is placed in a family home, the cost can be $4,365 that first year. Oklahoma City or Tulsa Metro parents can expect to pay $7,130 to $7,447, respectively for center care in the first year of a baby's life.

If a single mother has two children, ages 2 and 6, in a center for 52 weeks of care, her expenses will come to almost $9,700. The median housing cost per year is $8,544.[10] According to the most recent self-sufficiency study[11] for Oklahoma, child care is the largest expense for a single parent family who has more than one child.

CHILD CARE ASSISTANCE

For many single parent families, as well as some two parent families, licensed child care is not possible without state or tribal assistance. And yet, only a little less than nine percent of Oklahoma's children whose parents work utilize such a subsidy. Oklahoma families are incurring the large financial child care burden on their own.

Logan, Garfield and Oklahoma Counties have the largest percentages of child care slots that are subsidized by the state at 38.3 percent, 38.1 percent and 37.8 percent, respectively.

Cimarron, Ellis, Tillman, and Washita have fewer than five percent of their child care slots paid for with child care assistance.

13) Average Costs of Child Care in Oklahoma (dollars per week)

Type of Facility	under 1 yr	1 yr	2 yr	3 yr	4–5 yr	School Age
Child Care Center	$120.00	$113.45	$104.66	$101.21	$93.90	$82.68
Child Care Home	$97.78	$95.83	$91.50	$90.36	$89.05	$82.15

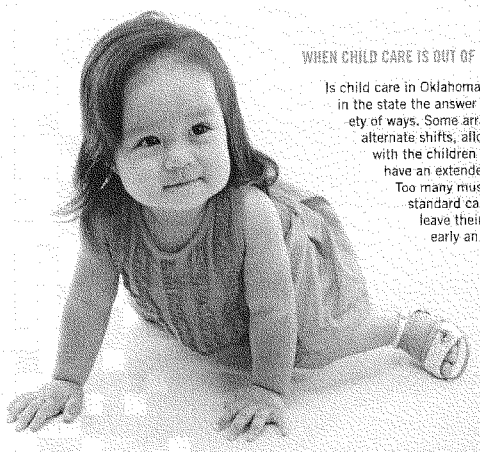
14) Licensed Capacity Accepting Subsidies

Type of Facility	[illegible]	[illegible]
Family Child Care Homes	1,349 / 96.3%	12,664 / 61.2%
Child Care Centers	1,131 / 66.3%	78,974 / 69.6%
STATE TOTAL	2,480 / 66.8%	91,638 / 68.3%

15) Subsidy Eligibility (as of 6/1/2008)

When a family of five members or less are working or in school they are eligible for some type of child care assistance if they fall within these income guidelines. This is just a sample of income eligibility requirements; OKDHS has more guidelines for larger families.

Children in Care	Monthly Income	Annual Income
1 Child	0–$2,425 / mo.	0–$29,100 / yr.
2 Children	0–$2,925 / mo.	0–$35,100 / yr.
3 or more Children	0–$3,625 / mo.	0–$43,500 / yr.



WHEN CHILD CARE IS OUT OF REACH

Is child care in Oklahoma affordable? For many people in the state the answer is no. Parents cope in a variety of ways. Some arrange their work schedules in alternate shifts, allowing one parent to be home with the children while the other works. Some have an extended family member available. Too many must turn to unlicensed, substandard care arrangements or even leave their children unattended at too early an age.

*US Census, 2011 American Community Survey, Table B25105

[illegible] University of Washington. The Self-Sufficiency Standard for Oklahoma: 2009. Prepared for the Oklahoma Asset Building Coalition. http://www.[illegible]org/[illegible]

QUALITY OF CHILD CARE

OKLAHOMA HAS ESTABLISHED A BASE LINE OF MINIMUM REQUIREMENTS FOR OBTAINING AND MAINTAINING A LICENSE TO OPERATE A CHILD CARE FACILITY. Basic standards include the safety and cleanliness of the child care setting, the provision of nutritious meals and snacks, low child to staff ratios, the enforcement of immunization requirements and the appearance of caring attitudes and behaviors from attending child care workers.

Oklahoma, unlike many states, goes beyond the minimum to encourage high quality care. Incentives are offered for child care providers to obtain continuing professional development, offer age-appropriate learning activities, and involve parents in their children's care. Targeted quality improvement programs enhance services to infants and toddlers, connect children with physical and mental health issues to appropriate services and educate parents about quality as they select child care for their families.

REACHING FOR THE STARS

Since February 1998, Oklahoma has used a quality criteria and tiered reimbursement program aimed at improving child care beyond the basic licensing criteria, especially for children receiving state-subsidized care. The program involves four distinct levels, designated by "stars," including one-star—the basic licensing level; one-star plus—in which a provider progresses toward two stars; two-star—in which a facility *either* attains national accreditation *or* fully meets additional quality criteria including provider qualifications, enhanced learning environment, increased parental involvement and program assessment; and three-star—in which a provider fully meets all the enhanced quality criteria *and* achieves national accreditation.

Although participation beyond the one-star tier is voluntary, subsidy reimbursement rates are tied to providers' star ratings, encouraging them to aspire to enhanced quality of care. This is especially significant for lower-income families whose children are in subsidized care, given that almost 95 percent of those children receiving assistance are in a two- or three-star facility.

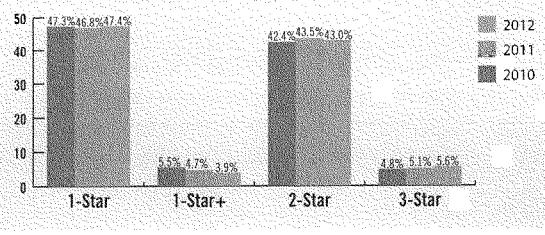
The Stars Program has operated more than thirteen years. The State Child Care Administrator, Lesli Blazer, is leading the child care system in a comprehensive review of the program to ensure it enhances the quality of children's daily experiences in early childhood programs based on the latest research and best practices. The redesigned Stars system is expected to have five Star levels with set criteria for the first two levels and then a point system for criteria at the higher levels, including points for accreditation. The new and enhanced program criteria are expected in the next few years.

PROFESSIONAL DEVELOPMENT

Providers who seek continuing education and training in order to improve the quality of their care have a number of options, from formal course work at Oklahoma's institutions of higher learning, to workshops and conferences within and outside the state, to distance learning opportunities, and membership in professional associations.

The Center for Early Childhood Professional Development, a service of the University of Oklahoma, is a centralized statewide program that

16) Star Ratings (Quality Indicators) for Child Care Facilities (2010-2012)



17) Slots by Star Ratings (2012)

coordinates the training of early childhood professionals, including child care center directors and teachers, as well as family child care providers. Among other functions, the Center:

- Manages the Early Care and Education Professional Development Ladder which tracks the educational progress of directors and teachers.
- Implements and maintains the Oklahoma Director's Credential.
- Recruits and maintains a registry of educators approved to offer training for child care providers.
- Develops and implements the Entry Level Child Care Training (ELCCT) course required of all new child care teachers working at centers.
- Offers a variety of training opportunities for child care providers across the state.
- Administers the Reward Oklahoma program, which supplements the salaries of child care providers who continue their education in early childhood care and education.

Oklahoma has approved the Oklahoma Early Learning Guidelines which serve as a foundation to connect what is taught with what is appropriate for very young children. The guidelines also provide a framework to encourage consistency among early childhood programs across Oklahoma. The guidelines are intended to assist parents, child care teachers and other caring adults regarding what children may know and be able to do.

All Family Child Care Home (FCCH) providers and Master Teachers at Child Care Centers must attend at least one fourteen hour session of Oklahoma Early Learning Guidelines (ELG) Training no later than January 1, 2014. There are two session from which to choose: *ELG for Infants, Toddlers & Twos OR ELG for Ages Three to Five.*

INFANT TODDLER SERVICES

For six years, 2006–2011, the child care resource and referral network was able to provide enhanced service to providers around Infant Toddler development through consultants in the Oklahoma City and Tulsa Metros and the Statewide Coordinator. Going into FY2012, the Association's budget was cut by 25% and this project could no longer be funded. While the requests have continued from providers needing technical assistance around components essential to infant and toddler development care such as child/caregiver interaction, supporting language and literacy development, supporting gross motor and fine motor development through play, and other important topics, the remaining network staff has stepped up to fill this void. From years of scientific research, we know the majority of vital brain functions are developed—or wired—during these critical years. Assistance to providers around Infant Toddler development is necessary to improve the quality of care of our youngest children and the additional effort by network staff has insured that resources remain available during difficult budget years.

CHILD CARE HEALTH CONSULTATION

While child care providers were able to receive consultation from Registered Nurses through the Health and Safety Enhancement Project for six years, it was a program that ended in June 2011. To benefit from quality care, a child must be healthy enough to be present, attentive and involved in the learning environment. Furthermore, parents expect their child's care provider to maintain a clean, healthful environment, as indicated by a survey conducted by NACCRRA in 2010.

Even though the need and importance of health and safety for programs does not go away when funding does, staff from CCR&R agencies once again worked diligently to meet the needs of providers. CCR&Rs have been providing guidance on a variety of topics essential to child care health and safety such as food handling and preparation, outdoor playground hazards, basic infant and toddler care, medication administration and poisons.

OKLAHOMA'S CHILD CARE RESOURCE & REFERRAL NETWORK

COMMUNITY-BASED RESOURCE AND REFERRAL AGENCIES PROVIDE AN ESSENTIAL SERVICE CONNECTING WORKING FAMILIES WITH CHILD CARE ARRANGEMENTS. From educating parents about how to evaluate their options and select quality child care that fits their needs, to documenting and reporting on services requested, local agencies form the basis for understanding and improving child care in America. All services provided to parents are done at no cost and most services to child care providers are no to low-cost through a funded contract the Association has with the Oklahoma Department of Human Services, Oklahoma Child Care Services.

The Oklahoma Child Care Resource & Referral Association provides technical support to the eight regional agencies, establishing and administering their contracts and assessing their performance against established criteria. With eight strategically located regional agencies, Oklahoma's network serves parents, providers and communities in all 77 counties.

Through first-hand data supplied by these agencies, a picture can be painted of what parents need and what is available in each location.

OUTSTANDING CUSTOMER SERVICE

The primary function of child care resource and referral agencies is to help families find quality child care. Extensive consumer education and referrals are offered to every family who contacts a child care resource and referral agency for help. The goal is for parents to be informed consumers who are better equipped to make wise choices for their children.

In FY2012, the agencies answered 4,365 calls from families seeking referrals to child care for over 6,365 children. Just over half of these children (50.7 percent) were under three years of age, while another 29.1 percent were from three to five years. Seventy-eight percent of the families who called are either receiving or are interested in receiving state or tribal financial assistance to help them pay for child care. More than one-third of them needed care during non-traditional work schedules (evening hours, overnight or on weekends). In addition, another 3,207 families called for general information or searched for child care online.

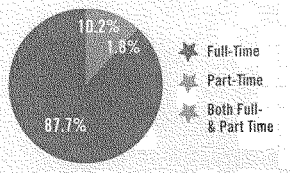
OCCRRA is committed to delivering outstanding customer service to families. Consumer education and referral is conducted in accordance with Best Practice standards set forth in Child Care Aware of America's Quality Assurance Criteria. In order to meet national standards, agencies must score at least 70% on a standardized assessment instrument. Oklahoma sets the bar even higher, exceeding the standards in FY 2012 with a statewide average assessment score of 90 percent.

Many states regard Oklahoma as a model for training referral specialists to work with parents. Oklahoma's Parent Services Manager, Marti Nicholson, is the author of training curriculum that is used across the nation, and she continues to travel to different states to conduct training with regional and statewide CCR&R staff on how to conduct a client referral call.

POWERFUL PROVIDER SERVICES

A vital role of resource and referral is to help child care providers become better educated and more skilled. This matters because the training and education of caregivers is the single most important predictor of high quality care. Resource and referral agencies conduct workshops, provide individual technical assistance, offer teaching resources and consult with providers on topics ranging from dual language learners to special health and behavioral needs. Training is offered in both child related and business requirements. From guiding people who are thinking of launching a child care business, to referring families to established providers, the agencies provide a valuable service to their local child care industries.

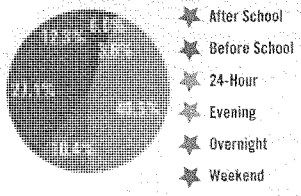
18) Amount of Care Sought



In FY2012, the regional agencies responded to 7,682 requests from providers for technical assistance and administered 1,480 hours of formal training. Altogether, the eight agencies served well over 7,600 providers.

Since OKDHS, OCCS partner agencies (OCCRRA, Oklahoma State Regents for Higher Education Scholars Program, Center for Early Childhood Professional Development, and Career Tech) started collectively using the same data tracking instrument for child care provider training, OCCRRA consistently serves a significant portion of Oklahoma's child care providers.

19) Non-Traditional Schedules Sought



COMMITMENT TO COMMUNITY SERVICES

OCCRRA is a strong advocate for high-quality, affordable, and accessible child care. The state network has developed a public policy agenda at both the state and federal levels. Regional CCR&R agencies connect and build relationships with the policy-makers that serve in their districts. Child Care Resource & Referral maintains its presence at the state and federal capitols through one-on-one meetings with legislators and their staff to share updated child care supply and demand data and best public policy for access to affordable, quality child care.

Much of FY2012 was spent collaborating with Child Care Aware of America and the Child Care Council of Kentucky to launch a new version of the child care search application for smart phones. Since OCCRRA invested time working with the software developer to enhance the smart phone app to be intuitive to a parent's search, Oklahoma was chosen to be the first state to pilot the app statewide. OCCRRA worked to make revisions from the initial app created by the Child Care Council of Kentucky. The application became available for download in 2013.

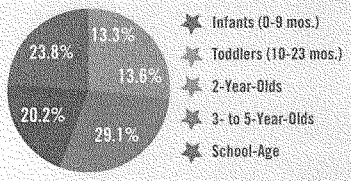
HISPANIC OUTREACH

OCCRRA has continued its commitment to diversity by providing services to both the largest and second-largest language groups in Oklahoma. Our Hispanic Services Project provides referrals in Spanish for parents across the state. Bilingual referral specialists are employed in both Oklahoma City and Tulsa to cover the metropolitan areas, and referral services for the rural areas are provided by the state coordinator.

Hispanic Services continues to provide vital help to child care providers across our state. More than 120 child care providers participated in the annual Hispanic Child Care Conference in June 2012. Phyllis Yargee and Marsha White from Cherokee Nation Child Care Resource & Referral were the keynote speakers on nutrition and movement.

Commitment to professional development for the Hispanic community is evident through a multitude of projects. Many partner organizations and state agencies use the expertise of the Association's Hispanic Services Coordinator to translate a variety of information into Spanish. The Coordinator also continues with 18 Hispanic providers completing their Child Development Associate (CDA) credential through an online Spanish curriculum. The Hispanic Coordinator conducted four bilingual assessments for Hispanic providers who have applied for their CDA. OCCRRA is proud to serve Oklahoma's largest and fastest growing minority group.

20) Ages for Whom Care is Sought



METHODOLOGY & SOURCES

DATA AND INFORMATION USED TO UPDATE THE 2012 OKLAHOMA CHILD CARE & EARLY EDUCATION PORTFOLIO COMES FROM A WIDE VARIETY OF SOURCES IN OKLAHOMA AND AROUND THE NATION. This section identifies the sources for the information found in this document and the method used for computations where applicable.

CHILD CARE AVAILABILITY — see Licensed Child Care Capacity.

CHILD CARE COSTS displays the average weekly cost of full time licensed care in child care centers and family child care homes. For child care centers and homes, state and individual county costs are reported for the following age groups: Infants, Toddlers, Two Year Olds, Three Year Olds, Four and Five Year Olds, and Six and Over (school age). *To view individual county child care cost please visit* www.okchildcareportfolio.org.

SOURCE: Data *from* NACCRRAware provider updates completed by local child care resource and referral agencies, and report generated by the Oklahoma Child Care Resource & Referral Association, Inc., FY 2012.

CHILD CARE SLOTS — see Licensed Child Care Capacity.

CHILD POPULATION is the total resident population, including dependents of Armed Forces personnel stationed in the area. In the *Need* section state and county counts are displayed for two age groups (birth through 5; 6 through 12) and the combination of those ages (birth through 12). Ages displayed in the *Need* section omits older children for whom child care is not likely to be sought. There is a margin of error calculated for each county and the state by the different age groups. The margin of error can be found at the top of the *Need* table in the Data Table Section.

SOURCE: Data *provided by* Oklahoma State Data Center, Policy, Research and Economic Analysis Division, Oklahoma Department of Commerce (ODOC), *using* data from the 2010 US Census, Sex by Age for the Population under 20 years; Universe: Population under 20 years. (Census Summary File-1 detailing population data has remained unchanged, therefore calculations are from 2010)

CHILDREN NEEDING CARE FOR EVERY LICENSED CHILD CARE SLOT is calculated two different ways to report child care need for the state and for individual counties:

1. Children 0-12 Needing Care for Every Licensed Child Care Slot takes the total number of Children With Working Parents (birth through age 12) by the Licensed Child Care Capacity for the state and for each county. This number may be larger than the number of children actually needing care since many families needing care may use relative care or unlicensed care of a friend or neighbor.

2. Children 0-5 Needing Care for Every Licensed Child Care Slot approximates the child care need which is met in Oklahoma. The rate is calculated by dividing the number of Children With Working Parents (birth through age five) by the Licensed Child Care Capacity for the state and for each county.

SOURCE: See Licensed Child Care Capacity and Children With Working Parents.

CHILDREN RECEIVING SUBSIDIZED CHILD CARE measures the number of children by state and by individual counties who receive child care services (swipes) through the child care subsidy program during a particular month. This number counts each child only once no matter how many facilities or counties he receives care in. The percent of children with working parents who receive a child care subsidy is reported for the state and for individual counties.

SOURCE: Data *from* Office of Policy, Planning and Research, Oklahoma Department of Human Services (OKDHS). *OKDHS Statistical Bulletin: June 2012. Table 7: Child Care Services Provided, By Age and County. Facilities and Subsidies by Type, Stars and County.*

CHILDREN RECEIVING SUBSIDIZED CHILD CARE BY STAR LEVEL counts the number of children by state and by individual counties for whom a child care subsidy payment was made during the month. Some payments cover services provided in prior months and counts each child in each facility they received care in.

SOURCE: Data *from* Office of Policy, Planning and Research, Oklahoma Department of Human Services (OKDHS). *OKDHS Statistical Bulletin: June 2012. Table 9: Child Care Facilities and Subsidies by Type, Stars and County.*

CHILDREN WITH WORKING PARENTS counts the children under the age of 13 who live in two-parent families in which both parents work outside the home and children who live in single-parent households in which the only parent works outside the home. Children under the age of 13 living with working parents approximate those for whom child care is most likely to be needed. The percent of children with working parents displays the proportion of all children in each age group who live in two-parent families in

which both parents work outside the home and children who live in single-parent households in which the only parent works outside the home. State and individual county information is displayed for two age groups (birth through 5; 6 through 12) and the combination of those ages (birth through 12). Percentage of children living in homes with working parents from the US Census Bureau's 2007-2011 American Community Survey is used in conjunction with 2010 child population Census estimates (Census Summary File-1 detailing population data has remained unchanged, therefore calculations are from 2010) to calculate recent numbers of children living with working parents. Calculated totals may vary from the sums of their components due to rounding. There is a margin of error calculated for each county and the state by the different age groups with working parent. The margin of error can be found at the top of the Need table in the Data Table Section.

SOURCE: Percentage of children living in homes with working parents *from* data provided by the Oklahoma State Data Center, Policy, Research and Economic Analysis Division, Oklahoma Department of Commerce (ODOC), using data from the US Census Bureau.

Reason/Methodology:

- Started with Table B23008 Age of Own Children Under 18 Years In Families and Subfamilies by Living Arrangements by Employment Status of Parents from the 2007-2011 American Community Survey 5 Year Data Set.

  1. Used table data as provided to arrive at breakdown for 0-5 age group.

  2. Table provides breakdown for 6-17 age group but not for 6-12 age group

  3. Assumed ratios for 6-12 age group were consistent with ratios for 6-17 age group.

  4. Multiplied ratios against child population reported by 2010 Census data to get final results for 6-12 age group. (Census Summary File-1 detailing population data has remained unchanged, therefore calculations are from 2010)

EARLY EDUCATION details public school programs and enrollment for preschool age children. State and individual county data displays the number of public pre-kindergarten and kindergarten programs and the number of children enrolled in each. Information is displayed by all programs, by full-day programs and by half-day programs. The levels of participation are recorded as a percent of all four-year olds who are enrolled in either a full-day or part-day pre-kindergarten program and as a percent of all five-year olds who are enrolled in either a full-day or part-day kindergarten program. In some cases single year population estimates fell below the actual preschool enrollment in a given county. In such an event, the level of participation was recorded as 100%.

SOURCE: Data *from* Oklahoma State Department of Education (OSDE), 2011 – 2012 School Year. See also Child Population.

HEAD START is a federal program for preschool children primarily from low-income families. Most children enrolled in Head Start are between the ages of three and five years old. Services are also available to infants and toddlers in selected sites. Children enrolled in Head Start typically attend either a full-day or half-day center-based program. Head Start programs and slots are included in the count of Oklahoma's licensed child care center-based programs. See Licensed Child Care Capacity.

LICENSED CHILD CARE CAPACITY (frequently referred to as Child Care Slots or Child Care Availability) displays the number and capacity for the state and by county of child care facilities licensed by the State of Oklahoma in June 2012. State and individual county percents are reported for all facilities, by center-based programs and by family child care homes. Center-based programs are comprised of Head Start and regular child care centers. Counts exclude child care not required to be licensed or child care operating in violation of licensing requirements. While Licensed Child Care Capacity is used in this report as a measure of child care availability, it is not precise. Capacity overstates available child care when facilities operate at less than full capacity, keeping some licensed slots unavailable to children. Capacity also understates available child care because not all child care is required to be licensed.

SOURCE: Number of facilities and total capacity of centers and homes *from* Office of Policy, Planning and Research, Oklahoma Department of Human Services (OKDHS), *OKDHS Statistical Bulletin: June 2012, Table 10: Child Care Licensed Facilities and Capacity by Type and County.*

OKLAHOMA CHILD CARE FACILITIES LICENSING ACT requires most child care facilities to be licensed by the Oklahoma Department of Human Services (OKDHS). Licensing is designed to ensure that minimum standards for the care of Oklahoma children are met and maintained. The specific standards address a wide variety of issues, including staff qualifications and training, programming, safe environment, sanitation, health and record keeping. Exemptions allow some types of child care to operate without being licensed by the state. Child care exempted from licensing primarily includes that provided in a child's own home or by relatives, informal arrangements made by parents with friends or neighbors for occasional care (babysitting), home school programs, pre-school programs operated by school districts, accredited summer youth camps for school age children, and so on. Unlicensed child care programs and providers not falling within a

listed exemption violate the law. The examples provided are illustrative only. For a full explanation of licensing requirements and exemptions contact OKDHS or review the cited Oklahoma Statutes.

SOURCE: Oklahoma Statutes Annotated, Title 10, Section 401 et seq. (2004). See also Licensed Child Care Capacity.

PERCENT OF CHILDREN ON OKDHS CHILD CARE SUBSIDIES RECEIVING CARE IN 2- OR 3-STAR FACILITIES measures the proportion of low-income children from working families receiving subsidies to help pay for child care who receive that care in a facility (includes both centers and homes) which is Two- or Three-Star rated, indicating the facility provides a higher quality of care. Percents are reported for the state and for individual counties.

SOURCE: Data *from* Office of Policy, Planning and Research, Oklahoma Department of Human Services (OKDHS). *OKDHS Statistical Bulletin: June 2012, Table 9: Child Care Facilities and Subsidies, By Type, Stars and County.*

PERCENT OF FACILITIES ACCEPTING OKDHS SUBSIDIES displays the proportion of licensed facilities reporting a willingness to serve low-income children whose care is subsidized by the Oklahoma Department of Human Services (OKDHS). State and individual county percents are reported for all facilities, by center-based programs and by family child care homes.

SOURCE: Data *from* Office of Policy, Planning and Research, Oklahoma Department of Human Services (OKDHS). *OKDHS Statistical Bulletin: June 2012, Table 10: Child Care Licensed Facilities and Capacity, By Type and County: Oklahoma City, Oklahoma.*

PUBLIC KINDERGARTEN PROGRAMS—see Early Education.

PUBLIC PRESCHOOL PROGRAMS FOR PRE-K (4-YEAR OLDS)—see Early Education.

QUALITY OF CHILD CARE—see Star Ratings for Child Care Facilities.

REQUESTS TO RESOURCE AND REFERRAL PROGRAMS displays information about care sought by families through local child care resource and referral programs. State and individual county data include the number and proportion of families seeking full-time or part-time child care (or both), the ages of the children for whom care is being sought and the types of non-traditional schedules needed. Ages of the children are reported by categories, including infants (birth through nine months), toddlers (ten through 23 months), two-year olds (24 through 35 months), three- through five-year olds (36 through 60 months), and school age children (over 60 months), and are reported as a number and as the percent of all requests each age category represents. Types of non-traditional schedules requested include after-school, before-school, 24-hour care, evening care, overnight care and weekend care, and are reported as a number and as the percent of all requests each schedule represents. County data indicates whether or not the local resource and referral program received requests for providers serving children with special needs, speaking a specific non-English language or using sign-language (includes both phone and internet referrals).

SOURCE: Data *from* NACCRRAware compliance reports completed by local resource and referral agencies, then submitted to and tabulated by Oklahoma Child Care Resource & Referral Association, Inc., FY 2012.

STAR RATINGS FOR CHILD CARE FACILITIES display the proportion of licensed child care centers and homes and their capacity at each level of the *Reaching for the Stars* rating system created by the Oklahoma Department of Human Services. Star ratings are reported for the state and for individual counties. Absence of one or more of the Star ratings from the pie chart means that county had no facilities licensed for that Star rating in June 2012.

SOURCE: Data *from* Oklahoma Child Care Services, Oklahoma Department of Human Services (OKDHS). *OKDHS June 2012 moment in time data; Child Care Facilities By Star Level, Capacity, and County.*

SUBSIDIZED CHILD CARE—see Children Receiving Subsidized Child Care.

QUALITY RANKING displays the ranking of all 77 counties based on the Star Rating and Capacity of facilities. The ranking was calculated using the average Star Rating by county and weighted against county Licensed Child Care Capacity.

SOURCE: Data *from* Oklahoma Child Care Services (OKDHS), *June 2012 moment in time data; Child Care Facilities By Stars, Capacity, and County.*

Oklahoma Child Care
RESOURCE & REFERRAL ASSOCIATION, INC.

TO VIEW THE COMPLETE COUNTY
DATA PROFILES AND DATA TABLES:

www.okchildcareportfolio.org

QUICK FACTS

435,086 (64.1%) Oklahoma children, from birth to age 12 need some form of child care while their parent(s) work.

4,081 licensed Oklahoma facilities offer 134,473 licensed slots for children.

$120.00 per week or $6240 per year is the average cost of care for an infant in a child care center in Oklahoma.

The cost of child care for an Oklahoma family typically equals or exceeds other major family budget items such as mortgage or rent.

The cost of center based care for an infant in Norman, OK exceeds tuition at the University of Oklahoma (Fall 2012), $8,380 per year and $3,957 per year, respectively.

94.6% of all Oklahoma children who receive child care assistance are receiving their care in a two- or three- star facility.

46.1% of Oklahoma's licensed facilities provide high quality care, as indicated by a two or three star rating in the state's "Reaching for the Stars" ratings.

60.8% of Oklahoma's licensed child care facilities accept children who need child care assistance.

Oklahoma Child Care
RESOURCE & REFERRAL ASSOCIATION, INC.

Oklahoma City, Oklahoma
Toll Free 888.962.2772
www.oklahomachildcare.org

Child Tragedies: Need for Health & Safety in Child Care

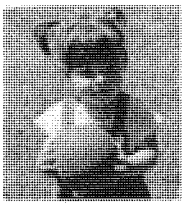
March 25, 2014

Oklahoma Child Care

Child care laws vary greatly by state. Only 16 states address each of the 10 health and safety requirements recommended by pediatric experts to protect children in child care centers. Only 15 states address each of the 10 health and safety requirements recommended by pediatric experts to protect children in family child care homes.

The deaths of the following children are organized by category to show the need for health and safety protections. Many of these parents now work to strengthen state and federal child care protections for children. Passing laws to promote the safety of children in child care ought not be triggered by tragedy.

Safety/Supervision:



Lexis Engelman: Kansas

13-month-old Lexie and 17 month old Ava died in family child care homes in Kansas. The deaths of these toddlers ultimately resulted in the passage of Lexie's Law, a comprehensive re-write of the state's licensing rules strengthening policy and oversight.

- Five-month-old Madelyne died in an unlicensed family child care home in Ohio where the provider was ultimately convicted of multiple counts of child endangerment and tampering with evidence.

Safety: Inspections, crib safety:

- Seventeen-month-old Warren died when he was placed to sleep in an outdated and defective crib, trapping his head and suffocating him in Pennsylvania. More frequent inspections of child care programs could serve to detect unsafe conditions and prevent future tragedies.

Safety: Supervision, Drowning in body of water (baptismal pool)

- In February 2012 in Indiana, 22-month-old Juan "Carlos" Cardenas drowned in a baptismal pool at an unlicensed child care ministry (Longnecker, 2012). His care was being subsidized with federal Child Care and Development Block Grant (CCDBG) funds. The Marion County prosecutor's office declined to file charges. Under the state's neglect statute, the state would have to show the toddler's death had occurred as a result of a "knowing act," but no evidence of criminal conduct was found and therefore no charges were filed (Longnecker, 2012). Longnecker, E. (2012, March 8). No charges in Indianapolis boy's day care death. WTHR.com.

Legislation to improve the safety of children was recently enacted including requirements for background checks and health and safety requirements. Unlicensed providers accepting subsidy money will be required to follow health and safety and better child care management practices in legislation to be signed soon by Governor Pence.

Safety: Safe Sleep Practices for Infants (Back to sleep/wasn't SIDS)

- Nathan's death in Missouri was attributed to Sudden Infant Death Syndrome (SIDS) in the medical examiner's report. What Nathan's parents later learned as part of an investigation was that the provider had other infants asleep in the room. She didn't turn on the light when she placed baby Nathan down to sleep in the portable crib so that she could see his position. The sheet had slipped off the thin plastic pad in the crib and when the provider placed Nathan to sleep on his stomach, he tragically asphyxiated on the plastic.

- Milo's death in California was attributed to Sudden Infant Death Syndrome (SIDS) in the medical examiner's report. However, on the day that Milo died, he had been asleep on his stomach on a small crescent pillow on the floor of the child care center infant room. The police report said that multiple caregivers were in the infant room that day but no one checked on Milo for about an hour. He was discovered dead, on a pillow on the floor within the confines of a plastic corral gated area. It's possible the corral obscured the view of the caregivers. What is known is that the staff did not check on him for an hour and no staff in the room knew CPR. His parents had previously requested that he be placed on his back to sleep. The last position in which the staff admitted to the police

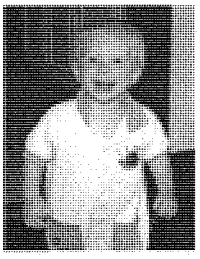
that they had seen him alive was asleep on his stomach on a pillow.

- Dylan died in a church child care program; in Virginia child care programs affiliated with churches are not required to be licensed or regulated. The medical examiner told Dylan's mother that he was a perfectly healthy baby who had passed away because he had been laid on his stomach to sleep.

- In Virginia, 3-month-old Teagan was found unresponsive in an unlicensed child care where 23 children age 4 and under were cared for by only two adults (Olabanji, 2012). Olabanji, J. (2012, March 8). Bristow day care death leads to two arrests. WJLS.com.

- Unsafe sleep practices lead to deaths. Schrade, B. (2012, March 5). Deaths in Minn. day care rising, mostly in home-based settings. StarTribune.

Safety/Supervision, Abuse, Shaken Baby



Joshua Minton, Oklahoma

Two-year-old Joshua died in a family child care home in Tulsa, Oklahoma. His child care provider admitted to using masking tape to tie up his hands and mouth because he would not stop whining at nap time. Through regular inspections, the provider had been found out of compliance with numerous safety related requirements, including violations related to the discipline of children and background checks for assistants. Licensing staff repeatedly urged the provider to close her business but the state lacked the authority to take immediate action until after Joshua died when state regulations were changed.

- Eight-week-old Quale died on his second day of child care, in a licensed child care setting in Georgia; he was found in a pool of blood.

- In Missouri, 3-month-old William "Sam" Pratt died of alleged abuse in February 2009 at a family child care home. The official cause of death was declared blunt force trauma; however, the provider admitted to police that she threw Sam down on a couch in frustration. The provider was not licensed, so state regulators were unable to prevent her from caring for children despite her criminal charges, and she began caring for children soon after she bonded out of jail. Cambria, N. (2012, January 15). [More Missouri babies die as laws, oversight lag. *Stltoday.com*.]

- At 5 months old, Brandi Whaley's daughter was reportedly shaken by her child care provider. She sustained multiple fractures, a subdural hematoma, blood pooling in her spine, and hemorrhages in each eye. The diagnosis was Shaken Baby Syndrome and her injuries were comparable to those resulting from a fall from a two-story building. Miraculously she survived, and is one of a small number of children who do not have any lasting physical or mental disabilities from being shaken.

Safety/Transportation- Van Deaths at Child Care (left in the van in hot heat)

- 3-year-old Demarion suffered heat stroke and extensive brain damage after being left in a stifling hot van by an employee of an uninsured child care program. He was in a coma for 2 months and was left unable to walk or talk. Because the provider did not carry liability insurance, the family remains faced with millions of dollars in medical bills.

- In Texas, 4-year-old Jacob died in a hot van, left for an unknown number of hours in 103 degree F. heat. When the provider who left him in the van was arrested, her fingerprints were taken, which is how Jacob's parents learned about her extensive criminal history. At the time, Texas did not require a background check for child care workers that included comparing fingerprints against state and federal records. As a result of Jacob's death, his mother Avonda Fox, fought for and won changes in state law to require background checks for child care providers and extra training for providers transporting children.

OKLAHOMA COMMISSION ON CHILDREN AND YOUTH
OFFICE OF JUVENILE SYSTEM OVERSIGHT

Report Release Date: June 6, 2007

Review of the Death of Joshua Minton
of Tulsa County, Oklahoma

Dates and Outcome of Investigations and Actions
Taken by the
Tulsa County Department of Human Services,
District Attorney's Office, and District Court

On May 22, 2007, the Office of Juvenile System Oversight (OJSO) received a request for a public report on the death of a child, Joshua Minton. The death occurred on May 17, 2007, at a DHS approved Family Child Care Home. A Criminal Felony First Degree Murder charge was filed against the Family Child Care Home Operator, Vicki Chiles on May 24, 2007. The following is a summary of the actions taken by the Department of Human Services (DHS); the actions taken by the district attorney; judicial proceedings; and the rulings of the court as authorized by O.S. 10, Chapter 70, Section 7005-1.4, E (below).

Authorization

Title 10, Chapter 70, Section 7005-1.4, E, states:

> E. 1. In cases involving the death or near death of a child when a person responsible for the child has been charged by information or indictment with committing a crime resulting in the child's death or near death, there shall be a presumption that the best interest of the public will be served by public disclosure of certain information concerning the circumstances of the investigation of the death or near death of the child and any other investigations concerning that child, or other children living in the same household.
>
> 2. At any time subsequent to seven (7) days of the date the person responsible for the child has been criminally charged, the Department of Human Services, the Oklahoma Commission on Children and Youth, or the district attorney may release the following information to the public:
>
> a. a confirmation that a report has been made concerning the alleged victim or other children living in the same household and whether an investigation has begun,
>
> b. confirmation as to whether previous reports have been made and the date thereof, a summary of those previous reports, the dates and outcome of any investigation or actions taken by the Department of Human Services in response to any report or child abuse or neglect, and any actions taken by the district attorney after submission or any investigative report, and

c. the dates of any judicial proceedings prior to the child's death or near death, a summary of each participant's recommendations made at the judicial proceedings, and the rulings of the court.

3. Any disclosure of information pursuant to this section shall not identify or provide an identifying description of any complainant or reporter of child abuse or neglect, and shall not identify the name of the child victim's siblings or other children living in the same household, the parent or other person responsible for the child or any other member of the household, other than person criminally charged.

Identifiers:

Child's name: Joshua Minton
DOB: November 8, 2004

Person Responsible for Child: Vicki Chiles, owner and operator of Noah's Ark Child Care, Family Child Care Home Operator

Dates and Outcome of Investigations and Actions Taken by the Tulsa County Department of Human Services Child Welfare and Child Care Home Licensing Division, District Attorney's Office, and District Court:

It should be noted, not all of the DHS Family Child Care Home Monitoring Reports are included in this Review of Death Report; however, all noncompliance issues noted on the reports that document safety and health concerns of the children are included.

December 3, 2002
Application

On December 2, 2003, Ms. Chiles completed a DHS Application For License-Family Child Care Home and Large Child Care Home. She listed one male substitute/assistant caregiver for approval.

December 13, 2002
DHS Family Child Care Home Monitoring Report

On December 13, 2002, a DHS Family Child Care Home Licensing staff member conducted an initial family child care home visit. The DHS Family Child Care Home Monitoring Report documented Ms. Chiles needed to submit the OSBI background checks completed for her and her substitute/assistant caretaker.

January 1, 2003
Six Month Permit

On January 2, 2003, the DHS Family Child Care Home Licensing Division issued a Six Month Permit effective January 1, 2003, to open Noah's Ark Child Care Home with the maximum number of seven children to be served. The DHS Family Child Care Home Licensing records did not document that a Sex Offender Registry check had been completed on Ms. Chiles until after the home was operational. The OSBI background check, which included the Sex Offender Registry information, was completed on January 22, 2003.

May 3, 2003
License

On May 3, 2003, Ms. Chiles was issued a License for a Family Child Care Home effective May 1, 2003, with the maximum number of seven children to be served.

August 29, 2003
DHS Family Child Care Home Monitoring Report

On August 29, 2003, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The DHS Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance regarding adequate numbers of caregivers present to provide proper supervision, as well as with keeping the premises free of hazards. On the date of the visit, Ms. Chiles was observed returning home and walking on the sidewalk with several children. Upon entering the home with Ms. Chiles, the family child care home licensing staff member observed a child lying on a mat located in the living room and Ms. Chiles's mother was asleep in a bedroom. The staff member also observed a pair of scissors on the kitchen counter within reach of the children in the home. Ms. Chiles stated her mother is not typically in the home and she supervises all children left in her care, noting this exception. She also stated," I'll put the scissors in the drawer."

February 3, 2004
DHS Family Child Care Home Monitoring Report
DHS Periodic Certification Review – Home Star Certification

On February 3, 2004, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit and a periodic certification review – home star certification visit.

The DHS Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance with keeping the premises free of hazards as she had left a pair of scissors on the kitchen counter within reach of the children in the home. This incident was discussed at the time of the visit and Ms. Chiles agreed to maintain the scissors in a can on top of the refrigerator.

The DHS Periodic Certification Review – Home Star Certification form documented the child care home's certification level of one star plus with the certification expiration date of August 1, 2004. The form did not clearly document whether there were any "numerous, repeated or serious non-compliance observed at this visit." However, the form documented the discussion with Ms. Chiles regarding the safety hazard of the scissors and her review of the DHS Family Child Care Home policy for repeated noncompliance.

On March 4, 2004, the DHS Child Care Licensing unit contacted Ms. Chiles via mail notifying her this was the second time the scissors had been left accessible to the children and she was at risk of the certification level of the child care home being reduced if documentation of noncompliance of this type happened three times in a twelve-month period.

April 13, 2004
First Referral to DHS Child Welfare

The DHS Child Welfare received a referral regarding the Noah's Ark Child Care Home on April 13, 2004. The reporter alleged the children at the home were not being supervised adequately resulting in two five-year-old children being involved in inappropriate sexual play.

Documentation in the child welfare KIDS system indicated the referral was accepted as a Priority I with an investigation to be initiated within twenty-four hours. KIDS system documented a failed attempt to contact Child I on April 14, 2004. On April 15, 2004, the reporter notified the worker that Child II's name was not correct in the referral and provided the correct name. Child I was contacted on April 16, 2004. Child I would not speak to the Child Welfare Investigative Worker. Child II was contacted on April 30, 2004. Child II denied sexual play had occurred. Ms. Chiles was contacted on April 15 and on April 28, 2004. She denied knowledge of the incident as well as the allegation of lack of supervision of the children in her care. Due to the lack of information obtained from the children involved, the worker ruled the investigation as Services Recommended.

May 27, 2004
DHS Family Child Care Home Monitoring Report
DHS Periodic Certification Review – Home Star Certification

On May 27, 2004, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit and a periodic certification review – home star certification visit.

The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance with maintaining operable smoke detectors in rooms used by children for playing or sleeping as she did not have a smoke detector located in the living room or the first bedroom of her home. She stated she would purchase and install the smoke detectors on the date of the visit.

The DHS Periodic Certification Review – Home Star Certification form documented the child care home's certification level of one star plus with the certification expiration date of August 1, 2004. The worker checked a box on the form that indicated there was no "numerous, repeated or serious noncompliance observed at this visit."

June 9, 2004
Request to be a Large Family Child Care Home

On June 9, 2004, Ms. Chiles contacted the DHS Family Child Care Home Licensing Division and requested to be approved as a Large Family Child Care Home.

July 19, 2004
License

On July 19, 2004, Ms. Chiles was issued a License as a Large Family Child Care Home with the effective date of July 19, 2004, and the maximum number of twelve children to be served.

September 9, 2004
Second Referral to DHS Child Welfare

The DHS Child Welfare received a second referral regarding the Noah's Ark Child Care Home on September 9, 2004, alleging a child care provider had physically abused two children, ages six and two.
Documentation in the KIDS system indicated the referral was accepted as a Priority I with the investigation to be initiated within twenty-four hours. Child I was contacted September 10, 2004. Child Welfare Investigative Worker observed a small scratch approximately two inches in length on the left side of the child's head. Child I stated, "Vicki did it." The child also reported pain during diaper changes. Child II was contacted September 10, 2004. Child II reported Ms. Chiles had kicked the child in the back in the hallway of her home and slapped the child in the head while in the kitchen of the home. During the interview Child II described verbal abuse and intimidation by Ms. Chiles. The child also reported being spanked on the leg by an assistant of Ms. Chiles. Ms. Chiles was contacted September 15, 2004. She admitted Child I had complained during diaper changes; however, she denied any intentional injury and stated she may have wiped the child too hard. Ms. Chiles denied any physical and verbal abuse as well as intimidation tactics. She reported the scratch observed on Child I was a result of Child II throwing a toy that hit Child I on the head. On September 16, 2004, Ms. Chiles was contacted by a Family Child Care Home licensing staff member who requested, per the request of DHS Regional Program Manager, she voluntary cease care of children until the completion of the child welfare investigation. Ms. Chiles refused the request stating, "I intend to provide service to my parents and children to the best of my ability." The child care assistant accused of physical abuse by Child II was contacted September 22, 2004. The assistant denied spanking the child, as well as denied witnessing Ms. Chiles spanking children in her care. The investigation was ruled Services Recommended. According to the worker there was not enough evidence to confirm the allegations reported in the referral; however, the worker noted concern due to the specific and detailed information provided by the children. The allegations and results of the investigation were referred to Child Care Licensing for review.

October 18, 2004
DHS Family Child Care Home Monitoring Report

On October 18, 2004, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance by not maintaining complete records regarding the children attending her child care home. Several of the records did not contain a current immunization record.

November 22, 2004
DHS Licensing Complaint

On November 22, 2004, the DHS Licensing unit received a Licensing Complaint Report that alleged a child was left at the home unsupervised while Ms. Chiles escorted the school-aged children to school. On December 7, 2004, an investigation by a DHS Family Child Care Home Licensing staff member was completed.

The Licensing Services Supplemental Information sheet documented Ms. Chiles's denial of the allegation and the Licensing Complaint Summary sheet documented the findings as unsubstantiated.

December 7, 2004
DHS Family Child Care Home Monitoring Report
DHS Periodic Certification Review - Home Star Certification

On December 7, 2004, a DHS Family Child Care Home Licensing staff member conducted a family child care home complaint visit as well as a DHS Periodic Certification Review – Home Star Certification. The complaint alleged Lack of Supervision because Ms. Chiles left several children in the van with the ignition on, including a toddler in the front seat. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance regarding transportation. She admitted to loading the children in the van and then discovering she had left her house key inside the home. She then went into the home to retrieve the key, leaving the children unsupervised in a running van. She stated, "My plan in the future is to get the key first; then load children." She was also found to be in noncompliance due to not maintaining operable smoke detectors in rooms used by children for playing or sleeping. This issue was corrected during the visit.

The DHS Periodic Certification Review – Home Star Certification sheet did not document a one star plus certification or a certification expiration date; however, it documented Ms. Chiles as having "numerous, repeated, or serious non-compliance" observations during the visit. It also documented that Ms. Chiles reviewed DHS policy regarding transportation and supervision of children. It further documented the discussion with Ms. Chiles regarding the noncompliance issues and how they would affect her Home Star Certification.

January 6, 2005
Cherokee Nation Child Care Licensing Family Child Care Home Monitoring Report
Oklahoma District Court Public Records

On January 6, 2005, a Cherokee Nation Child Care Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles was not in compliance with required fire and tornado drills. The last recorded fire drill was dated July 17, 2004, and the last recorded tornado drill was dated July 19, 2004.

Oklahoma District Court Public Records documented Ms. Chiles was issued citations for Failure To Pay Taxes Due the State, Driving Under Suspension and Failure to Carry Valid Car Insurance Verification on January 21, 2005.

February 6, 2005
Third Referral to DHS Child Welfare

The DHS Child Welfare received a third referral regarding the Noah's Ark Daycare Home. Allegedly, two children had been observed crying and hungry after leaving the daycare. The reporter stated Child I (six years old) reported "Ms. Vicki" had transported Child I to her school, the van had one car seat occupied by an infant, and therefore Child II (one year old) remained unsupervised at the home. Child I also reported that on another occasion, Child II was not buckled in the car seat and fell onto the floor of the van and started to crawl around.

Allegedly, Child I notified "Ms. Vicki" of the situation and the child reported "Ms. Vicki" said, "Hush" and turned-up the radio in the van. It was further reported Child I had several human bite marks, thought to be given by another child while being unsupervised at the daycare home.

Documentation in the KIDS system indicated this referral was Screened Out by Child Welfare, the reason given as "Not Child Abuse/Neglect." The DHS Child Welfare did not conduct an investigation and the information was provided to the DHS Child Care Licensing Unit.

February 7, 2005
DHS Family Child Care Home Monitoring Report

On February 7, 2005, a DHS Family Child Care Home Licensing staff member conducted a complaint visit and a periodic family child care home visit. The complaint visit was to address the issues identified in the referral to DHS Child Welfare received February 6, 2005. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance for not maintaining complete records regarding the children attending her child care home. Two of the records reviewed did not document the children were up-to-date on their immunizations. Three of the records reviewed did not contain a child information card. The report also documented she was in noncompliance for not maintaining an approved heat source by utilizing a portable heater in the back bedroom. Ms. Chiles agreed to have the records complete and in compliance by February 11, 2005. She also agreed to keep the portable heater in the laundry room. During the visit it was discussed that Ms. Chiles's mother was not to be left alone supervising the children in the home, as her OSBI background check had not been completed.

April 13, 2005
DHS Licensing Services Supplemental Information

The DHS Licensing Services Supplemental Information sheet dated April 13, 2005, documented an office conference was conducted with Ms. Chiles, a DHS Licensing staff member and a DHS Licensing staff supervisor. They reviewed the "numerous, repeated, serious incidents" that had occurred at the Family Child Care Home since August 29, 2003, as well as various sections of policy contained in the Requirement Book. The sheet also documented Ms. Chiles's receipt of the completed OSBI background check for her mother. No other action was taken as a result of the conference.

May 27, 2005
Notification of Findings

On May 27, 2005, the DHS Child Care Licensing unit notified Ms. Chiles via mail of the results of the complaint investigation regarding the Child Welfare allegations on February 6, 2005. The findings were as follows:

1. Staff: substantiated (no OSBI background checks);
2. Nutrition: unsubstantiated; uncertain;
3. Transportation: unsubstantiated; uncertain;
4. Supervision: unsubstantiated; uncertain; and
5. Infant/toddler: unsubstantiated; uncertain.

She was also requested to complete a Notice to Comply regarding all staff members completing OSBI background checks prior to caring for children.

Ms. Chiles completed the Notice to Comply on June 5, 2005, and documented she would personally see that all staff members have a current OSBI on file. It was also documented, "all transportation will take place in properly insured vehicles and child booster seats. All supervision will be provided by staff only. All infants/toddlers will be within DHS ratios."

November 5, 2005
Fourth Referral to DHS Child Welfare
Licensing Complaint Summary
Licensing Services Supplemental Information

On November 5, 2005, the DHS Child Welfare received a fourth referral regarding the Noah's Ark Daycare Home. The allegation was a four- year- old male child sustained injuries from being spanked by a wooden object while in the day care provider's care. Documentation in the KIDS system indicated the referral was assigned a Priority II with three days for the investigation to be initiated. On November 7, 2005, the child welfare investigator made an unsuccessful attempt to contact the alleged victim.

On November 7, 2005, the Licensing Complaint Summary sheet was completed by a child care licensing staff member. On the same date a Child Welfare investigator and a Child Care Home Licensing staff member made contact with Ms. Vicki Chiles and her mother, who had been approved as a substitute caretaker. Upon arrival at the home, an unidentified male was supervising the children in the home.

The male was later identified as Vicki Chiles's cousin. The cousin contacted Vicki via telephone and she arrived at the home a short time later. Vicki reported she had submitted the required paperwork for an OSBI background check to be completed for her cousin; however, the child care home licensing staff member denied receiving the paperwork.

During the interview, both Vicki Chiles and her mother denied all allegations. She stated she does not have a wooden spoon used to discipline the children in her care.

On November 8, 2005, the Licensing Services Supplemental Information sheet documented the licensing staff member's request for Ms. Chiles to voluntarily cease providing child care pending the outcome of the child welfare investigation of November 5, 2005. Ms. Chiles refused the request and in part, stated," I look forward to a speedy investigation and I'm sure I will be proven to be a more than satisfactory child care provider. Thank You!"

On November 8, 2005, the DHS Child Welfare Investigator made contact with the alleged victim identified in the referral. The child reported being slapped by Ms. Chiles. The child also reported a second child had also been slapped by Ms. Chiles.

During the interview, the child further reported being hit with a blue stick on the hand and on the exposed bottom by Ms. Chiles's mother. The child denied knowing where Ms. Chiles's mother kept the stick, but stated there was a yellow stick and blue stick in the home. The child was seen at the Justice Center on November 9, 2005, and disclosed to the medical staff that he had been hit with an object by Ms. Chiles's mother. The medical staff documented four linear bruises that measured seven inches by eight inches on the child's buttocks.

According to child welfare records, in the past, both children had been hit with the blue stick over their clothes on their bottoms. Child I recalled being hit by Ms. Chiles on two occasions and being hit by Ms. Chiles's mother on one occasion.
It was further alleged that another child, an infant, had been left alone in a dark room located in the back of the home, crying for an extended period of time.

On November 8, 2005, the child welfare investigator returned to the Noah's Ark Child Care Home and confronted Ms. Chiles and her mother regarding the child's disclosures. Ms. Chiles

admitted to spanking the child and stated the victim's pants had fallen down and she used her hand to spank the victim on the buttocks. She apologized for lying and stated she had never done anything like that before. Ms. Chiles and her mother again denied slapping or hitting Child II and leaving Child III alone in a room to cry.

On November 28, 2005, the second child was contacted by the child welfare investigator. Due to mental and physical disabilities, the child may not have been able to comprehend the investigator's questions.

A finding of Confirmed Abuse – Beating w/an Instrument was substantiated against the mother of Vicki Chiles. Services were recommended for Ms. Vicki Chiles. This matter was referred to Child Care Licensing to address the policy violations.

December 5, 2005
DHS Family Child Care Home Monitoring Report

On December 5, 2005, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance in not maintaining complete records regarding the children attending her child care home. Two of the records reviewed were incomplete and six of the records reviewed did not contain a current immunization record. Noncompliance was documented with regard to equipment and activities. A broken swimming pool and two broken walkers were observed. Noncompliance was noted regarding individual, appropriately-sized places to rest, with clean bedding for each child because one child under the age of two was observed sleeping on the floor and another was in a child carrier. According to the Plan of Correction dated December 5, 2005, Ms. Chiles documented that she would have all records up-to-date and in compliance by December 9, 2005. She was to put the walkers and swimming pool in the trash to be picked-up on the date of visit at 3:00 p.m. and all sleeping children would be placed in a bed or cot.

January 19, 2006
DHS Family Child Care Home Monitoring Report

On January 19, 2006, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance regarding the following: one child did not have an immunization record on file; the house was not in good repair as an outlet in the taupe room had no plate cover; outside hazards were noted as a broken wading pool with pieces scattered around the yard with some edges being sharp, an infant walker was in the yard and a playpen contained multiple tree limbs and debris; emergency procedures, because tornado drills were not current; diaper-changing, as the diaper pad had at least two rips; food storage, because the freezer thermometer read 10 degrees Farenheit; and electrical service, as seven uncovered outlets were observed in two rooms.
Ms. Chiles stated she would have all records up-to-date and in compliance by January 31, 2006. She would have the diaper pad covered with new material by January 26, 2006, and all other noncompliance issues would be corrected on the date of the visit.

January 20, 2006
Notification of Findings

On January 20, 2006, Ms. Chiles was notified via mail of the DHS Child Care Licensing findings of the complaint of November 7, 2005. The findings were as follows:

1. Physical abuse by provider investigated by Child Welfare – is ruled: Unsubstantiated/uncertain;
2. Inappropriate behavior and guidance: spanking used by assistant caregiver – is ruled: Substantiated; and
3. Lack of Supervision: infant left in room unsupervised to cry – is ruled: Unsubstantiated/uncertain.

Also, on this date, an office conference was held with Ms. Chiles and included the DHS Regional Program Manager, Child Care Home Licensing Supervisor and Child Care Licensing staff member. A Notice to Comply was completed. The plan of correction required Ms. Chiles to attend a class on behavior and guidance, as well as the requirement that the assistant caregiver, Ms. Chiles's mother, who was found by Child Welfare to have spanked a child, must never be in the home during child care hours.

During the conference, Ms. Chiles was notified of numerous concerns regarding her child care home and the quality of service being provided. The concerns included inappropriate discipline and Ms. Chiles's mother having access to the children in the home. Discussion included the recommendation of DHS Child Care Home Licensing to revoke Ms. Chiles's license if another allegation of abuse is made. It was also suggested Ms. Chiles might not be suited for child care. As a result of the conference Ms. Chiles submitted a Plan of Correction that included a decrease in child care hours, a decrease in number of families served, the use of positive behavior and discipline and that she would provide a positive and stimulating environment for the children. She also agreed to enroll and attend ten hours of behavioral guidance classes in February 2006. She understood her mother was not to be on the premises during child care hours. She stated she and her staff would treat the children in her care "gently and show them respect." Furthermore, she agreed to conduct a tornado drill upon returning home from the conference, as this was a noncompliance issue that was not addressed during the January 19, 2006 visit.

January 23, 2006
Fifth Referral to DHS Child Welfare

On January 23, 2006, the DHS Child Welfare received a fifth referral regarding the Noah's Ark Daycare Home. The allegation was a four-year-old female child disclosed that a woman at the day care stuck a yellow object into her vagina. Documentation in the KIDS system indicated the referral was assigned a Priority I with the investigation to be initiated within twenty-four hours. On January 25, 2006, the child welfare investigator made contact with the alleged victim. It was reported, while taking a bath the child stated her "pee pee hurt." She then disclosed, "The lady with the braids" put the "yellow thingy up here" and pointed to her vagina.
She also disclosed "Ms. Vicki" told her "it was a secret." It was also reported the alleged victim was transported to the hospital for an examination on January 23, 2006.

The results of the forensic examination were normal and the alleged victim did not disclose any abuse. It was noted the child was said to be a special needs child and was mentally delayed at

a two-year-old level of functioning. According to the investigation documentation, the child appeared to be very disturbed when asked what happened to her at the day care.

On January 26, 2006, an unannounced visit was made to the day care home. Upon arrival, the child care licensing staff member and the child welfare investigator found an unidentified male supervising three of the children in the home.

According to child welfare documentation, once contact was made with Ms. Chiles, she was dishonest about the male's identity and she did not have a completed OSBI background check on file for the male or the substitute caretaker assisting her the day of the visit. The male was later identified as the substitute caretaker's husband and he was waiting outside with the children for the assistant to finish her work day.

Ms. Chiles denied the allegation of sexual abuse alleged in the January 23, 2006, Child Welfare referral and denied any staff member having braids in their hair. During the investigation the staff/child ratio was reviewed for compliance on January 23, 2006. The child care home attendance records documented noncompliance because the child care home was over capacity on four occasions and understaffed on one occasion throughout the day. Based upon the lack of physical evidence and the lack of the child's disclosure to either the child welfare investigator or the medical staff during the forensic interview, the Findings were Services Not Needed for the allegation of sexual abuse by instrumentation and Services Recommended for Failure to Protect. The investigation was then referred to DHS Child Care Licensing to address the policy violations.

During the course of this investigation, the Family Child Care Home Licensing staff member documented Ms. Chiles mother was at the child care home during hours of operation on at least two occasions. Ms. Chiles was notified on December 5, 2005, and January 20, 2006, that her mother was not to be in the home during the child care home hours of operation.

February 2, 2006
Licensing Services Supplemental Information

On February 2, 2006, a Child Care Home Licensing staff member conducted a field visit to the child care home. The Licensing Services Supplemental Information sheet documented the staff member's observations of noncompliance because a portable space heater in use was located in the back room on the floor next to an infant who was in a port-a-crib. Ms. Chiles was given a Notice to Comply regarding the space heater. She stated she would only use the space heater when she was home alone. The sheet also documented a discussion with Ms. Chiles regarding her need to maintain complete child care home staff records.

February 22, 2006
DHS Family Child Care Home Monitoring Report

On February 22, 2006, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance in the following areas: child immunization records, as two children did not have immunization records; premises free of hazards, as a can of comet household cleaner was located in the bathroom on the bathtub ledge accessible to children; equipment and activities, as a riding toy fire truck had a broken edge that could injure a child. Ms. Chiles stated she would have the child records complete and in compliance by

February 27, 2006. She also stated she would keep the comet cleaner in the closet and throw the toy fire truck in the trash on the date of the visit.

March 8, 2006
Notification of Findings

On March 8, 2006, Ms. Chiles was notified via mail of the DHS Child Care Licensing findings of the complaint of January 23, 2006. The findings were as follows:

1. Sexual abuse by instrumentation – is ruled: Services Not Needed, investigated by Child Welfare;
2. Neglect-failure to protect – is ruled: Services Recommended, investigated by Child Welfare;
3. Staff: unknown staff without approved criminal background investigations left alone with children-is ruled: Substantiated, investigated by Child Care Licensing; and
4. Staffing/capacity: too many children at facility-is ruled: Substantiated.

Ms. Chiles was requested to complete a Notice to Comply; the plan of correction was to include how she corrected the violations and how she would maintain compliance in the future. The Notice to Comply that Ms. Chiles submitted to Child Care Licensing documented her plan to remain at capacity by requiring parents who utilize the child care home for drop-in services, as well as the parents who have varying work schedules, to call prior to transporting their children to the home.

March 9, 2006
DHS Family Child Care Home Monitoring Report
Licensing Services Supplemental Information

On March 9, 2006, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in compliance in areas reviewed; however, during the visit the licensing staff member observed Ms. Chiles pick-up a child out of a playpen by one-arm. The licensing staff member then discussed the proper way to pick-up children with Ms. Chiles.

The Licensing Services Supplemental Information sheet documented Ms. Chiles's noncompliance to the Notice to Comply she submitted to the Child Care Licensing unit on January 20, 2006. The Notice to Comply documented the plan of correction stating Ms. Chiles would attend a class on behavior and guidance.

The Licensing Services Supplemental Information sheet dated March 9, 2006, documented that Ms. Chiles was not able to attend the class in February and was looking into a class that was to be held April 4, 2006. The plan of correction also stated Ms. Chiles would decrease child care hours and decrease the number of families served. Again, Ms. Chiles was found to be in noncompliance as she did not change the child care home hours. The sheet also documented Ms. Chiles's statement," Licensing could not tell her when to be open."

April 26, 2006
DHS Family Child Care Home Monitoring Report

On April 26, 2006, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance in maintaining the premises free of hazards as a container of bleach/water, a can of room deodorizer and other household cleaners were located in the bathroom under the sink accessible to children. Ms. Chiles stated she would keep a lock on the bathroom cabinet. The report also documented discussion with Ms. Chiles advising her to dump the standing water in sandbox and chair in the yard, immediately" as well as advising her that it is "not a good practice to have awake infants unsupervised and watching T.V." The sheet further documented the request that Ms. Chiles ensure the children in her care are not kept in car seats while in the home.

June 19, 2006
DHS Family Child Care Home Monitoring Report

On June 19, 2006, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance in maintaining the premises free of hazards as bush clippers, wood glue and batteries were located in the backyard and were accessible to children as well as standing water in the sandbox. The report also documented noncompliance regarding individual, appropriately-sized places to rest with clean bedding for each child as the crib located in the living room contained a dirty bottom sheet.

Ms. Chiles stated she would ensure the hedge clippers and batteries would be inaccessible to children on the date of the visit, she would dump the standing water out of the sandbox prior to the children going outside to play and she changed the crib sheet prior to the end of the family child care home visit.

August 10, 2006
DHS Family Child Care Home Monitoring Report

On August 10, 2006, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance regarding the caregiver qualifications. Ms. Chiles's CPR certification had expired and two child records did not contain current immunization records and two records did not contain child information cards.
Ms. Chiles stated she would have up-to-date child records and would be in compliance by August 18, 2006. She also stated she was enrolled in a CPR class scheduled for August 18, 2006.

November 16, 2006
DHS Family Child Care Home Monitoring Report

On November 16, 2006, a DHS Family Child Care Home Licensing staff member conducted a periodic family child care home visit. The Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance in maintaining the premises free of hazards as three electrical outlets were uncovered, two in the hallway and one in the north room. Also a large plastic sack of broken bricks, standing water in a riding toy and approximately six inches of water in a blue container were outside and all were accessible to children. The report further

documented noncompliance regarding individual, appropriately-sized places to rest, with clean bedding for each child. Two children were observed sleeping on the same side of the couch with no separate sheet. Ms. Chiles stated she would ensure all outdoor hazards would be removed prior to the children going outside to play. She would ensure all children would have separate sleeping arrangements and she covered all electrical outlets prior to the end of the family child care home visit.

Ms. Chiles also provided documentation she received First Aid and CPR training on September 16, 2006, and Behavior and Guidance training on April 4, 2006.

February 15, 2007
DHS Family Child Care Home Monitoring Report

On February 15, 2007, a Child Care Home Licensing staff member conducted a periodic family child care home visit. DHS Family Child Care Home Monitoring Report documented Ms. Chiles to be in noncompliance regarding child records as one record did not contain a current child immunization record. The report also documented noncompliance regarding room temperature. The blue room temperature was sixty-three degrees Fahrenheit (F.) and contained a non-approved heat source. A portable space heater was in use located in the blue room and another was in use located in Ms. Chiles's bedroom. The report further noted the freezer temperature as five degrees F. Ms. Chiles stated she would remove the heater from access to the children in her room and she would only utilize the blue room when the temperature was at least sixty-five degrees F. She adjusted the thermometer in the freezer and stated she would conduct periodic checks to ensure the freezer was in good working order. She stated she would contact parents at work and remind them to provide immunization records.

April 10 and 11, 2007
Sixth Referral to DHS Child Welfare
DHS Family Child Care Home Monitoring Report
Licensing Services Supplemental Information
Tulsa Police Department Incident Report
Report to the Tulsa County District Attorney

On April 10, 2007, the DHS Child Welfare received a sixth referral regarding the Noah's Ark Daycare Home. The allegation was an eight-year-old child with special needs was hit on the head with a wooden bat, "jacked-up" by the shirt and was thrown on the sofa by the child care provider.
Allegedly, the provider then got over the child and threatened to hit the child with her fist if the child didn't go to sleep. The reporter stated the child care provider cusses at the children, hits them with fly swatters and other objects, along with her hands. The referral was assigned a Priority II with an investigation to be initiated within three days.

On April 11, 2007, the Tulsa Police Department was assigned to investigate child abuse at an Elementary School. Statements were taken from Reporter I and Reporter II, Alleged Victim (same as in the April 10, 2007, DHS Child Welfare referral) and Alleged Perpetrator (same as in the April 10, 2007 DHS Child Welfare referral, Ms. Chiles). Reporter I noticed a red mark on the back of the child's neck and arms. When asked about the marks, the child became very upset. When Reporter II inquired about the marks, the child disclosed, "Ms. Vicki is mean" and that she hit the child yesterday with a "fly-thing." The child also reported hating the daycare and was unsure what caused the marks on the back. Ms. Chiles admitted she used a fly swatter, striking the child on the back.

On April 13, 2007, the child welfare investigator made contact with the alleged victim and parent. The alleged victim disclosed that Ms. Chiles spanks the children with a fly swatter and a yellow wooden bat when they get into trouble at the family child care home. The child also disclosed there have been days that Ms. Chiles's mother was at the home while children were there. The investigator observed approximately eight one-half inch slash marks on the child's upper back and fading marks on both upper arm's. The child had an approximate total of sixteen marks.

Also on April 13, 2007, the investigator, along with a child care home licensing staff member, made contact with Vicki Chiles. Ms. Chiles admitted to hitting the victim with a fly swatter and agreed she had lost control. She denied hitting any of the other children in her care. The child welfare investigator made a Finding of Confirmed-Court Intervention regarding the allegations of Abuse-Beating w/an Instrument and Neglect-Threat of Harm. The investigation was then referred to the Child Care Licensing unit to address the policy violations.

The DHS Family Child Care Home Monitoring Report completed on April 13, 2007, documented Ms. Chiles' plan to no longer use threats towards children in her care by redirecting and give the children other options for activities. She also wrote, "I WILL NOT HIT!"

The Licensing Services Supplemental Information sheet completed on April 13, 2007, documented that Child Care Home Licensing Staff requested Ms. Chiles voluntarily cease providing home child care services. Ms. Chiles denied the request due to her need for the income and the needs of the families she served. She also stated she would enroll in anger management and behavior management classes.

On April 13, 2007, Ms. Chiles was notified via mail that her Large Family Child Care Home case had been submitted to the DHS State Office for review along with the recommendation to revoke her license.

On April 19, 2007, the child welfare investigator was notified by a Tulsa Police Department Detective of the agreement by the Tulsa County District Attorney's Office to accept the charges of Child Abuse against Vicki Chiles and a warrant was to be issued for Ms. Chiles's arrest.

On April 20, 2007, Ms. Chiles was notified via mail of the finding made by Child Care Home Licensing regarding the April 10, 2007, Child Welfare referral. The allegation that Ms. Chiles struck a child was substantiated.

Ms. Chiles completed a Notice to Comply on April 27, 2007, documenting a plan of correction stating she would never allow a child's actions to get her so upset that she would respond by physically striking a child. She would contact the child's parent and let them remove the child from the child care home. She also stated she would no longer utilize objects to intimidate the children or to get their attention. She further stated she had attended one anger management class in a series of twelve classes.

The Licensing Services Supplemental Information sheet completed on April 20, 2007, documented a Child Welfare staff member contacted the Tulsa Police Department Detective who stated an arrest warrant would be issued in approximately one week. The Detective was informed of the Child Care Home Process of Revocation and Emergency Orders. Interviews documented in the DHS Report to District Attorney dated April 23, 2007, noted the DHS State Office's decision not to issue an Emergency Order to close the child care home until after the Tulsa County District Attorney's Office filed charges against Ms. Chiles. The report also

documented the receipt of the victim's Physical Abuse Exam on April 27, 2007. The exam concluded "the location of the bruises were unusual for bruises that would be experienced during normal childhood play. When coupled with the disclosure of abuse by the victim, they do appear to be remnants of abusive injuries. "

May 16 and 17, 2007
Seventh Referral to DHS Child Welfare
DHS Family Child Care Home Monitoring Report
Licensing Services Supplemental Information
Tulsa Police Department Narrative
Tulsa Police Department Arrest and Booking Data
Report to the Tulsa County District Attorney

On May 16, 2007, a felony count of abuse of a minor child was filed by the Tulsa District Attorney's office regarding Vicki Chiles. An arrest warrant was also issued on this date.

On May 17, 2007, a Child Care Home Licensing staff member conducted a periodic family child care home visit. The DHS Family Child Care Home Monitoring Report documented the visit was not completed on this date due to the activity in the home upon the staff member's arrival. The report documented Ms. Chiles was performing CPR on a two-year-old child who was not breathing. Paramedics were en route. Once they arrived the child was transported to St. John's Hospital Emergency Room. Ms. Chiles stated she had put the child down for a nap. When she checked on him, he was lying face-down and not breathing. It appeared that he had vomited. Ms. Chiles was requested to contact all of the parents of the children still in the home at the time of the incident to come to the home and pick-up their children.

On May 17, 2007, the DHS Child Welfare received a seventh referral regarding the Noah's Ark Daycare Home. The allegation was a two-year-old male child was currently being life-flighted to St. Francis Hospital. The home child care provider, Vicki Chiles admitted to tying up the child and blood stained tape was found in the home. KIDS system documentation indicated the referral was assigned a Priority I with an investigation to be initiated within twenty-four hours.

The Tulsa Police Department Narrative dated May 17, 2007, documented the officer's response to his assignment to the child care home in reference to a two-year-old in cardiac arrest. Upon his arrival he observed CPR being performed on the child by EMSA and the Tulsa Fire Department.
He was informed by a Child Care Home Licensing staff member that the child care provider, Vicki Chiles, had a felony warrant for her arrest charging her with Injury To A Minor Child.

The Licensing Services Supplemental Information sheet dated May 17, 2007, documented a Child Care Home Licensing staff member's request for Ms. Chiles to close her child care home and not reopen. Ms. Chiles refused the request. She was then informed that the Child Care Licensing unit would request her case be reviewed by the DHS State Office, along with the recommendation that her license be revoked because she had admitted to hitting a child repeatedly.
Ms. Chiles stated she would provide care until DHS revoked her license. She later decided on May 17, 2007, to close and would reopen upon completion of all pending investigations.

The Tulsa Police Department Arrest and Booking Data sheet documented Ms. Chiles's arrest on May 17, 2007, at 5:00 p.m. It also documented her statement that the victim would not be quiet for nap time and she used masking tape to bind his hands and cover his mouth. She left the

room and when she returned, he was found lying on the floor and unresponsive. She then removed the tape, called EMSA and started performing CPR. The sheet also documented the current condition of the child as critical with no brain activity and on life support. The sheet further documented blood and vomit were found on the bedroom floor and on the tape located in the bedroom.

The Licensing Services Supplemental Information sheet dated May 18, 2007, documented Ms. Chiles was served an Emergency Order to close her Family Child Care Home. It also documented Ms. Chiles' agreement to stop child care in her home and she would never work at a child care center, church, school or any child care home.

On May 24, 2007, Vicki Chiles was charged with Criminal Felony Count One-Murder-First Degree.

May 17, 2007
Eighth Referral to DHS Child Welfare

On May 17, 2007, the DHS Child Welfare received a referral regarding a two-year-old and seven-month-old sibling. The allegations included both children had been in the care of Vicki Chiles on a sporadic basis since birth and the two-year-old has been acting out sexually. It was also alleged that for approximately the last six weeks the child had been trying to stick his/her finger in his/her rectum during diaper changes. When the younger sibling was approximately two months old, a relative went to the child care home and observed the child to be located in a dark bedroom at the back of the home and screaming. Ms. Chiles had contacted the family on several occasions requesting the children spend the night and would volunteer to watch them free of charge. The family was taking the children to the doctor for an examination and was also going to file a police report. The KIDS system documentation indicated this referral was Screened Out by the DHS Child Welfare because it was added to an ongoing investigation being conducted by the DHS Child Care Home Licensing unit.

Child Care Resource & Referral Services
Assisting Parents and Providers

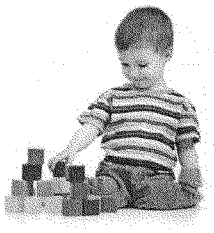
March 28, 2014

There are more than 600 Child Care Resource and Referral agencies throughout the country, serving nearly every zip code, assisting parents to find child care. They help make a stressful and chaotic process calmer and more understandable.

Child care resource and referral agencies deliver an interrelated set of "core" services to families, child care 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 child care system.

Core Services of CCR&Rs Throughout the United States

- 98% of CCR&Rs offer consumer education (help for parents to understand different child care settings and key questions to ask providers when looking for child care)
- 98% of CCR&Rs offer child care provider training across a broad array of topics
- 93% of CCR&Rs offer on-site technical assistance
- 88% of CCR&Rs offer parent referrals (through the phone or internet)
- 74% of CCR&Rs offer training related to launching a child care business and how to become a child care provider within the state
- 73% offer assistance to providers in response to licensing referrals to comply with state rules
- 62% of CCR&Rs administer subsidies to low-income families
- 46% of CCR&Rs sponsor provider participation in the USDA Child and Adult Care Food Program (CACFP)



✓ **CCR&Rs help parents find child care**
Choosing child care 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 child care providers, information on state licensing requirements, availability of child care subsidies, and other forms of assistance for which families may qualify.

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 child care needs are not alike and because all child care resources are unique to each community, ensuring that R&R counselors meet the needs of individual families and communities is a priority.

✓ **CCR&Rs support families to raise healthy children...**
By talking with parents one-on-one, CCR&R counselors gain a unique understanding of the delicate balance of family life, particularly for low-income families. They understand that finding high-quality child care is just a first step to raising happy, healthy children. Through parent/family workshops, hotlines, and newsletters, CCR&Rs reach out to parents with trusted, local information that enables them to make informed choices.

✓ **CCR&Rs build the supply of child care...**
In many communities, demand for child care far outstrips supply. CCR&Rs provide an entry point to the child care field, helping providers meet and exceed licensing requirements. CCR&Rs also support providers by offering low-cost or free training on diverse topics like health & safety, child development, licensing requirements, child nutrition, sound business practices and more.

✓ **CCR&Rs improve the quality of child care...**
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 child care providers and staff. CCR&Rs help improve the quality of care for all children.

✓ **CCR&Rs bridge child care and education...**
High-quality child care has many benefits, including preparing children for school. CCR&Rs strive to create child care 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.

✓ **CCR&Rs document child care 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 child care. 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 child care and routinely publish/disseminate this information to help local and state public policy makers, employers, funders and others make good decisions about systemic and strategic investment.

✓ **CCR&Rs tell the child care story...**
By providing resources, documenting community needs, and creating new ways to meet those needs, CCR&Rs bring the voices of children, families, and child care providers to the public in order to galvanize support for addressing the needs of families, employers, child care providers and others concerned about child care issues.

In the broadest sense, the field of community-based child care resource and referral (CCR&R) defines its mission as *"doing whatever it takes to make early care and education and school-age child care 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 Protections for Children
National Snapshot
March 25, 2014

Health & Safety Requirements:

Centers: Only 16 states address each of the 10 health and safety requirements recommended by pediatric experts to protect children in child care centers.

Family Child Care Homes: Only 15 states address each of the 10 health and safety requirements recommended by pediatric experts to protect children in family child care homes.

Pediatric Experts on Health and Safety in Child Care

Pediatric experts recommend a minimum of the following for child health protection: hand-washing, nutritious meals and snacks, immunizations, exclusion of ill children, following universal health precautions (for bodily fluids), medication administration, access to toxic substances, sanitation, weekend/evening care, and incident reporting.

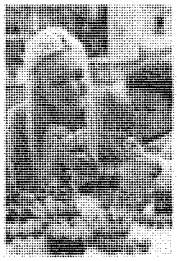
Pediatric experts recommend a minimum of the following for child safety protection: placing infants to sleep on their backs, appropriate discipline/child guidance, electrical hazards, water safety, fire drills, outdoor playground surfaces, emergency plans, supervision, transportation guidelines, and firearm access policies.

Background Checks: A comprehensive background check for child care providers helps ensure that children are safe in child care.

A comprehensive check includes: a fingerprint check against state and federal records, a check of the child abuse registry and a check of the sex offender registry.

State auditors conducting a cross-match in 4 states found 267 sex offenders in child care programs. (Illinois found 90 matches; Kentucky found 30, Massachusetts found 119 and Washington found 28).

- Only 12 states require a comprehensive check for staff working in centers.
- Only 11 states require a comprehensive check for family child care home providers.



Training: Training and education of the workforce is the single largest way to improve the quality of care.

Centers: 43 states require an orientation training. 38 states require training in child abuse prevention and reporting. 34 states require training in safe sleep practices. 13 states require training in the dangers of shaken baby syndrome. 9 states require CPR training for all staff.

Family Child Care Homes: 22 states require training in child abuse prevention and reporting. 33 states require training in basic health and safety. 36 states require CPR training. Some states have no topics that are

required in initial training before working with children.

Inspections: Regular monitoring promotes child safety as well as accountability for the expenditure of public dollars.

Centers: 10 states do not inspect child care centers at least once a year. For example, California inspects child care programs once every five years.

Family Child Care Homes: 17 states do not inspect family child care homes at least once a year. For example, California and Montana inspect family child care homes once every 5 years. Michigan inspects family child care homes once every 10 years.

About half the states post inspection reports on the internet so parents can make informed choices.

Chairman ROKITA. And without objection, we will put those in. Thank you for your testimony.

Ms. Kostantenaco?

STATEMENT OF MRS. LINDA KOSTANTENACO, PRESIDENT, NATIONAL CHILD CARE ASSOCIATION, WASHINGTON, D.C.

Mrs. KOSTANTENACO. Good morning, Chairman Rokita, Ranking Member Scott, and ranking members of the subcommittee.

My name is Linda Kostantenaco, and I am the president of the National Child Care Association. NCCA represents over 12,000 private child care centers throughout the United States.

Our membership is comprised of independently owned and operated family run businesses, employing over a quarter of a million Americans; most of whom are women.

Our child care centers provide two vital components; education, along with a nurturing, healthy and safe environment. The balance of education and care is a crucial factor of education and care for parents finding the best child care center for their children.

Further, our centers provide the peace of mind that enables parents to do productive during their working hours; working men and women are able to be contribute to society while their children learn and grow in child care centers across the country.

But not every center satisfies every need. It should be noted that the importance of parental choice be maintained. Such flexibility ensures parents the opportunity to provide an appropriate child care center which satisfies their needs and the unique needs of their children. It is in this array of choice that facilitates the best partnership between a family and their child care center.

When examining the need for parental choice, and the benefits private child care centers provide, it should also be noted that the significance of parental education and understanding of the available choices in their community.

For example, it is important that we educate parents regarding the vital choice of identifying a licensed child care center that is regulated, inspected, and monitored by regulatory agencies to insure that the rules and regulations are kept at their highest standards.

Our membership strives to offer the best child care available, and in these centers that ensure that high quality is met and maintained. Setting these standards ensures that such centers that receive private pay or subsidy funds for their children are performing at their best, and we should never compromise their values.

Regarding my own center, I am located in San Antonio, Texas, and I receive funding for approximately 10 percent of my children in our care. In other communities through the United States the percentage of children receiving these funds can be as high as 95 percent.

Such funding not only assists low-income families but also includes care for children in protective services and foster parents. This enforces the need to place children in an environment that is conducive to their needs and providing them with a healthy and safe environment.

My center employs 22 hard-working women, and I would not be here sitting in front of you today without their unwavering commitment to quality care. My staff not only is hard-working, but dedicated, and as a private child care operator I understand the vital role continuing education which plays as part of maintaining a well-rounded, dedicated staff. Providing them with training opportunities that will help them in the classroom is essential in their workplace environment.

Unfortunately, we cannot afford to pay our employees what they so deserve, as the profit margins within the child care industry is not significant, and a weakened economy only compounds this reality.

Aside from salaries and maintaining an engaging center with toys and educational resources, I must also consider food, milk, utilities, gas prices for transportation, building and playground maintenance, and many other costs that create significant challenges in operating a private child care center.

Due to all of these economic forces, we are not always in the position to pass these higher costs on to our parents, leaving me to absorb them as best I can. You can imagine the difficult situation I find myself in each year in awarding my staff with the pay they so deeply deserve. Their genuine dedication truly becomes a blessing when we move forward each day.

That said, we offer a service to our working parents that is essential to affordable care for their children while they try to improve their family's lives.

These parents are working long hours, multiple jobs, or going to school to improve their own skills and education, and the funding from the Child Care Development Block Grant Program, CCDGB, goes a long way to help the families succeed.

CCDBG assists low-income families in obtaining a safe, reliable and affordable place for their children while they continue to work for a better life. This program greatly supports the child care industry and it is comforting to know that the Congress is invested in child care as I am.

I thank you all for your dedication and attention regarding the child care industry and the unique needs of our centers and staff. Funding and supporting our industry allows parents the opportunity to keep succeeding in this country and gives their children the opportunity to receive the nurture and education vital to their future success.

I thank you, Chairman Rokita, for having me here today, and I look forward to the subcommittee's questions regarding the private child care provider.

[The statement of Mrs. Kostantenaco follows:]

Good morning Chairman Rokita, Ranking Member McCarthy, and members of the Subcommittee. My name is Linda Kostantenaco and I am the President of the National Child Care Association (NCCA). NCCA represents over 12,000 private child care centers throughout the United States. Our membership is comprised of independently owned and operated family run businesses, employing over a quarter of a million Americans; most of whom are women.

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Regarding my own center, I am located in San Antonio, Texas and I

receive such funding for approximately 10% of the children in our care; in other communities throughout the U.S. the percentage of children receiving these funds can be as high as 95%. Such funding not only assists low-income families but also includes care for children in protective services and foster parent care. This reinforces the need to place children in an environment that is conducive to their needs and providing them a healthy and safe environment.

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That said, we offer a service to working parents that is essential to affordable care for their children while they try to improve their family's lives. These parents are working long hours, multiple jobs, or going to school to improve their own skills and education and the funding from the Child Care Development Block Grant Program (CCDBG) goes a long way in helping those families succeed. CCDBG assists low-income families in obtaining a safe, reliable and affordable place for their children while they continue to work for a better life. This program greatly supports the child care industry and it is comforting to know that this Congress is as vested in a child's care as I

am.

I thank you all for your dedication and attention regarding the child care industry and the unique needs of our centers and staff. Funding and supporting our industry allows parents the opportunity to keep succeeding in this country and gives their kids the opportunity to receive the nurture and education vital to their future success. I thank you Chairman Rokita for having me here today, and I look forward to your Subcommittee's questions regarding the private child care provider.

Chairman ROKITA. Thank you very much for your testimony.

Dr. Golden?

STATEMENT OF DR. OLIVIA GOLDEN, EXECUTIVE DIRECTOR, CENTER FOR LAW AND SOCIAL POLICY (CLASP), WASHINGTON, D.C.

Ms. GOLDEN. Good morning, Chairman Rokita, Ranking Member Scott, members of the subcommittee, I am delighted to be here today to discuss the Child Care and Development Block Grant Act. As we heard, it is abbreviated CCDBG. I am Olivia Golden, executive director of the Center for Law and Social Policy.

I will very briefly touch on four topics; why CCDBG matters so much for parents and children, the federal-state partnership that is at its core, the program's successes and remaining gaps, and next steps.

Why it matters: The Child Care and Development Block Grant is an essential work support for low-income parents, as you heard from Mrs. Kostantenaco.

Every day it provides access to child care for 1.4 million children. For those children's parents, working long hours for little pay, help with child care is necessary if they are going to work and cover other basic expenses.

The average annual cost of center-based care for a 4-year-old ranges from more than $4,500 in Tennessee to more than $12,000 in New York State. When poor families get help with this cost, studies show that they can stretch their paychecks to buy needed food and clothing.

But more than that, child care systems also helps parents get and keep a job and strengthen families' economic security. Compared to families without subsidies, the research shows fewer job disruptions due to child care problems, better job retention, and higher earnings when families get help.

Let me put a face to these findings. In July 2012, Rita, a low-income working mother in Maryland, talked about the importance of child care assistance.

"These federal investments were a lifeline for me. I know where I came from and I do not want to go back." CCDBG helped Rita afford child care, attend classes to develop work skills, and secure and keep a job.

CCDBG doesn't just help parents, it helps children. It provides an early learning experience for approximately 1 million children under age 6 each month and helps about 400,000 school-aged children access safe afterschool programs.

When CCDBG is strong, when it is working well, it also promotes quality by helping low-income parents afford high-quality programs, which would be impossible or at least very difficult without assistance.

A recent study confirmed that parents receiving child care assistance access better quality than parents who can't get help. Studies of families on waiting lists for child care assistance confirm that families without help are often left with low-quality or unsafe options.

Finally, CCDBG helps parents who work nonstandard hours on the weekends or evenings, which many low-wage workers do, by al-

lowing them to use more informal care settings that meet their needs.

Since its inception, CCDBG has been a state-federal partnership. The federal government sets the broad parameters, including income eligibility limits and a floor for basic health and safety. The states make policy decisions within those parameters; who to serve and what specific health and safety standards to set above the minimum floor.

In addition to providing direct help to families, CCDBG also funds something else important. It provides the bulk of the funding that supports child care and early childhood quality improvement in the states. That includes money to pay for inspections and monitoring of child care programs as well as training, professional development, and scholarships for early childhood educators, and many other things.

Despite the importance of these accomplishments, significant gaps remain. Since 2006, more than 260,000 children have lost CCDBG-funded child care assistance. The number of children is now at a 14-year low. Rates paid to providers are extremely low, getting in the way of quality improvements. Many states fall short of ensuring the most basic health and safety protections for children.

The Senate reauthorization for CCDBG is an important next step in the direction of fixing these challenges; improving continuity for children and parents, ensuring children's health and safety, strengthening the quality of care and skills of child care teachers, and promoting program integrity.

In addition though, to move towards these goals, given the low payment rates and the decline in children served, increasing resources for child care must also be a top priority.

In conclusion, it has been nearly 20 years since the CCDBG has been reauthorized. We know a lot more now about the importance of the early childhood years, the quality of care, and the role of family income in children's development than we did then. For all these reasons, I urge the committee to seriously consider these improvements to CCDBG.

Thank you.

[The statement of Dr. Golden follows:]

"The Foundation for Success:
Strengthening the Child Care and Development Block Grant Program"

Hearing Before the Subcommittee on Early Childhood, Elementary, and Secondary Education
U.S. House of Representatives Committee on Education and the Workforce

Testimony of Olivia Golden
Executive Director, Center for Law and Social Policy (CLASP)

March 25, 2014

Chairman Rokita, Ranking Member McCarthy, Members of the Subcommittee, I am pleased to be here to discuss the successes of the Child Care and Development Block Grant (CCDBG) Act and strategies to strengthen it. I am Olivia Golden, Executive Director of the Center for Law and Social Policy (CLASP). I have spent my career working to improve outcomes for vulnerable children and their families. Previously, I have served in senior positions at the local, state and federal levels including as Assistant Secretary for Children and Families at the U.S. Department of Health and Human Services.

My testimony will cover four topics:

- the reasons why CCDBG is so important to enabling parents to work and children to gain access to the safe and high-quality early education experiences they need;
- the elements of the state-federal partnership that is at the core of CCDBG;
- the strengths and gaps of today's CCDBG program; and
- important improvements to CCDBG included in the Senate CCDBG reauthorization bill, particularly the provisions to strengthen the health and safety of care and improve quality and access to care and continuity for low-income children and their families.

Why CCDBG Matters to Low-income Working Parents and Their Children

The Child Care and Development Block Grant or CCDBG is an essential work support for low-income parents. Every day it provides access to child care for 1.4 million children whose parents could not otherwise afford the high costs of care.

For these parents, working long hours for very little pay, help with child care is necessary to be able to work and meet other basic expenses. The average annual costs of center-based care for a 4-year-old range from $4,515 in Tennessee to $6,448 in Indiana to $10,664 in Minnesota to $12,355 in New York.[1] In comparison, a full-time minimum wage employee earns only $15,080 annually—less than the federal poverty level for a family of three. The costs that child care providers must bear don't allow for much flexibility. The bulk of child care fees are personnel costs and yet child care providers make very low wages.

Parents are working hard and yet are barely able to make ends meet. More than 30 percent of poor children and over half of low-income children (in families earning less than twice the federal poverty level) live with at least one parent who is employed full-time, year-round.[2] Higher income families with young children on average spend 8 percent of their household income on child care while poor families who don't get any help spend 36 percent.[3]

For these low-income working parents, child care assistance helps them get and keep a job, increases earnings, and strengthens their economic health and security. Compared to families without subsidies, studies have demonstrated fewer job disruptions due to child care problems and better job retention for families with subsidies, less return to welfare, a greater likelihood of working, and higher earnings. Researchers have also found that child care assistance helps low-wage working families stretch their paychecks further, buying food and clothing, and paying down debt. [4] All good things for children.

Its importance for these families cannot be overstated. In July 2012, Rita Ngabo, a child care case worker in Maryland, talked about the importance of child care assistance for her and her child: "These federal investments were a quite serious lifeline for me and I know it has been for a lot of low-income families out there. I know where I came from and I do not want to go back." After the dissolution of her marriage, Rita was able to afford child care with the help of CCDBG for her then 9-month old baby and attend classes to develop work skills and go on interviews to secure a job. She now helps other families get the help they need to develop job skills and go to work.[5]

CCDBG does not just help parents, it helps children. Quite simply, children do better in school and in life when their parents work and have more income. In addition to a work support program, CCDBG provides an early learning experience for approximately 1 million children under age 6 each month. It stands out for its ability to reach the children of working parents, because it can provide full-day, year-round care. It also helps approximately 400,000 school-age children each month gain access to safe after-school programs, because it can cover children up to age 13. When CCDBG is strong, parents are able to keep their jobs and support their families and children receive consistent care that fosters healthy development. Together, these two goals support our nation's economic competitiveness now and in the future.

Specifically, child care assistance helps children because it can make higher *quality* child care more affordable. Decades of research show that high-quality early childhood programs can have long-term positive implications on later school success and that such programs have particular importance for vulnerable children.

For low-income parents, financial access to high-quality programs can be difficult or impossible without assistance but are far more attainable with assistance. A recent study confirmed that parents receiving child care assistance can access better quality care than comparable parents who were unable to get help.[6] Earlier studies of families on waiting lists for child care assistance

have shown that families without access to assistance are often left with low-quality or unsafe options for their children's care.[7] Most children (83 percent) receiving CCDBG assistance are cared for in licensed settings with the majority in center-based care. Child care assistance also supports children's development by promoting stability in care arrangements, which is an important aspect of quality, particularly for young children. CCDBG also helps parents who work nonstandard hours on the weekends and evenings by allowing them to use more informal care settings that can meet their needs. Because more low-wage workers have unpredictable and nonstandard work schedules, this support is increasingly important.

The State-Federal Partnership Under CCDBG

Since its inception, CCDBG has been a state-federal partnership. The federal government sets broad parameters for the program, including income eligibility limits and a floor for basic health and safety, while the states make policy decisions within those broad parameters, including who to serve, what rates to pay to providers, what share of the costs parents pay, and what health and safety standards to set above the minimum safety floor. States provide eligible parents with help in paying for child care, with the provider of their choice.

In addition to providing direct help to families, CCDBG provides the bulk of the funding that supports quality improvement for child care and early education, as well as supply building efforts in the states. Among the key uses of CCDBG quality dollars are inspections of child care programs to monitor compliance with health and safety standards; the development of Quality Rating and Improvement Systems (QRIS) that provide a path for child care programs to improve quality and also give parents information on child care quality to inform their choice of providers; training, professional development, and scholarships for early childhood educators to help them acquire the skills to best support children's early learning and development; and the purchasing of materials and equipment for centers and family child care providers.

Challenges Facing CCDBG Today

As just noted, CCDBG plays a crucial role in supporting parents' work, enabling children of working parents to gain access to safe and high-quality early education and after-school care, and providing support for monitoring and quality improvements that benefit all children.

At the same time, despite the importance of these funds and accomplishments in many states, significant gaps remain:

- Since 2006, more than 260,000 children have lost CCDBG-funded child care assistance, bringing the number of children served down to a 14-year low.[8] Only one in six children eligible under federal rules are served in CCDBG.
- The rates paid to providers caring for children are extremely low. Only three states pay providers at the federally recommended level.[9] Even states that pay higher rates to programs that offer higher levels of care still do not pay at the recommended level. Low

rates make it difficult for providers to stay afloat much less to keep qualified teachers and make quality improvements in their programs.

- Many states fall short of ensuring the most basic health and safety protections for children. Some states fail to regularly monitor providers through on-site visits and also fail to have minimal training requirements.
- In many states, parents have difficulty getting and keeping child care assistance even when they remain eligible. On average, parents get help for as few as three to seven months—even though studies show they may still qualify for assistance after that time. The result for children is instability in their child care arrangement, which contributes negatively to children's development.[10]

Improvements to CCDBG

Improvements to the program could strengthen CCDBG. The Senate Reauthorization of CCDBG is an important step in the direction of improving continuity for children and their parents, ensuring children's health and safety, strengthening the quality of care and the skills of child care teachers, focusing particularly on infants and toddlers -- the most vulnerable children -- while promoting program integrity. Key provisions include:

- Improvements to the health and safety of child care through requirements for pre-licensure and annual inspections for licensed child care providers; training requirements for child care providers; and comprehensive background checks for child care providers serving children receiving CCDBG.
- Improvements to make it easier for families to get and keep child care assistance, which helps parents stay and move up in their jobs, while also supporting children's development by providing more continuity in their child care arrangement.
- Strengthening the quality of care by increasing the share of CCDBG funds spent on quality; dedicating funding for improving the quality of infant-toddler child care; encouraging a system of supports for early childhood teachers to improve their skills and knowledge; and providing parents with better information about the quality of available child care.

Conclusion and Next Steps

It has been nearly twenty years since the CCDBG has been reauthorized and we know a lot more about the importance of the early childhood years and how children benefit when their parents work and can earn increased income. The importance and understanding extends far beyond the early childhood community and parents, with a broad set of leaders from business to economists to law enforcement recognizing the importance of high-quality early childhood education to improve child outcomes in school and in life.

We also know more about the importance of making it easier for parents to get and keep child care assistance for retaining jobs and supporting children's development. And that's why CCDBG would be strengthened by increasing its focus on health and safety and quality and allowing parents easier and more sustained access to assistance.

To do all of this, given the terribly low payment rates and the decline in children served, increasing resources for child care must also be a top priority to help states make up the lost ground as they make improvements to the program. States will need resources to improve quality and to ensure that low-income families are able to retain access to vital help in paying for child care.

For all these reasons, I urge the Committee to seriously consider these improvements to CCDBG.

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[1] Child Care Aware of America, Parents and the High Cost of Child Care 2013, http://usa.childcareaware.org/sites/default/files/cost_of_care_2013_103113_0.pdf.
[2] U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2012*, September 2013.
[3] U. S. Census Bureau, *Who's Minding the Kids? Child Care Arrangements Spring 2011*, 2013.
[4] For a review of the research see Gregory Mills, Jennifer Compton, and Olivia Golden, *Assessing the Evidence About Work Support Benefits and Low-Income Families*, Urban Institute, 2011, http://www.urban.org/UploadedPDF/412303-Work-Support-Benefits.pdf and Hannah Matthews, *Child Care Assistance: A Program That Works*, CLASP, 2009, http://www.clasp.org/resources-and-publications/publication-1/0452.pdf.
[5] Alison Channon, *Listen to Rita: Child Care Helps Families Get Back on Their Feet*, National Women's Law Center, 2012, http://www.nwlc.org/our-blog/listen-rita-child-care-helps-families-get-back-their-feet.
[6] Johnson, Ryan, and Brooks-Gunn, "Child-Care Subsidies: Do They Impact the Quality of Care Children Experience?" *Child Development*, June 2012.
[7] Brooks, Fred. "Impacts of Child Care Subsidies on Family and Child Well-Being." *Early Childhood Research Quarterly*, 17(1), 498–511. (See also Errata to "Impacts on Child Care Subsidies on Family and Child Well-Being." *Early Childhood Research Quarterly*, 18(1), 159; Schulman, Karen and Blank, Helen. *In Their Own Voices: Parents and Providers Struggling with Child Care Cuts*. 2005; Berger, Mark C. and Black, Dan A. *Child Care Subsidies, Quality of Care, and the Labor Supply of Low-Income Single Mothers*. 1992.
[8] Stephanie Schmit and Hannah Matthews, *Child Care Assistance Spending and Participation in 2012: A Record Low*, CLASP, 2014.
[9] Karen Schulman and Helen Blank, *Pivot Point: State Child Care Assistance Policies in 2013*, National Women's Law Center, 2013.
[10] Gina Adams and Monica Rohacek, *Child Care Instability: Definitions, Context, and Policy Implications*, Urban Institute, 2010.

Chairman ROKITA. Thank you, doctor.

Ms. Jarmon?

STATEMENT OF MS. GLORIA JARMON, DEPUTY INSPECTOR GENERAL FOR AUDIT SERVICES, OFFICE OF THE INSPECTOR GENERAL, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, WASHINGTON, D.C.

Ms. JARMON. Good morning Chairman Rokita, Ranking Member Scott, and other distinguished members of the subcommittee. Thank you for the opportunity to be here today to discuss the Department of Health and Human Services Office of Inspector General's recent reviews of the Child Care Development Fund Program or CCDF.

My testimony will summarize our office's findings and recent reports and has three key takeaways.

First, vulnerabilities exist in state standards and monitoring of child care providers that put the health and safety of some children at risk. Federal requirements mandating that states strengthen minimum health and safety requirements including background checks and strengthen monitoring including unannounced site visits would reduce those risks.

Two, weaknesses in certain states' fiscal controls over obligation and liquidation activities put CCDF funds at risk of being misspent.

And three, HHS has identified the CCDF program as being susceptible to significant improper payments. HHS reported substantial progress in reducing the improper payment rate for the CCDF program from 9.4 percent in fiscal year 2012 to 5.9 percent in fiscal year 2013. However sustained attention will be needed to further reduce improper payments in this program.

In fiscal year 2013, Congress appropriated $5.1 billion to CCDF which provides financial assistance for child care for approximately 1.6 million children each month.

CCDF subsidizes child care for low income children under age 13 whose parents work or attend educational or job training programs. States are required to have health and safety standards in place for all child care providers including those providers receiving CCDF funds.

These standards must cover three areas: prevention and control of infectious disease, building and ground safety, and health and safety training.

Our work has demonstrated that guidance from the Administration for Children and Families or ACF recommendations may not be strong enough to ensure that the necessary background screenings of providers and unannounced inspections occur.

We are performing health and safety reviews at a number of states. Our recent completed review of Connecticut showed that all 20 of the providers reviewed did not comply with one or more state licensing requirements to ensure the health and safety of children.

An example of noncompliance included flammable items such as lighter fluid and gasoline found either in unlocked cabinets or in the outdoor play area all accessible to children.

We also review at each state the monitoring of licensed child care providers and report that all states comply with the federal re-

quirements to have health and safety requirements in place for licensed child care providers.

However, states monitoring requirements for license providers did not always meet ACF's recommendations for background screenings or the recommended standards for unannounced inspections.

Additionally, we reviewed each states health and safety requirements and monitoring requirements for license-exempt child care providers.

We found that a number of states did not report having any requirements for certain licenses and providers, and some reported that they did not have requirements in place to monitor licenses and providers.

Other states reported limited monitoring and limited use of background checks.

Our work also includes reviews of states' use of funds for targeted purposes that are 100 percent federally funded. Weaknesses in certain states fiscal controls over obligating and liquidating these funds put CCDF money at risk of being misspent.

To date our audits in four of seven states reviewed have identified a total of $5.8 million in targeted fund expenditures that did not comply with federal requirements over a 6-year period.

Lastly, as part of our oversight activities we are required to review HHS' annual improper payment information related to CCDF and other risk susceptible programs to determine and report compliance with the Improper Payments Information Act as amended.

In fiscal year 2013 reporting, HHS estimated that improper payments for CCDF program totaled about $306 million or a 5.9 percent error rate. This is a significant reduction from the prior year estimated improper payment error rate of 9.4 percent and represents much progress.

Looking ahead, sustained attention by HHS will be needed to continue achieving reductions of improper payments in the CCDF program.

In closing, I thank the subcommittee for its interest in our work and commitment to our shared goals: ensuring that federal CCDF dollars are used for their intended purposes of providing affordable child care to low income families that does not sacrifice quality or safety.

I will be pleased to answer your questions.

[The statement of Ms. Jarmon follows:]

Testimony of:
Gloria L. Jarmon
Deputy Inspector General for Audit Services
Office of Inspector General, U.S. Department of Health and Human Services
Hearing Title: "The Foundation for Success: Strengthening the Child Care and Development Block Grant Program"
House Committee on Education and the Workforce
Subcommittee on Early Childhood, Elementary, and Secondary Education

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Chairman Rokita, Ranking Member McCarthy, and other distinguished Members of the Subcommittee, thank you for the opportunity to testify about the U.S. Department of Health and Human Services (HHS) Office of Inspector General's (OIG) recent reviews of the Child Care and Development Block Grant, also known as the Child Care and Development Fund (CCDF) program. In fiscal year (FY) 2013, Congress appropriated $5.1 billion to the CCDF which provides financial assistance for child care for approximately 1.6 million children each month. Within HHS, the Administration for Children and Families (ACF) administers the CCDF as a block grant to the States. My testimony today summarizes challenges related to monitoring the health and safety of children served by the CCDF program and fiscal controls over CCDF funds to ensure that they are used to improve the availability, quality, and affordability of child care. I will also discuss improper payments[1] in the CCDF program and reported corrective actions.

Since 2012, we have conducted a series of reviews of States' efforts to administer and implement the CCDF program. See the attachment for a list of OIG reports related to the CCDF program. States are required to have health and safety standards in place for all providers, including providers receiving CCDF money.[2] By statute, these standards must cover three areas: prevention and control of infectious disease, building and physical premises safety, and health and safety training. OIG has focused on States' monitoring to ensure that providers that received CCDF funds complied with State requirements related to the health and safety of children.

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[1] An improper payment is any payment that should not have been made or that was made for an incorrect amount (either an overpayment or an underpayment).

[2] Section 658E(c)(2)(F)(i)-(iii) of the Child Care and Development Block Grant Act of 1990.

OIG oversight efforts also include an examination of States' use of funds for targeted purposes. Specifically, CCDF provides discretionary funding for three targeted areas known as Infant and Toddler, Quality and School Age Resources, and Referrals funds. These targeted programs are 100 percent federally funded. OIG audits have assessed whether State agencies complied with Federal requirements in the expenditure of targeted funds for activities that improve the availability, quality, and affordability of child care. We also have ongoing work to assess States' controls for determining eligibility of the family to receive child care services, regulating and monitoring the child care providers, and ensuring proper payment for services. In addition, we annually report on HHS's compliance with the Improper Payments Information Act of 2002 (IPIA), as amended, regarding the reporting of improper payments. OIG reporting includes an evaluation of the accuracy and completeness of HHS's reported estimated improper payments for the CCDF program.

On the basis of this work, OIG has three key takeaways:

- Vulnerabilities exist in States' standards and monitoring of child care providers that put the health and safety of some children at risk. Federal requirements mandating that States strengthen minimum health and safety requirements (including background checks) and strengthen monitoring (including unannounced site visits) would reduce those risks.
- Weaknesses in certain States' fiscal controls over obligation and liquidation activities put CCDF funds at risk of being misspent.
- HHS had identified the CCDF program as being susceptible to significant improper payments. HHS reported significant progress in reducing the improper payment rate for the CCDF program from 9.4 percent in FY 2012 to 5.9 percent in FY 2013. However, sustained attention will be needed to further reduce improper payments in this program.

Following are more details regarding the CCDF program and applicable Federal requirements, the results of our reviews, and conclusions.

Background and Federal Requirements Related to the Child Care and Development Fund

CCDF subsidizes child care for low-income children under age 13 whose parents work or attend educational or job training programs.[3] After a parent enrolls in the program, he or she may either enroll the child with an eligible provider that has a grant or contract for the provision of services or receive a child care certificate (a check or voucher), which must be used as payment for child care services.[4] States may contribute matching funds and are responsible for determining program priorities and overseeing funds. As such, States share responsibility with ACF for protecting the financial integrity of the CCDF program. In addition, States must designate a lead agency to administer program funds and submit a plan to ACF for approval. A State plan identifies the purposes for which CCDF funds will be expended for 2 fiscal years.

Federal regulations require that States have sufficient fiscal control and accounting procedures adequate to demonstrate that funds have been used in accordance with legal requirements of the block grant.[5] CCDF program requirements provide that a State has 2 fiscal years to obligate CCDF funds and a third fiscal year to liquidate those funds. Any funds not obligated or liquidated during the specified period will revert to the Federal government.[6] The CCDF program consists of discretionary, mandatory and matching funds for direct services, non-direct services, quality activities and administration costs. Several of our audits have looked at "targeted funds," discretionary funds used for activities that improve the availability, quality, and affordability of childcare and to support the administration of these activities.

OIG is required to review HHS's annual improper payment information to determine and report compliance with IPIA as amended by the Improper Payments and Elimination Recovery Act of

[3] At the option of the State, services may be provided for a child under age 19 who is physically or mentally incapable of caring for him or herself or is under court supervision. 45 CFR § 98.20 lays out eligibility requirements.

[4] 45 CFR § 98.30.

[5] 45 CFR § 98.67(c).

[6] 45 CFR § 98.60(d)(7).

2010.[7] HHS had identified CCDF as one of its eight programs susceptible to significant improper payments. Because of this designation, IPIA requires that HHS estimate improper payments for the program, take corrective actions to reduce improper payments, and annually report to Congress the actions taken to reduce improper payments for those programs with estimated improper payments exceeding $10 million. For FY 2013 reporting, HHS estimated that improper payments for the CCDF program totaled about $306 million, or a 5.9-percent error rate.

OIG Has Identified Challenges in Monitoring the Health and Safety of Children Served by the CCDF Program

Gaps in oversight and monitoring can place the health and safety of children at risk, as our work has demonstrated. In September 2013, we issued our first report of a series[8] to address the health and safety of children under the care of licensed providers that receive CCDF funding.[9] This report focused on the State of Connecticut's onsite monitoring activities for 20 selected providers. We determined that all 20 of the providers we reviewed did not comply with one or more State licensing requirements to ensure the health and safety of children. Specifically, we found that 19 of the 20 providers did not always comply with 1 or more requirements related to the physical conditions of the family homes and 8 of the providers did not comply with required criminal records and protective services checks. Two of the providers voluntarily surrendered their licenses after our review of their compliance with State licensing regulations.

[7] OIG is required to review how HHS is assessing the programs' improper payment information it reports as well as the accuracy and completeness of the reporting in HHS's annual *Agency Financial Report*.

[8] *Connecticut Family Day Care Home Providers Did Not Always Comply With State Health and Safety Licensing Requirements* (A-01-12-02504, September 23, 2013).

[9] OIG has ongoing health and safety reviews of family homes and day care centers in 10 States and 1 territory. These include Arizona, Connecticut, Louisiana, Maine, Michigan, Minnesota, Missouri, New York, Pennsylvania, Puerto Rico, and South Carolina. We considered various risk factors for our selection of States and child care providers. Examples include previous health and safety findings, length of time since last State inspection, geographical location, and total children receiving CCDF funds.

Examples of health and safety violations included:

- lighter fluid, charcoal, gasoline, and a propane tank found either in unlocked cabinets or in the children's outdoor play area, all accessible to children;
- an outdoor play area that was not properly protected from the driveway by a fence or other child-safe barrier;
- a smoke detector that did not have a battery; and
- homes without adequate sleeping arrangements for the children in their care—e.g., three children sleeping on the same air mattress in the living room instead of each child having his or her own sleeping arrangement.

Our work examining the CCDF program has also focused on each State's health and safety requirements for licensed child care providers, including an in-depth review of monitoring activities in five States representing 35 percent of children served in licensed settings in FY 2009. In November 2013, we reported[10] that all States complied with the Federal requirement to have health and safety requirements in place for licensed child care providers. Although there is no required Federal standard, States' monitoring requirements for licensed providers did not always meet ACF's recommendations for background screenings or the recommended standards for unannounced inspections. For example, only 15 States reported performing background checks sufficient to be considered comprehensive background screenings for both center-based and family home providers. As another example, 21 States did not report requirements for routine unannounced inspections that met recommended national standards.[11] Routine unannounced inspections are a means for States to determine whether providers are maintaining healthy and safe environments for children. Moreover, monitoring of licensed providers was not conducted in accordance with States' own requirements. For five selected States that we further reviewed, four

[10] *Child Care and Development Fund: Monitoring of Licensed Child Care Providers* (OEI-07-10-00230, November 4, 2013).

[11] ACF partners with another HHS agency component, the Health Resource and Services Administration (HRSA) to disseminate the book entitled *Caring for Our Children: National Health and Safety Performance Standards; Guidelines for Out-of-Home Child Care Programs*, funded by a HRSA grant. According to the National Standards, a licensing agency should conduct at least two inspections per year of each center and family home. At least one of the inspections should be unannounced; more unannounced inspections should be conducted if needed for the facility to achieve satisfactory compliance.

States that required routine unannounced inspections failed to comply with their own requirements and none of the five States adhered to their own frequency requirements for reviewing providers' compliance with State requirements for background screening. We found that ACF did little to monitor how States were overseeing CCDF providers.

In July 2013, we issued an early alert memorandum[12] to ACF regarding the gaps in health and safety requirements and monitoring for license-exempt providers. These gaps represent vulnerabilities that could potentially lead to harm for children in care, including care financed by the Federal Government. We found that a number of States did not report having any requirements for certain license-exempt providers for at least one of the three health and safety areas.[13] As such, these States were not fully compliant with Federal regulations. Additionally, a few States reported that they did not have requirements in place to monitor license-exempt providers. Other States reported allowing providers to self-certify compliance with health and safety requirements, and reported limited monitoring, limited use of background checks, and provider non-reporting of serious injuries.

On May 20, 2013, ACF issued a Notice of Proposed Rulemaking that proposed regulations that ACF expects would strengthen health and safety requirements for the oversight of child care providers.[14] These proposed regulations would provide more comprehensive health and safety requirements for center-based, group home, and family home CCDF providers (including license-exempt providers). For example, the proposed regulations would not allow providers to self-certify compliance with health and safety requirements and would require States to take specific steps to monitor all CCDF providers. Comments on the proposed rule were due on or before August 5, 2013. To date, ACF has not issued its final regulations.

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[12] *License-Exempt Child Care Providers in the Child Care and Development Fund Program* (OEI-07-10-00231, July 11, 2013).

[13] States may exempt certain providers from State specific licensing requirements (i.e., license-exempt providers). The types of providers that are license-exempt vary by State. For example, center-based child care providers located in public schools are exempted from licensing requirements in 22 States. As another example, family home child care providers that serve children from one family are exempted from licensing requirements in seven States. However, all providers, including license-exempt, must meet Federal health and safety standards.

[14] 78 Fed. Reg. 29941 (May 20, 2013).

OIG Has Identified Weaknesses in the Fiscal Controls Over CCDF Targeted Funds in Certain States

For FY 2013, CCDF targeted funds awarded to States totaled about $300 million. Financial stewardship at the Federal and State levels is paramount to help ensure that these vital Federal dollars are spent for their intended purposes and in accordance with program requirements. OIG audits have assessed whether State agencies complied with Federal requirements in the expenditure of targeted funds for Infant and Toddler, Quality and School Age Resources, and Referrals funds.

Our findings regarding the fiscal accounting of CCDF targeted funds were similar for each of the four State reviews.[15] We found that several States lacked supporting documentation for expenditures, improperly reobligated targeted funds after the obligation period, and did not refund unliquidated funds after the award period had ended. In these instances, we found that States did not have adequate policies and procedures in place to monitor the obligation and liquidation of CCDF targeted funds pursuant to Federal requirements. In addition, one State had not set up its accounting system to track expenditures to the funding source or grant year of the funding source. Instead, the State relied on externally created spreadsheets to allocate and support reported expenditures. However, the State's financial reporting process did not ensure the accuracy and validity of those spreadsheets, which were used to calculate expenditures reported to ACF.

To date, our audits in four of seven States reviewed[16] have identified a total of $5.8 million in targeted fund expenditures that did not comply with Federal requirements for FYs 2004 - 2009. The four States expended $57.2 million in CCDF targeted funds during this same time period. These weaknesses in financial controls put additional funds at risk of being misspent.

[15] The four States are Iowa, Louisiana, Nebraska, and Virginia. In addition, we have audits underway at six additional States that are expected to be issued in FY 2014. We considered several risk factors for our selection of States, including total CCDF funds expended and claimed for Federal reimbursement, geographical location, and input from ACF.

[16] OIG completed audits in seven States: four States with OIG reported findings—Iowa, Louisiana, Nebraska, and Virginia—and three States with no OIG reported findings—Connecticut, Michigan, and Ohio. These seven States' expenditures of targeted funds totaled $120.3 million in CCDF funds for FYs 2004 - 2009.

HHS Reported Significant Improper Payment Reductions Under the CCDF; Sustained Attention Is Needed to Continue This Progress

To improve the accountability of Federal agencies' administration of funds, IPIA requires agencies, including HHS, to publish improper payment estimates for programs and activities identified as being susceptible to significant improper payments. HHS annually reports estimated improper payments for the CCDF program in its *Agency Financial Report*. HHS has made significant progress in reducing the CCDF improper payment rate from 9.4 percent in FY 2012[17] to 5.9 percent in FY 2013. Looking ahead, further reductions of this rate are important to protect the $5.1 billion at stake. This is a challenging goal for many reasons.

As steward of taxpayer dollars, HHS is accountable for how States spend federal CCDF dollars and for safeguarding these funds from improper payments. States are also responsible for ensuring that these funds are used for the intended purposes outlined in the grant award. Measuring improper payments and designing and implementing actions to minimize or eliminate them are not simple tasks, particularly for grant programs that rely on quality administration efforts at the State level. Implementing strong preventive controls can help mitigate improper payments, increasing public confidence and avoiding the difficult "pay and chase" aspects of recovering improper payments.

For FY 2013, HHS reported that administrative and documentation errors accounted for 51 percent of the reported $306 million of estimated improper payments. Errors were due primarily to the fact that documentation was missing or insufficient. Examples of missing or insufficient documentation include missing case records; incomplete documentation about the work, educational, or training activity of the head of the household; and insufficient documentation of earned income. HHS reported that the remaining 49 percent of estimated improper payments resulted from verification errors. These types of errors occurred when there was a lack of information to verify portions of a case record. HHS stated that the errors consisted of the failure

[17] In its FY 2013 *Agency Financial Report*, HHS stated that the published FY 2012 estimated improper payment rate had been overstated because incorrect data for a small number of States had not been detected prior to the 2012 publication. OIG had brought this reporting error to HHS's attention during our review of its 2012 reported improper payment information. For its 2013 publication, HHS stated that the correct 2012 estimated improper payment rate was 9.2 percent. However, HHS would continue to report the initial 2012 estimate of 9.4 percent in its 2013 publication for consistency.

to apply policy correctly such as inability to determine income calculation method and incorrect computation of the hours of care needed.

HHS reported corrective actions that it and States are taking to target payment errors in the CCDF program. Examples of HHS corrective actions include providing technical assistance to States through on-site visits and Webinars, coordination of conference calls with State Administrators to facilitate peer-to-peer sharing of error causes and program improvements, and implementation of a technical assistance tool entitled "Grantee Internal Control Self-Assessment Instrument" for States with high error rates. According to HHS, the tool will help States assess their internal control systems, identify areas of risk, and develop mitigation strategies. States have also initiated corrections to reduce CCDF payment errors. Examples include performing ongoing case record reviews; developing training plans that include policy clarifications, calculation tools, and checklists to ensure accuracy in processing eligible children for child care assistance; and enhancing automated systems to track attendance of children receiving child care, produce monitoring reports, and generate computer edits. Collectively, these corrective actions are important steps for HHS and States to further minimize improper payments and ensure the proper administration of the CCDF program and compliance with Federal requirements. Sustained attention by HHS will be needed to continue achieving significant reductions of improper payments in the CCDF program.

Conclusion

OIG will continue its oversight of CCDF to help ensure the health and safety of children, improve program integrity, and ensure sound financial management. We have ongoing audits in these areas at various State agencies that oversee the provision of childcare services to ensure that they comply with Federal requirements. Given our findings and recommendations to date, we support Congressional or administrative action that will enhance the health and safety of children. This is especially important with respect to the facilities where children are receiving care and with respect to the background checks of the providers that are delivering services. Additionally, increased accountability for funds and further reduction of improper payments are also important.

I thank the Subcommittee for its commitment to our shared goals—ensuring that Federal CCDF dollars are used for their intended purposes of providing affordable child care to low-income families that does not sacrifice quality or safety.

Thank you for your interest in our work and the opportunity to testify on OIG oversight of the CCDF program. I would be pleased to answer your questions.

ATTACHMENT

RELATED OFFICE OF INSPECTOR GENERAL REPORTS for 2012 and 2013

Report Title	Report Number	Date Issued
Child Care and Development Fund: Monitoring of Licensed Child Care Providers	OEI-07-10-00230	11/4/2013
Virginia Properly Obligated and Liquidated Most Targeted Funds Under the Child Care and Development Fund Program	A-03-12-00251	10/17/2013
Louisiana Improperly Claimed Some Child Care and Development Fund Targeted Funds	A-06-12-00057	9/30/2013
Connecticut Family Day Care Home Providers Did Not Always Comply With State Health and Safety Licensing Requirements	A-01-12-02504	9/23/2013
License-Exempt Child Care Providers in the Child Care and Development Fund Program	OEI-07-10 00231	7/11/2013
Nebraska Improperly Claimed Some Child Care and Development Targeted Funds	A-07-12-03175	4/30/2013
Michigan Properly Obligated and Liquidated Targeted Funds Under the Child Care and Development Fund Program	A-05-12-00062	4/26/2013
Ohio Properly Obligated and Liquidated Targeted Funds Under the Child Care and Development Fund Program	A-05-12-00061	4/26/2013
Iowa Improperly Claimed Some Child Care and Development Targeted Funds	A-07-11-03163	3/28/2012
U.S. Department of Health and Human Services Met Many Requirements of the Payments Information Act of 2002 but Was Not Fully Compliant	A-17-13-52000	3/15/2013
Connecticut Properly Obligated and Liquidated Targeted Funds Under the Child Care and Development Fund Program	A-01-12-02505	2/21/2013

Chairman ROKITA. Thank you, Mr. Chairman.

Again I thank all the witnesses.

Now I would like to recognize the chairman of the full committee, Chairman Kline.

Recognized for 5 minutes.

Mr. KLINE. Thank you, Mr. Chairman.

I want to thank you for holding the hearing. I want to thank the witnesses for making the trip here. Delightful weather outside. Thank you for your testimony and for your work in this important area.

As the House starts its process, this committee and the House starts its process of looking at reauthorizing this important legislation, we are very pleased that you were able to come here today and help us take a look at this.

Mrs. Konstantenaco—I practiced as well—why do you think it is important for a state child care system to offer a mixed delivery model? And then can you tell us how private providers contribute to that mixed delivery model?

Mrs. KOSTANTENACO. Well, it gives the parents a choice. Again we need to make them aware of the regulations that we follow, that they need to go to licensed child care in that vicinity. We want to make sure that there is a continuity of care.

Again, we are there to nurture those children and take care of them on their daily needs through educating them as well. But again, for most of them the health and safety are a vital concern.

Again, it is parents' choice. They know what is best for their children, but again, sometimes they need that educational background to know that they need to go to a licensed child care and have that option to be able to choose where they need to go.

Mr. KLINE. And the private providers offer those different approaches?

Mrs. KOSTANTENACO. Yes. Some doing different hours of care, et cetera.

Mr. KLINE. Okay, thank you.

Ms. Koos—I didn't practice that quite as much and probably should have—what steps do you think Congress should take to strengthen coordination among the early childhood education and early childhood care programs?

Ms. KOOS. Well, I think the Headstart preschool partnership is probably a good start—that we are going to be working early Headstart and child care are going to be working together.

I think one of the things that we need to be sure happens is that everybody is working under some of the same standards, that they are all looking at the health and safety of children. Not every program has the same standards.

In Oklahoma we are attempting right now to come up with a system that incorporates pre-K, Headstart, and child care so that if you meet certain standards in Headstart you are also meeting the same standards in the QRS program for child care and you are meeting the same standards that the education department has established for pre-K.

That is not necessarily true and so it makes it difficult to know when you are going program to program to program are they equal,

are they comparable, do they have the same quality standards in place.

Ms. GOLDEN. If I may add a comment about the national experience, I do think that there is a lot of really good work going on, as you describe, in states that are doing coordination.

So for example, when I worked in New York State, partnerships between pre-K, Head Start, and child care, the potential for a child—because the Child Care and Development Block Grant is unique in its ability to support the children of working families full day and full year, so you might be able to have the core preschool program delivered for several hours in a setting and then support with child care dollars the full day.

So I do think that collaboration is very important. All the systems need resources to make it work and the Senate reauthorization encourages even more of that, but I do think that is an important area where the child care block grant program is contributing to good partnerships going on around the country.

Mr. KLINE. Okay. Thank you very much. I see my light has turned yellow and in probably a futile effort to set the example for the rest of my colleagues, I will yield back.

Chairman ROKITA. I thank the chairman.

Mr. Scott is recognized for 5 minutes.

Mr. SCOTT. Thank you, Mr. Chairman.

Ms. Golden, we just heard the question about interaction between pre-K and Head Start. If we want quality education, why don't we just put all of the money in pre-K and Head Start? Why do you have to have the child care in addition to that?

Ms. GOLDEN. Well, the reason we need all those programs to be strong—I think there are two big reasons—one of them which I just mentioned is that the Child Care and Development Block Grant has as its mission supporting care for working parents and so it has the capacity to provide full-day and full-year care.

So there are, for example, partnerships like the one I mentioned where a child might be in prekindergarten or in a Head Start program but need care for the whole day—a mother who is working can't take a child to a 4-hour program and pick them up again.

I think a second really important reason is that the Child Care and Development Block Grant addresses children of all ages, and for infants and toddlers - I think it may have been in your opening statement - highlighting only about four percent reach through Early Head Start.

We need far more resources in Early Head Start, but we also need the capacity through the block grant to reach those children and to reach school-age children.

I guess the last thing I would highlight is that when researchers look at all those programs and look at the universe of needs, the families who are working and struggling to find care, what they find is a lot of unmet need in all of them. So we need to strengthen each of the pieces and make them fit together well.

Mr. SCOTT. I think, Ms. Jarmon, you might be able to answer this.

Everybody is talking about quality in general. What kind of initiatives are funded with the quality set-asides? Is that something that you looked at?

Ms. JARMON. We haven't looked at the initiatives related to the quality of set-asides. We are doing some health and safety reviews at several states.

Mr. SCOTT. Okay, let me get back to Ms. Golden.

Ms. GOLDEN. Sure. I can give some examples and then you may have examples in other states. The quality resources from the child care block grant are really important for a whole range of things.

They pay for training, professional development, a program that is sometimes called the TEACH program, where somebody in a child care program can get some further training and then come back and get a boost in their salary to reflect that credential.

The quality rating system that I think Ms. Koos described in most states, setting that kind of system up where you would be able to give it from one star to four or five stars depending on the quality, and then you would be able to provide a program say that was a three star and wanted to get better, you could give them some resources to do that.

That is another example. Sometimes things just as basic as the kind of equipment or materials that a home family child care provider needs to be able to provide an educational experience. Those are all examples.

Ms. JARMON. Can I add a little bit more because I was thinking about the quality setting—we do work on targeted funds and some of those are for quality issues.

Our work on the targeted funds is also in several states and we are actually looking at how the funds are accounted for and that is where we have found some issues where in some cases funds were obligated beyond the obligation period and had been in some cases liquidated beyond the liquidation period, but there we were focusing more on the accounting related to what we call targeted funds and I believe the quality is one of the three areas of the targeted funds, so I wanted to correct that.

Ms. KOOS. What we know about quality is that the education of the child care provider makes a huge difference in the experience that a child is going to have in child care.

One of the things that states can use their CCDBG dollars to do is to help pay for educational opportunities for child care providers.

In Oklahoma we assist child care providers with college tuition. It also helps pay for training in general. Most of the CCR&R budgets come from the CCDBG dollars and most of the CCR&Rs provide training in Oklahoma. We provide about 50 percent of the training that child care providers receive in a year.

Mr. SCOTT. I don't want to cut you off—

Ms. KOOS. It is also used to just improve training practices, so if you—

Mr. SCOTT. I don't mean to cut you off, but I am trying to get in another question before the red light comes on.

Ms. KOOS. Okay.

Mr. SCOTT. Ms. Golden, quality costs more than lack of quality. What are some of the costs if we don't make these investments?

Ms. GOLDEN. I think the costs if we don't make quality investments are a lot better known now than they were 20 years ago. That providing quality care for children for young children pays off in terms of their later ability to succeed in life, so their ability to

succeed in school, to make good choices as adolescents, to succeed as adults and the costs of not doing that are that children potentially to not finish high school or become parents too early.

I also think that when it comes to the—

Mr. SCOTT. Do these have an effect on the teen pregnancy rate, criminal justice system, drug abuse, dropping out?

Ms. GOLDEN. I think it is fair to say that quality in early childhood has an effect on all of those things, yes. I also just want to say that in this program quality and continuity also have an effect on the parents' work because if the problems cause the setting—cause it to be disruptive than the parent isn't going to be able to work steadily either.

Chairman ROKITA. I thank the gentleman. The gentleman's time has expired.

Ms. Fudge is recognized for 5 minutes.

Ms. FUDGE. I thank you very much, Mr. Chairman.

I thank you all for being here today. Thank you for your testimony.

I would like to begin with Ms. Kostantenaco. A question—you mentioned the fact that most child care workers are women—

Mrs. KOSTANTENACO. Yes.

Ms. FUDGE.—who are paid low wages.

Mrs. KOSTANTENACO. Yes.

Ms. FUDGE. Can you give me some idea of what you think the effect of the low wages have on the child care programs themselves as well as the families of the people who work in this industry?

Mrs. KOSTANTENACO. Okay. Well, if you don't—if you are not able to pay your staff they go someplace else. In my history I have been very lucky to have a supportive staff that some of them have raised their children in my center when they started working for me.

Again, it is hard to retain staff in some areas. I have been very lucky, but other people there is always an in—

Ms. FUDGE. You have a great deal of turnover—it is a possibility for a great deal of turnover?

Mrs. KOSTANTENACO. It can be, yes, it can be.

Ms. FUDGE. And often a lot of these people too use safety net programs from the government to make ends meet, sometimes, right?

Mrs. KOSTANTENACO. Yes.

Ms. FUDGE. Okay. Thank you.

Ms. Koos, let me just ask this question. You have been talking about raising the standard minimum requirements, which I agree with. But you know a lot of people in the House of Representatives don't believe in regulation.

Please express to me again why you think it is so important that there be some basic minimum standard to protect our children.

Ms. KOOS. Well I think it is very important because we are talking about the safety of our children. In some states where there is no inspection prior to licensure and there is no inspection on a regular basis, a child can go into child care and wind up in kindergarten and the facility that they have been in has never been inspected.

If people don't know what they don't know they can't improve their practices and without some standards, some basic standards

that say every program needs to meet this standard you can't leave it to chance.

Parents assume when you tell them that a program is licensed that they have met a certain limited number of regulations and that somebody has checked on it. That is not true in every state.

We are very fortunate in the State of Oklahoma that if you get a license in Oklahoma you are inspected three times a year. That is very unusual because it is significantly less than that in many states.

Ms. FUDGE. Thank you. I am assuming no one disagrees with the fact that there needs to be some basic—thank you very much.

Ms. Jarmon, what are your thoughts on the Senate-passed bill as it relates to strengthening training for providers—you talked about in your testimony—strengthening training for providers and intake workers, plus monitoring, plus talking about background checks? You talked about all of that. Tell me again why you believe that would reduce the amount of fraud or abuse in this program.

Ms. JARMON. Our reports have recommended some minimum level of standards also for heath and safety requirements including comprehensive background checks and strengthening the monitoring including unannounced visits, so our work has supported the need for that also.

Ms. FUDGE. I just want to—and I am going to yield back—but I want to thank you all for coming. I know how important it is.

Child care is a very important issue in this country for working people, in particular especially for poor working parents, for those who are just trying to get by, and I know the cost of it has continually gone up and our salaries haven't gone up and people are having a very difficult time in this nation.

So I thank you all for your care and concern whether you agree or disagree, I know that you all care about America's children, and I thank you for that.

I yield back, Mr. Chairman.

Chairman ROKITA. I thank the gentlelady.

Mr. Pocan is recognized for 5 minutes.

Mr. POCAN. Thank you, Mr. Chairman.

Thank you to the witnesses today. I come from a state where we have a Quality Star Program as well. In fact, we created it when I was in the legislature and now we are trying to see the impact and implementation of how that is coming together.

First of all, let me start with Dr. Golden specifically to what the Senate passed.

One, I am just wondering—you briefly touched some of the improvements that you perhaps suggest to that bill. Can you just expand on that a little bit?

Ms. GOLDEN. In terms of the provisions of the Senate bill that are improvements to the program.

Mr. POCAN. Yes.

Ms. GOLDEN. I would highlight several categories. We have talked particularly about the improvements to the basic health and safety standards and the states monitoring, and we think that is about raising the floor from the federal point of view. That is important.

There are also improvements that focus on quality, on directing more state resources toward programs like what you heard about in terms of education and training.

And then there are provisions that focus on continuity, on helping a parent and a child stay in that program for not—right now many parents get in and then in 3 months something bureaucratic has happened that isn't their fault and they are moved out, and that is not good for children or for parents.

So I think there are some very important provisions on all of those areas. At the same time I think we also think that resources are going to be an important part of making those provisions effective as another step for moving forward.

Mr. POCAN. And that is what I meant—your suggestions for improvements to the Senate bill—I am sorry.

Ms. GOLDEN. I am sorry. I think that the headline from our perspective would be that in addition to those improvements—to what the Senate bill does.

The other big problems right now are problems about access; the number of children in the child care and development block grant program is going down because of resource constraints that affect the states—the federal dollars going down and affecting the states.

A second problem is rates. You heard from Mrs. Kostantenaco about the salaries she pays her employees and that of course is directly affected by the rate that is possible that is paid to her.

The Senate bill again includes improvements in terms of what states should take into account in setting rates. It tells them to take into account the cost of high quality care, but without resources to back that up and make it possible to do that, it is an important step. It is a key step along the way. It doesn't get you all the way there.

Mr. POCAN. Sure.

I guess the same question that Ms. Koos. Since you have a system that is somewhat similar it sounds like to Wisconsin and that you have got a Quality Star system. What other improvements would you recommend perhaps to the Senate-passed bill?

Ms. KOOS. We really believe that background checks would be very important to the safety of children. When state auditors looked across state lines, they found that Illinois had 90 matches for people who had sex offender status. Kentucky had 30, Massachusetts had 119, and Washington had 28.

These were all people working in child care and they were working in child care because there was no background check, and no one knew that they were a sex offender, so background checks are really important.

We are also concerned about safety issues and the training that happens for child care providers.

Mr. POCAN. If I can get one more question in I think I can.

Dr. Golden, the question would be when you look at some of these innovative child care assistance programs, things like the Quality Star et cetera, what are some of the other programs out there that are really worth taking a look at?

Ms. GOLDEN. Besides the rating systems which we have talked about and the programs that provide help for college or for other

experiences, I would highlight some innovations that help families get child care and keep it better.

The provision in the Senate bill that suggests for example that when you re-determine eligibility, when you look again at a family you don't have rules that make it impossible for a working parent to do it, like requiring them to stand in line all day.

There are states that are experimenting with how to make the rules and the bureaucracy much, much simpler so that you don't contradict the purpose of that underlies all this.

The 12-month eligibility provision in the Senate bill grows out of innovations in some states now where they are trying again to make sure that you are meeting the original goal of the program which is not to put blocks in the way of people's work but to make it easy, so I think there are innovations on that side as well as on the quality and the improvement of care.

Mr. POCAN. Great. Thank you.

I yield back.

Chairman ROKITA. I thank the gentleman.

Mr. Polis is recognized for 5 minutes.

Mr. POLIS. Thank you, Mr. Chairman, and thank you for organizing this important hearing today.

More than a decade ago in Colorado, I co-chaired a task force on high school reform. We had a bipartisan task force, a great group, and we parted out our final report by saying the best way to reform high schools is to ensure that we have universal access to high-quality, early childhood education and then sit back and wait 14 years and the high schools will look a lot better.

Now that should not detract from the importance of improving our high schools today, but certainly all the major studies show that one of the most important investments we can make in closing the achievement gap and increasing graduation rates is at those early education levels; preschool, kindergarten, and even before.

If we are serious about closing the achievement gap, we need to begin by ensuring that the achievement gap doesn't arise in the first place and that children have access to high-quality child care and early learning opportunities.

There have been a number of great studies that have been done, longitudinal studies over decades, 30 years that show that early childhood education is a good investment for our economy in terms of saving resources later on, in terms of reduced adjudication and incarceration rates, increased graduation rates and employment, and of course transformation in all of the lives of the people who receive those of services.

Unfortunately, there is not enough high-quality early learning opportunities for families who stand to benefit from them and of course society stands to benefit from them. In my own city in Colorado, the Colorado Preschool Program only enrolls 29 percent of the state's 4-year-olds.

We do not have universal full-day kindergarten in my state of Colorado either. We estimate in Colorado that more than 16,500 at-risk 4-year-olds do not have preschool available to them through either Colorado Preschool Program or Head Start.

It is not just a point of frustration that preschool is not available. It is an issue of equity and achievement and of course long-term costs not only to the families affected but to society as a whole.

I was certainly glad to see the Senate bipartisan reauthorization that would improve the quality of care that children receive. Of course we need a lot more than just that reauthorization, but I think there is certainly some language we can agree on.

My first question is for Dr. Golden.

Recently I introduced the Bipartisan Continuum of Learning Act, which would improve the quality of early childhood education without new federal spending by improving early learning standards or early childhood certification training and coordinating early learning programs with school districts.

My question is around that latter point. I will open it up to the rest of the panel.

How does child care fit into the continuum of early childhood in the K–12 system and why is it important to have child care coordinate its efforts in terms of deliverables on curriculum with the school districts in the K–12 system, and what can we do better on that front?

Dr. Golden?

Ms. GOLDEN. I would say that there is coordination of several kinds and it is uneven across states. I have seen it close up in a couple of states and in others a little less close-up.

I think one kind of coordination we have talked about is around pre-K. In many states child care providers that meet a sufficient standard offered pre-K themselves.

I remember when I was in New York State we were looking for child care and Head Start providers because they had the experience with young children and could work with the school district in a close way.

There is also coordination often as I think you heard from Ms. Koos around trying to get your standards consistent and trying to have a shared training framework.

Then there are kids in school and after school care, and so I think the goal there may not be you don't necessarily need to have the same content in the after-school part of the day but you want to make sure that it works for children and for parents.

I do want to highlight that almost a third of the children served by CCDBG are infants and toddlers, and so for them early childhood settings, like child care programs and family care homes that you can help to do a really good job, will have far more experience with infants and toddlers. The school system may not have as much helpful experience there.

But I do think that the other key feature of the child care programs and of the early childhood system that I think is helpful to the school system and can improve quality in schools is that the early childhood and child care world has a tradition of being two generational, of caring about parents and about kids, and that is something that I have often seen is wisdom and experience and knowledge from the early childhood world that can come back and improve school programs.

Mr. POLIS. Great.

Does anyone else want to briefly address this issue of coordination?

Ms. KOOS. I think it is very important because if you look at child care, the average child spends 36 hours a week in child care. If you don't acknowledge that child care exists and that is an important function of the family life right now you have missed a large portion of the population and a large portion of their day.

You have to acknowledge that they are in child care. That is where they are. That is where we need to address policies and procedures for them.

Mr. POLIS. Thank you. I yield back.

Chairman ROKITA. I thank the gentleman.

I recognize myself for 5 minutes.

Again, I thank the witnesses. It has been instructive. Like many things around here we seem to have two common themes as I see them. One revolving around the standards and the other revolving around money.

With regard to the money first, I am a budget committee member as well so I have to apologize, I guess, but that is of concern because if you all haven't heard, we are broke, Dr. Golden.

It is not just the $17 trillion that we owe—kids that don't yet exist pay for. I can make a pretty strong argument if I wanted to suck up my 5 minutes about why that is so immoral.

Notwithstanding everything each of you said. But it is the $200 trillion that is on the way over the next 75 years that we are not going to survive.

What I appreciate is when witnesses come with not only the problem but with the solution; not just we need more, we need more, we need more, but if that is the priority as each of you said led by Dr. Golden I would say in terms of testimony, okay, who am I to judge? But if that is the priority, what is not so much the priority anymore? That is the kind of leadership we need.

So with that, I am going to ask Ms. Jarmon—talk to me about improper payments. Give me some specific examples of what you are seeing, what we can do to stop the waste and abuse if not outright fraud and direct existing dollars to the valid needs that have been discussed by the other witnesses here.

Ms. JARMON. Yes, Chairman Rokita, as I mentioned, the improper payment rates for this program actually went down but is it still a large number. It still $306 million that was reported for—

Chairman ROKITA. Yes, 5.9 percent. What does that mean?

Ms. JARMON. That number—51 percent of—HHS reported that 51 percent of that relates to administration and documentation errors like missing information in case records.

Chairman ROKITA. So does that mean there are not many savings there to be had or there is? We can save money there or not?

Ms. JARMON. What they can do is try to find ways to better train to make sure that these things are corrected so that the money is going to the providers who should be in the program and to the children who are eligible because the other 49 percent of the errors related to lack of verification.

In some cases not properly verifying that these children who are in the program were eligible to be in the program and HHS has been working with the states to try to address this issue. They

have incorporated—they are facilitating more peer-to-peer reviews between states because there are some states that have much higher error rates than other states so the states who have lower their rates maybe they can learn from each other so they are trying to—if more of those things can happen that should help to further reduce the improper—

Chairman ROKITA. Have you found any fraud?

Ms. JARMON. We haven't in our work on improper payments.

Chairman ROKITA. Have you looked for it?

Ms. JARMON. Our work is focused on reporting improper payments. We have a fraud hotline where some fraud is reported to us, but I am not aware of it related to this program. I could get back to you on that.

Chairman ROKITA. So nothing that you know that is retail or wholesale in that regard?

Ms. JARMON. Right.

Chairman ROKITA. Okay, thank you.

Dr. Golden, really briefly; solutions. If this is the priority and I will note that since the last reauthorization we have more than doubled our spending in this area, so I am sure your testimony if it was back in 1996 would have been we are not spending enough and now we are still not spending enough.

I don't know the numbers on how many more kids that we are helping but I imagine that has gone up too. So the point I am trying to make, Doctor, is that this can't be an open ended thing. There have got to be limits and priorities put on this.

Talk to me in a positive manner about what we can do to better direct money to children so that they and their parents can lead better lives for themselves because that is what we want. We don't want dependency on government right?

Ms. GOLDEN. What I find particularly heartening about this hearing is the commitment that you and that everyone have expressed to child care as a central issue.

I guess I do want to note one thing before going to the solutions which is that your thought about the trend that actually I think many people believe we have been going up but in fact, we have just fallen to a 10-year low.

Both total spending at a 10-year low and average of children served at a low since 1998, so more than 10 years. That is a challenge in terms of—

Chairman ROKITA. I am not sure—I just disagree with you. I would like you to submit that for the record because the figures I am looking at go from nearly 2 billion in 1997 to 5 billion now. I am running out of time. You have 5 seconds for a solution.

Ms. GOLDEN. Sure. I think the solution we would be glad to work with you about the focusing on this priority and where else we believe there are resources—

Chairman ROKITA. So not much of a solution at least right here. Thank you.

I yield to Mrs. Davis for 5 minutes.

Mrs. DAVIS. Thank you, Mr. Chairman.

And thank you to all of you.

I am sorry I am doing double duty here, so I wasn't able to hear all of your discussion but I wanted to just go back to a few issues

that I know you have covered today but if you could respond to those.

Part of it is the options that parents have and again this is part of the solutions; access to affordable quality and I say child care and pre-K and we know that there are differences.

Dr. Golden, do parents have enough options? We talk about block granting and the opportunities that states have used for that, but truly, what are the different options that parents have and if you as well could note those differences.

I think you have talked about that a little bit but in terms of credentialing, in terms of there are so many issues involved if we try to separate out child care and true quality pre-K.

Ms. GOLDEN. Well I guess first of all on the question of parents' options I think—and I guess that this has come through in all of our testimony that the child care, the CCDBG program helps parents have more options than they would have otherwise.

It helps them gain access to higher quality care than they would otherwise, and to safer care, and it enables them to gain access to options that could be in a family setting, in a center, that could accommodate low-wage work, late night, weekends, so that is an important strength.

I think the other side of that which you have also heard in our testimony and which I am wrestling with as we talk about resources, is that many parents don't have access to any of those things. The Child Care and Development Block Grant reaches around one in six of the eligible parents.

Many states have waiting lists. Parents who don't have help paying for care find themselves making choices that every day when they get to work your heart is in your throat because you are not sure it is a good choice or you lose your job. That I think would be number one headline.

I think the second would be that making sure that parents who get help from the child care program are getting a high-quality setting for their young child. I think is what we have all been talking about. That involves both improvements within the program and coordinating well with other programs like Heart Start, Early Head Start, and prekindergarten.

The Child Care and Development Block Grant often provides some of the glue to do that. For example, the rating system that lets you put the pieces together. Does that cover what you are thinking about?

Mrs. DAVIS. Yes. I think part of it is where there are communities where this is not necessarily the case with the coordination isn't as strong—

Ms. GOLDEN. Absolutely.

Mrs. DAVIS.—How do we provide those kinds of best practices or what is it that they need to be able to move forward?

Ms. GOLDEN. Well, I think some of what they need is in the Senate reauthorization proposal, which talks about a variety of coordination requirements around a training framework that supports young children's development and really highlights coordination not only with Early Head Start, Head Start, pre-K, but for example, programs with children with disabilities.

The Senate reauthorization puts in place a lot of the key pieces. I do think that beyond that federal framework there is a lot of technical assistance and then there are again the resources that it will take to do it, but I do think that the reauthorization includes some of the crucial pieces that put the building blocks in place so you can go ahead and make it happen.

Mrs. DAVIS. Does anybody want to respond to what is missing in that?

Ms. KOOS. It is possible to do.

In Oklahoma, the subsidy system is tied to the Stars rating system and so 96 percent of the children who receive subsidy for child care are in 2-or 3–Star facilities, so they are in quality settings even though they get—they are in a subsidy situation.

That is not true in every state. In some states the subsidy level is the same regardless of the quality of the program and so parents have to make choices that aren't necessarily tied to quality but they are more tied to what they can afford from their pocketbook because a higher quality program costs more so they have a larger share to pick up if they go to a quality program, so that is an issue.

We also have 76 percent of the children in the state of Oklahoma in our pre-K program, so we have to get them ready for that pre-K program, and then once they are in that pre-K program we have a larger percentage of the children in a pre-K program getting them ready for kindergarten.

Ms. GOLDEN. One other thing that brings to mind that is helpful in the Senate bill and that could spread it further is that one of the obstacles to coordinating is sometimes if a state's child care subsidy policies aren't very strong.

So for example, if a state doesn't let children stay in the program for the full year but has policies that lead to lots of churning and turnover, that is going to make it really hard to coordinate with your child care programs, to coordinate with quality because the quality provider isn't going to want to have to deal with that constant churning. So if the state—

Chairman ROKITA. The gentlelady's time has expired. I appreciate it.

The gentlelady yields back.

Mrs. DAVIS. Thank you, Mr. Chairman.

Chairman ROKITA. The ranking member is recognized to close.

Mr. SCOTT. Thank you, Mr. Chairman.

I thank our witnesses. This has been an excellent hearing. We have heard that it's quite necessary to fund the block grant as well as keep pre-K and Head Start and coordinate them together particularly in light of the fact that many pre-K and Head Start programs are only half-day, that is not enough for a full-time working person.

We have also heard the cost of not making these investments. When you talk about the long-term budget situation when you have an initiative that can reduce teen pregnancy, dropouts, criminal justice involvement, drug abuse, suicide, and everything else many of which have extraordinary long-term cost implications, if you can make those investments upfront, you can do a lot to reduce the long-term budget implications.

So I think there is a consensus that we need to do something to improve the quality of the programs, and I look forward to working with you as we do that.

I yield back.

Chairman ROKITA. I thank the gentleman.

I don't have much in terms of a closing that hasn't already been discussed except to say a few things.

The first being thank you. I appreciate each of the witnesses leadership in their particular subareas of what I think is a very important obviously subject matter but also an important profession, one that it would seem to me is executed more out of love than for any kind of monetary gain.

If I had more time, Mrs. Kostantenaco, in my questioning I would have asked you about if you found an employee shortage really or not or if regardless of the pay amount that you were or any of you were paying your employees whether that is really why they came to work or not.

I would have also asked how many are you losing not just to other companies in the industry or other industries but if you are losing any to staying at home and collecting unemployment checks instead. That goes on for 2 years now in this country.

Yes, and for the record, I am seeing some nods. Seeing some nods.

There is some interesting comments that have been made here today about how people are struggling over 6 years now and there are other ways rather than more government dependence to get this economy going again.

I think as Americans we ought to go back and explore some of those. That is a different hearing perhaps, but you all touched on it in a way.

For the record, I want to make sure that I understood Ms. Jarmon's testimony correctly.

You haven't necessarily found fraud in these programs, but you haven't been looking for it either. You do a documentary review if I understand it correctly to look for based on paper reviews whether or not an improper payment has been made. That is a different kind of audit, correct?

Ms. JARMON. Right.

Chairman ROKITA. I see the witness nodding her head yes, so I want to make sure that is clear.

I also appreciate what help will be Dr. Golden and for the other witnesses and others that are watching this hearing now about what the solutions can be that don't necessarily involve throwing new money at a problem but what we can do to make sure the money that we have allocated gets to the people that really need it again so they don't have to be dependent on this kind of program or any other one really.

That should be our goal, so that people can be creating an environment where people can build the best lives for themselves and their families. It that should be it quite simply, and as I look at the witnesses here today I see that in your eyes and in the words you uttered that is the goal as well and that is very much appreciated.

With regard to the solutions and since this has been done to me in the past as I chaired this subcommittee by other ranking members not necessarily this one but I have sat in that they have asked questions as part of their closing.

Very briefly I want to say out of fairness is there anything that you two, Ms. Koos, Mrs. Kostantenaco, want to add in terms of the solutions discussions that we started and what we can do to make these—aside from what has been said without throwing more money at the problem necessarily what we can do to make sure the money gets to where it is needed mostly?

Mrs. KOSTANTENACO. Well, that we all work together and that the rules do not supersede state regulations and that we are all working together under the same thing to have it all work to the best of our abilities.

Chairman ROKITA. Not supersede state regulation.

Mrs. KOSTANTENACO. Right.

Chairman ROKITA. So there is a recognition there that some states actually do it right. There is also a recognition of what you said I would think that a bureaucrat in Health and Human Services that is hundreds maybe thousands of miles away doesn't necessarily care more for our kids than those adults that are closest to our kids—

Mrs. KOSTANTENACO. That is correct.

Chairman ROKITA.—including your employees. Thank you.

Ms. Koos, anything else?

Ms. KOOS. I would just say that we would like to see CCDBG focus on safety accountability for children. We want protections put in place for children so that all children when they go to child care are safe.

Chairman ROKITA. Seeing no more business before the committee, we remain adjourned. Thanks.

[Additional Submissions by Mr. Kline follow:]

On behalf of The National Child Care Association (NCCA) we thank you for holding this hearing and your thorough review of the Child Care Development Block Grant Fund (CCDBG). We have many positive takeaways from the legislation, but we also feel there are areas of the bill that could be reviewed, which ensure that private and public, subsidized, care all be held to the same standards and treated fairly.

NCCA is an alliance of licensed providers of early care and education services approximately one and a half million children. We have over 12,000 members within our organization, spanning the entire United States, serving communities large and small, rural and urban. Our diverse network allows us our leadership to see how states address child care, which systems work and which need improvement, as well as the vast subsidies at both the federal and state levels. Our membership mainly consists of small family-run businesses. These centers, which either have one facility, or may have a few additional centers, provide jobs for over a quarter million Americans, of which most are woman.

NCCA centers provide two vital components; education, along with a nurturing, healthy and safe environment. The balance of education and care is a crucial factor that parents consider when finding the best child care center for their kids. Further, our centers provide the peace of mind that enables parents to be productive during their working hours; working men and women are able to be contribute to society while their kids learn and grow in child care centers across the country.

But not every center satisfies every need, and it should be noted the importance that parental choice be maintained. Such flexibility ensures parents the opportunity to find an appropriate child care center that satisfies their own needs and the unique needs of their children. It is this array of choice that facilitates the best partnership between a family and their child care center.

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We support the diversification that CCDBG provides as it relates to parental choice and establishing networks which allow parents to study and research the center that fits their needs in their community. We feel that all licensed child care providers, whether they be a small one-off center, or subsidized care in a public school or state-supported, should have to follow the same critique and standards that we strive to follow in our membership. Ultimately it is the parent or guardian who should determine which center is best for their child, and that decision should not be left up to a state or the federal government.

Another area we support in CCBDG is the need for comprehensive background checks. Our membership goes to great lengths ensuring professionals are screened and are in good standing with the law. A 10-year FBI background check is a great security protocol that should be enforced across all centers in every state. Our only concern would be that administrative burdens and background costs be minimalized, since not all centers have the same resources or manpower to investigate each potential hire, and speedy turnarounds help ensure our staff is in place and not jeopardize our strict teacher-to-child ratios.

The next concern we have is that there be some flexibility regarding child ratios, particularly when a center finds itself having to fill a vacant position unexpectedly or while staff are still going through pre-training. We understand the need to make sure that those staff who are going to be hired full-time must be adequately equipped to identify developmental problems, learn child CPR, understand the curriculum, etc., but during this exhaustive effort, it is not unusual for centers to have to pull other full-time staff away from their position to help with this effort. In other words, pre-training directly effects our staffing and thus, affects our child-to-teacher ratios, which is a very significant benchmark one must meet and if caught in violation, could result in a hefty fine.

NCCA asks that CCDBG include some flexibility while a center, presumably one with smaller resources and smaller staff, have a window of time that

they are no longer beholden to strict ratios while they try to staff their vacant position(s). One example might be a 30-90 day window in which a center could avoid ratio fines if a staffer unexpectedly quits or while the center is maintaining pre-training hours. If something like this does not exist, and a center loses a staffer unexpectedly or is still training new staff, then that center must approach a family and remove a child, or multiple children, in order to maintain those strict ratio numbers. This area is vital to our operations and any flexibility would go a long way towards ensuring our centers can continually serve our communities without interruption or issue.

As child care owners we recognize the need for additional eyes. No one knows better than us that you can't have too many eyes when it comes to children. However, we feel that we are beholden to too many administrators; such as federal and state legislators, federal and state regulators, advocates, unions, and local education authorities. A lot of our membership pay for higher standards and go beyond their state's standards in order to achieve national accreditation. We feel one way to incentivize lower-performing centers and reward higher-performing centers would be to allow those centers with immaculate ratings (4 stars out of 4, etc), sustained over a period of time (a year, two years, etc) to be exempt from spot-checks on issues that would need be addressed if a center ever wanted to be nationally accredited.

For instance, simple checks on electrical outlets or door handles; these are areas that would need to be addressed if a center wanted to be considered the best on the national scale. If a center reaches this mark and sustains that benchmark for a long period of time, why not exempt that center from a state regulator who oversees this process?

We feel that national certificates of achievement and high-standards could help save taxpayer money and state agency burdens if such checks were not focused on the 4 star center, rather, that that effort go towards a center with a more checkered past, or no national accreditation to speak

of. This is just another novel concept we think could be incorporated into CCDBG in some capacity, so that centers want to go above and beyond each year in their quality ratings, and avoid more low-level inspections. It is a great incentivizing tool that frees up costly and unnecessary administrative headaches.

Another area of concern within NCCA regarding CCDBG is fairness between public and private child care providers, which takes two forms; funding as well as inspections and standards.

To begin, one of the biggest concerns we have is where government funding ultimately goes, who benefits, and who is allowed to participate. Not all states tackle child care the same way, and we understand and endorse that process, however, it does not mean that oversight fall apart when delegating funding to those in the community, regardless if it is a private child care center, or a publically operated child care center.

We have seen multiple incidents in various states of school districts unwilling to cooperate or work with private child care centers in that community, even if those private centers are highly rated with an immaculate operating history. Simply put, we have a concern that CCDBG is not always benefiting those who need it most. If public schools are not willing to engage, or partner with other public entities, that leaves our private centers at a massive disadvantage and ultimately may cause that center to close operations, reducing parental choice. We appreciate the legislation's approach to engagement between both private and public operators, but there must be oversight to ensure this actually happens.

NCCA would like to see an office established within each state's agency, monitoring how funding is appropriated and being sure that when it comes to child care provider participation, no one party is singled-out. We know not every partnership works or is viable, but we do believe every center should have a fair opportunity and we think when these partnerships do

come together, it ultimately benefits the communities and the children involved most.

Our next concern is in regards regulations. We feel that it is reckless to assume all public schools with a kindergarten or Pre-K center is adequately equipped to handle child care responsibilities. NCCA centers must consistently maintain the center itself, playground equipment, door and electrical equipment, lighting, and a host of other qualifications, while most school districts do little to no retrofitting for child care operations. We feel this is a huge oversight and not only creates an unfair competitive advantage for public providers, but also a dangerous one for kids and families who rely on these centers to operate safely and effectively.

We ask that legislators consider this discrepancy closely, and all we ask is that private and public providers be treated fairly. If an NCCA center has to follow a certain regulation, then a public school district must also follow it as well. Or vice-versa, if there is an area in which a public school adheres to a certain rule, our centers will happily comply as well. All centers participating in CCDBG should be licensed and held to the highest of standards, and we should all follow this mission. When reviewing CCDBG, fairness should be examined within the entire industry, private and public.

Another suggestion would be that each state must administer and monitor CCDBG within their state's Health and Human Services (HHS) agency, rather than the state's Department of Education (Dept. of Ed). NCCA believes that if the law falls under the Department of Health and Human Services at the federal level, then that same logic should be extended to the states. If a state's HHS must oversee this law, versus the state's Dept. of Ed, then we feel that any bias towards public providers would be greatly reduced or eliminated altogether.

A state's Dept. of Ed has much closer ties to local school districts, which is a provider that competes directly with the private provider. Reemphasizing the need for equal fairness, we feel that state education agencies would be

more likely to endorse or work with their school districts more closely than if that state's HHS agency were in charge, where knowledge of local private providers would be deeper. We know in some states these agencies are merged or overlap, however, when applicable, we think this is a common-sense approach that can easily address the concerns highlighted above.

Finally, to continually keep the interests of the private and public child care providers in mind, NCCA recommends that a Committee, consisting of Congressional offices, child care and early child care education owners, as well as teachers and other interested parties from a diverse demographic be established with the goal of creating the highest quality standards. If a true national program were implemented it would help states coordinate their own internal rating systems and create a much easier tool to identify those centers who are performing well, and those centers who need to improve. Such a system that is practical and affordable would maintain the current mixed delivery system our country enjoys and establish better access for those families that are currently not served.

As noted, NCCA endorses a lot of the initiatives within CCDBG and we are eager to see Congress address this issue and address the child care industry. As the voice of the private child care provider, NCCA feels that these recommendations only help strengthen this legislation and we look forward to working with Congress as the issue evolves.

[Additional Submissions by Mr. Miller follow:]

Child Care Assistance Spending and Participation in 2012

February 2014

A Record Low

By Hannah Matthews and Stephanie Schmit

Child care subsidies help make quality child care affordable for low-income parents, allowing them to attend work or school to support their families while ensuring their children's healthy development. Access to quality child care is also proven to strengthen families' economic security.[1]

The Child Care and Development Block Grant (CCDBG) is the primary source of federal funding for child care subsidies for low-income working families and to improve child care quality. States contribute in the form of matching funds and maintenance-of-effort (MOE). In addition, states use funds from the Temporary Assistance for Needy Families (TANF) block grant to deliver child care assistance. States can spend TANF funds directly on child care or transfer up to 30 percent of their funds to CCDBG or a combination of CCDBG and the Social Services Block Grant (SSBG).[2] TANF also has a state MOE requirement.

This brief provides analysis of national trends for spending and participation in CCDBG and TANF child care in 2012, based on the most recent state data available from the U.S. Department of Health and Human Services (HHS).[3]

Key Findings

A review of the data paints a bleak picture of a program intended to support low-income parents' economic opportunity and their children's development:

- **Child care assistance spending fell to a 10-year low.**
  - Total spending on child care assistance—including combined child care and TANF funds—was $11.4 billion, the lowest level since 2002.
  - Spending within CCDBG fell to the lowest level since 2002.
  - Federal TANF funds used for child care fell to the lowest level since 1998.

- **The number of children receiving CCDBG-funded child care fell to a 14-year low.**
  - A monthly average of 1.5 million children received CCDBG-funded child care, the smallest number of children served since 1998.
  - About 263,000 fewer children received CCDBG-funded child care in 2012 than in 2006.[4]

Child Care Assistance Spending at a 10-Year Low

Total combined child care spending (including federal and state CCDBG and TANF funds) fell from $12.9 billion in 2011 to $11.4 billion in 2012, the most recent year for which data are available (see figure 1). This was the lowest level of spending since 2002. While the bulk of the decline was the result of decreased spending in CCDBG, spending reductions in the TANF program in 2012 and in previous years contributed significantly.

Total spending in 2012 included:

- $8.6 billion in state and federal CCDBG funds;
- $1.2 billion in federal TANF funds spent directly on child care;[5] and
- $1.6 billion in additional state TANF MOE.[6]

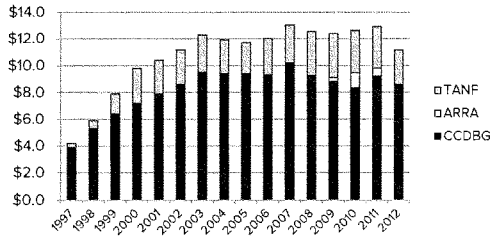
We include in our summation all funds a state spent during federal fiscal year 2012, including those appropriated in prior years. By law, states have several years to obligate and liquidate CCDBG funds. Because CCDBG funds are available for several years after they are awarded, annual CCDBG *spending* is often higher than annual *funding* as states spend funds from several years' appropriations. Analysis presented here may also differ from analyses based on state fiscal year expenditures.

A total of 38 states spent less on child care assistance in 2012 compared to the previous year. Seven states decreased spending by 20-29 percent: California, Louisiana, Maine, Michigan, New Jersey, New Mexico, and New York. Three states decreased spending by more than 30 percent: Georgia, North Dakota, and South Carolina. Only one state, Delaware, increased spending by more than 20 percent (see Appendix for state data).

CCDBG Funds

- **In 2012, CCDBG spending fell by $1.2 billion from the previous year, to its lowest level since 2002.** Two factors likely contributed to this decline: 1) the depletion of temporary American Recovery and Reinvestment Act (ARRA) funds, which were available to states from 2009-2011; and 2) Fewer transfers from the TANF block grant to CCDBG in

Figure 1. Total Combined Child Care Spending (in billions), 1997-2012



Source: CLASP calculations based on HHS data

previous years. Once spent, TANF transfers are reported as CCDBG expenditures.

- **In 2012, 38 states decreased total CCDBG spending from the previous year.** Two states (North Dakota and Georgia) decreased spending by more than 30 percent. An additional 8 states decreased spending by 20-30 percent from 2011: Alaska, California, Louisiana, Maine, New Mexico, New York, South Carolina, and Tennessee. Three states (Hawaii, Arizona and Wisconsin) and the District of Columbia increased CCDBG spending by more than 20 percent from the previous year.

- **Nearly all states met their match and MOE requirements and some states reported spending above their requirements.** In FY 2012, nine states reported expenditures of approximately $88.6 million in excess of the MOE requirement: Alaska, Connecticut, Georgia, Kansas, Nebraska, Nevada, New Hampshire, Ohio, and Vermont. Four states (California, Iowa, West Virginia, and Wyoming) and the District of Columbia reported state expenditures of approximately $55 million in excess of the state match requirement. Two states did not draw down all available federal funds. According to program rules, those fund were reallocated to states the following year. Idaho released $9.9 million and Utah released $7 million.

TANF Funds

- **In 2012, federal TANF funds used for child care (transfer and direct) reached the lowest level since 1998.** During the early years of TANF, the amount directed to child care grew from under $300 million in 1997 to a high of $4 billion in 2000. That figure then began to fall until reaching $2.6 billion in 2012 (see figure 3). Thirty states are using fewer TANF funds for child care as compared to 2000, with California accounting for 75 percent of the total drop.

  The TANF block grant has not been adjusted for inflation since its creation in 1996, and thus has lost about one-third of its value. States faced particularly tough choices in 2012, with less carryover funds available from the TANF Emergency Fund and some states losing the funds they had previously received from the Supplemental Grants, which Congress failed to fund for the first time. Including state MOE spending, the TANF block grant saw an overall spending decline of $2 billion.[7]

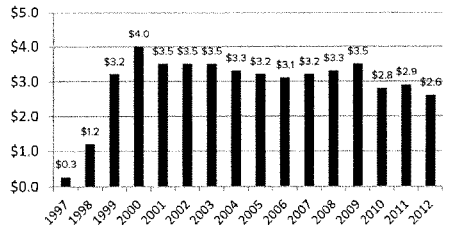


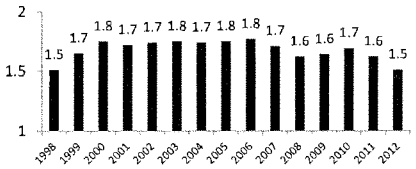
Figure 2. TANF Spending on Child Care, 1997-2012 (in billions)

Source: Administration for Children and Families TANF Financial Data

- **Most of the decline in TANF child care spending is the**

result of reduced TANF transfers to CCDBG, which fell from a high of $2.4 billion in 2000 to $1.4 billion in 2012. In 2012, 7 states transferred the maximum amount of 30 percent of their TANF block grant to a combination of CCDBG and SSBG: Alaska, Idaho, Massachusetts, Mississippi, Montana, North Carolina, and Oklahoma.

Figure 3. Average Monthly Number of Children Served in CCDBG in the United States Federal FY 1998-2012 (in millions)



Source: HHS administrative data. FY 2012 data are preliminary.

Fewer Children Received Child Care Services

In 2012, according to preliminary data, 1.5 million children were served by CCDBG on average each month, the lowest number since 1998. Thirty-six states served fewer children in 2012 as compared to the previous year (see Appendix). Since 2006, the number of children receiving CCDBG-funded child care has fallen by approximately 263,000 children (see figure 3). It is unclear how many children received child care funded directly by TANF because states are only required to report the number of children served by CCDBG. HHS estimated that in 2011, an additional 900,000 children were served in an average month through TANF and SSBG.[8]

According to HHS, 18 percent of children eligible to receive assistance under federal rules were served in 2009.[9] Moreover, sequestration cuts—automatic, across-the-board spending cuts in effect from March through September 2013—were expected to drop another 30,000 children from the program. While these cuts were restored in 2014 (see below), it's likely that fewer children were receiving subsidies in 2013 and that child care assistance may be reaching an even smaller share of the eligible population.

A Look Ahead: Greater Investments Needed

The most recent child care subsidy expenditure and participation data underscore a trend that must be reversed. A review of state child care assistance policies by the National Women's Law Center finds states at a pivot point. In 2013, families in 27 states found themselves better off under one or more key child care assistance policies than they were last year—but in 24 states, families were doing worse. Many states have lengthy waiting lists for assistance, have set income eligibility so that many low-income parents are shut out, and pay very low rates to child care providers that restrict both access and quality.[10]

In May 2013, HHS proposed the first revision to CCDBG regulations since 1998. Through the proposed regulations, the federal government is seeking to improve quality and increase accountability in the program.

The Senate has also taken action on CCDBG, passing bipartisan legislation to reauthorize the program out of the Subcommittee on Health, Education, Labor and Pensions.[11] Either the release of final rules (anticipated later this year) or a reauthorization would require states to make changes to their programs that would require significant funding. In the absence of new funds, implementing costly standards may require some states to redirect resources and cut back on the number of children receiving child care assistance. This would be in direct opposition to the goals of improving quality of care and the health and safety of children.

In January 2014, Congress passed an omnibus spending bill that included an increase of $154 million for CCDBG for FY 2014.[12] This boost is extremely important, restoring the sequestration cuts and expanding access for children, but far greater investment—at the federal and state levels—will be needed to sufficiently reverse this troubling trend.

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[1] Matthews, Hannah. "Child Care Assistance: A Program that Works," 2009, http://www.clasp.org/resources-and-publications/publication-1/0452.pdf

[22] SSBG funds are used to support social services directed towards achieving economic self-sufficiency; preventing or remedying neglect, abuse, or the exploitation of children and adults; preventing or reducing inappropriate institutionalization; and securing referral for institutional care, where appropriate. One way that states can promote this use is through spending on child care subsidies.

[3] Spending and participation data from the Department of Health and human Services is available at http://www.acf.hhs.gov/programs/occ/data. Participation data for 2012 is preliminary.

[4] The number of children receiving TANF-funded child care is not available as states are not required to report this information to the federal government. Expenditure data suggests fewer children are getting TANF child care assistance.

[5] States also transferred $1.4 billion in federal TANF funds to CCDBG. Once transferred, these TANF funds are subject to CCDBG rules and may be spent over several years. When spent, they are reported as CCDBG spending; therefore, we do not include these dollars in our sum of total year spending.

[6] State may claim spending towards both TANF and CCDBG MOE. This figure excludes approximately $978 million that may be "double counted" as CCDBG MOE and TANF MOE. Total TANF MOE spent on child care was $2.43 billion in 2012.

[7] Schmit, Stephanie and Hannah Matthews. "TANF Child Care in 2012: How Low Can it Go?" August 20, 2013. http://www.clasp.org/issues/child-care-and-early-education/in-focus/tanf-child-care-in-2012-how-low-can-it-go

[8] Administration for Children and Families. *2014 Justification of Estimates for Appropriations Committees*, 2013, https://www.acf.hhs.gov/sites/default/files/olab/sec2c_ccdbg_2014cj.pdf; Note: In FY 2010, the latest year for which data are available, $371 million were spent by 37 states for child care services using SSBG funds.

[9] Office of the Assistant Secretary of Research and Evaluation. "Estimates of Child Care Eligibility and Receipt for Fiscal Year 2009." 2012.

[10] Schulman, Karen and Helen Blank. *Pivot Point: State Child Care Assistance Policies in 2013*, National Women's Law Center, 2013, http://www.nwlc.org/sites/default/files/pdfs/final_nwlc_2013statechildcareassistancereport.pdf

[11] As of date of publication, no action has been taken in the House of Representatives.

[12] Matthews, Hannah. "A Billion Dollar Boost for Child Care and Early Learning." January 14, 2014. http://www.clasp.org/issues/child-care-and-early-education/in-focus/a-billion-dollar-boost-for-child-care-and-early-learning.

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Child Care Assistance in 2012

February 2014

Appendix. State Child Care Expenditures (CCDBG and TANF Combined) and Monthly Average Number of Children Served (CCDBG), 2011-2012

State	Total Child Care Spending (CCDBG and TANF) FY 2011	Total Child Care Spending (CCDBG and TANF) FY 2012	Dollar Change	Percent Change	Average Monthly Number of Children Served (CCDBG Only) FY 2011	Average Monthly Number of Children Served (CCDBG Only) FY 2012	Change in Number of Children Served
Alabama	$115,169,954	$105,547,486	-$9,622,468	-8%	27,100	26,000	-1,100
Alaska	$38,804,144	$38,884,983	$80,839	0%	4,200	4,200	0
Arizona	$148,216,645	$148,516,933	$300,288	0%	26,000	27,500	1,500
Arkansas	$55,774,118	$61,766,749	$5,992,631	11%	9,000	7,100	-1,900
California	$2,001,895,738	$1,537,215,121	-$464,680,617	-23%	114,400	101,300	-13,100
Colorado	$105,587,430	$98,554,481	-$7,032,949	-7%	16,900	15,800	-1,100
Connecticut	$111,199,635	$117,739,154	$6,539,519	6%	9,500	9,600	100
Delaware	$51,331,905	$66,082,830	$14,750,925	29%	6,300	7,500	1,200
District of Columbia	$76,450,124	$70,546,892	-$5,903,232	-8%	1,300	1,300	0
Florida	$713,071,522	$660,069,141	-$53,002,381	-7%	92,800	83,600	-9,200
Georgia	$265,131,113	$154,132,390	-$110,998,723	-42%	61,100	45,800	-15,300
Hawaii	$47,650,087	$50,256,320	$2,606,233	5%	8,700	9,300	600
Idaho	$25,336,598	$26,200,633	$864,035	3%	7,000	5,800	-1,200
Illinois	$919,769,358	$904,000,868	-$15,768,490	-2%	63,000	52,800	-10,200
Indiana	$177,850,820	$183,988,737	$6,137,917	3%	32,400	34,200	1,800

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Iowa	$125,211,235	$110,999,747	-$14,211,488	-11%	16,000	15,800	-200
Kansas	$99,517,032	$84,801,935	-$14,715,097	-15%	20,200	19,200	-1,000
Kentucky	$200,448,751	$192,323,371	-$8,125,380	-4%	29,300	26,000	-3,300
Louisiana	$136,267,228	$108,757,486	-$27,509,742	-20%	36,000	28,700	-7,300
Maine	$36,209,713	$28,798,099	-$7,411,614	-20%	2,600	2,700	100
Maryland	$144,486,823	$129,795,930	-$14,690,893	-10%	24,400	18,900	-5,500
Massachusetts	$475,762,696	$448,338,580	-$27,424,116	-6%	28,600	27,900	-700
Michigan	$244,714,949	$190,477,039	-$54,237,910	-22%	52,900	54,200	1,300
Minnesota	$214,379,255	$212,139,341	-$2,239,914	-1%	31,200	25,700	-5,500
Mississippi	$90,432,738	$74,446,338	-$15,986,400	-18%	23,800	19,500	-4,300
Missouri	$205,210,001	$201,240,397	-$3,969,604	-2%	41,800	47,900	6,100
Montana	$30,775,683	$28,462,275	-$2,313,408	-8%	4,500	4,100	-400
Nebraska	$104,466,089	$104,760,450	$294,361	0%	12,300	10,900	-1,400
Nevada	$61,041,643	$57,727,870	-$3,313,773	-5%	7,400	4,800	-2,600
New Hampshire	$27,704,458	$29,914,696	$2,210,238	8%	4,800	5,000	200
New Jersey	$300,327,888	$239,744,232	-$60,583,656	-20%	36,300	31,400	-4,900
New Mexico	$79,672,090	$63,284,304	-$16,387,786	-21%	20,500	19,800	-700
New York	$1,150,317,803	$825,690,829	-$324,626,974	-28%	130,800	122,700	-8,100
North Carolina	$432,623,868	$426,440,483	-$6,183,385	-1%	74,200	77,900	3,700
North Dakota	$15,907,651	$10,949,418	-$4,958,233	-31%	3,700	2,300	-1,400
Ohio	$639,641,918	$693,651,110	$54,009,192	8%	46,600	47,500	900
Oklahoma	$185,681,713	$151,521,179	-$34,160,534	-18%	28,000	24,800	-3,200
Oregon	$96,107,223	$86,309,033	-$9,798,190	-10%	19,000	13,900	-5,100
Pennsylvania	$734,209,110	$670,004,154	-$64,204,956	-9%	99,800	95,600	-4,200
Rhode Island	$45,665,814	$44,141,778	-$1,524,036	-3%	5,500	5,700	200

South Carolina	$104,523,405	$73,560,908	-$30,962,497	-30%	18,000	15,500	-2,500
South Dakota	$16,170,318	$17,728,578	$1,558,260	10%	5,800	5,400	-400
Tennessee	$233,257,192	$191,808,583	-$41,448,609	-18%	46,100	38,900	-7,200
Texas	$713,254,806	$623,707,557	-$89,547,249	-13%	130,300	122,800	-7,500
Utah	$70,392,941	$64,932,852	-$5,460,089	-8%	11,900	12,500	600
Vermont	$38,026,311	$36,110,633	-$1,915,678	-5%	4,500	4,500	0
Virginia	$198,109,510	$184,171,539	-$13,937,971	-7%	23,300	21,200	-2,100
Washington	$331,187,144	$285,608,070	-$45,579,074	-14%	44,800	39,100	-5,700
West Virginia	$72,106,268	$67,866,353	-$4,239,915	-6%	7,100	8,000	900
Wisconsin	$292,596,198	$331,037,830	$38,441,632	13%	28,500	34,200	5,700
Wyoming	$23,751,048	$22,584,544	-$1,166,504	-5%	5,100	4,700	-400
United States	**$12,918,143,413**	**$11,394,483,500**	**-$1,523,659,913**	**-12%**	**1,623,700**	**1,507,300**	**-116,400**

Note: U.S. totals include expenditures in U.S. territories and do not equal the sum of state expenditures shown here.

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[Questions submitted for the record and their responses follow:]

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MARK POCAN, WISCONSIN
MARK TAKANO, CALIFORNIA

April 29, 2014

Ms. Gloria L. Jarmon
Deputy Inspector General, Office of Audit Services
Office of Inspector General
U. S. Department of Health and Human Services
Room 5541 Cohen Building
330 Independence Avenue, SW
Washington, D.C. 20201

Dear Ms. Jarmon:

Thank you for testifying at the March 25, 2014 hearing on *"The Foundation for Success: Strengthening the Child Care and Development Block Grant Program."* I appreciate your participation.

Enclosed are additional questions submitted by members of the subcommittee after the hearing. Please provide written responses no later than May 20, 2014 for inclusion in the final hearing record. Responses should be sent to Cristin Kumar or Dan Shorts of the committee staff who can be contacted at (202) 225-6558.

Thank you again for your important contribution to the work of the committee.

Sincerely,

Todd Rokita
Chairman
Subcommittee on Early Childhood, Elementary, and Secondary Education

Chairman Todd Rokita (R-IN)

1. How do states hold accountable those providers who do not comply with their CCDBG regulations? Can you provide any specific examples?

2. How did the CCDF program's improper payment rate drop from 9.4 percent to 5.9 percent in just one year? What steps did states take to correct their practices to make such substantive improvements?

3. In 2010, GAO conducted an undercover investigation of programs receiving CCDF funds from their respective states and successfully enrolled children whose parents exceeded states' income requirements. For example, child care employees disregarded part of a family's income (and, in some cases, did not even ask for verification of income) to register over-income children into subsidized slots. Other undercover investigators' applications were approved using falsified social security numbers and identification. These undercover tests, although several years old, show that systematically the CCDF program is vulnerable to fraud even while many child care centers had - and continue to have - waiting lists. What protections should Congress put in place to ensure that child care programs prioritize low-income families that truly need the services?

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SUZANNE BONAMICI, OREGON
MARK POCAN, WISCONSIN

April 29, 2014

Ms. Paula K. Koos
Executive Director
Oklahoma Child Care Resource & Referral Association, Inc.
4200 Perimeter Center Drive, Suite 235
Oklahoma City, OK 73112

Dear Ms. Koos:

Thank you for testifying at the March 25, 2014 hearing on *"The Foundation for Success: Strengthening the Child Care and Development Block Grant Program."* I appreciate your participation.

Enclosed are additional questions submitted by members of the subcommittee after the hearing. Please provide written responses no later than May 20, 2014 for inclusion in the final hearing record. Responses should be sent to Cristin Kumar or Dan Shorts of the committee staff who can be contacted at (202) 225-6558.

Thank you again for your important contribution to the work of the committee.

Sincerely,

Todd Rokita
Chairman
Subcommittee on Early Childhood, Elementary, and Secondary Education

Chairman Todd Rokita (R-IN)

1. As a father, I recognize the importance of parent engagement and the role that parents play in their child's education. How can the federal government better support states' efforts to provide information that connects parents to the most appropriate child care setting for their child?

2. How do we balance the need to ensure that CCDBG funds are spent on high-quality and safe programs with flexibility to allow states to make their own decisions in serving their unique populations?

3. What challenges do states face when trying to enact reforms, such as requiring background checks for all providers and employees, within their child care systems?

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MARK POCAN, WISCONSIN
MARK TAKANO, CALIFORNIA

April 29, 2014

Mrs. Linda Kostantenaco
President
National Child Care Association
28190 Highway 281N
San Antonio, TX 78260

Dear Mrs. Kostantenaco:

Thank you for testifying at the March 25, 2014 hearing on *"The Foundation for Success: Strengthening the Child Care and Development Block Grant Program."* I appreciate your participation.

Enclosed are additional questions submitted by members of the subcommittee after the hearing. Please provide written responses no later than May 20, 2014 for inclusion in the final hearing record. Responses should be sent to Cristin Kumar or Dan Shorts of the committee staff who ean be contaeted at (202) 225-6558.

Thank you again for your important contribution to the work of the committee.

Sincerely,

Todd Rokita
Chairman
Subcommittee on Early Childhood, Elementary, and Secondary Education

Chairman Todd Rokita (R-IN)

1. As a private child care provider, how do you engage parents in the activities in which their children participate?

2. How can the federal government balance enacting measures to ensure the safety of child care participants with the potential for overly burdensome mandates for states that could negatively impact providers and parents?

3. What is the most important quality you look for in determining the effectiveness of your employees and the quality of care they provide to the children they serve?

[Ms. Jarmon response to questions submitted follows:]

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201

MAY 19 2014

The Honorable Todd Rokita
Chairman
Committee on Education and
and the Workforce
Subcommittee on Early Childhood, Elementary,
and Secondary Education
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Rokita:

I am writing in response to your letter dated April 29, 2014, in which you asked the Office of Inspector General to provide written responses to questions submitted by members of the subcommittee after the hearing.

In response to your request, we are enclosing a copy of the answers to those questions.

If you would like to discuss this matter further, please contact me, or your staff may contact Carla Lewis, Director, Grants and Internal Activities Division, at 202-205-9125.

Sincerely,

Gloria L. Jarmon
Deputy Inspector General
for Audit Services

Enclosure

Questions for the Record Responses

1. **How do states hold accountable those providers who do not comply with their CCDBG regulations? Can you provide any specific examples?**

Under the Child Care and Development Block Grant (CCDBG) Act of 1990, States are required to have health and safety standards in place that apply to all providers receiving Child Care Development Fund (CCDF) money.[1] These standards must cover three areas: prevention and control of infectious disease, building and physical premises safety, and health and safety training. Additionally, States must have in effect licensing requirements applicable to child care services.[2] Depending on State law, certain types of providers that are eligible to receive CCDF may operate without a State-issued licensed (i.e., unlicensed), but they still must meet the basic health and safety requirements set out by the State.

States differ on how they address accountability. Some States use unannounced inspections as a mechanism to check compliance with licensing regulations. States may offer providers with immediate onsite training on a variety of child care topics. Initial and refresher training (whether on- or offsite) helps ensure providers comply with Federal and State requirements governing the CCDF program. Examples of other accountability mechanisms that States can use are highlighted below.

- *Require providers to prepare a written plan of action.* In Connecticut, if an inspection reveals significant instances of noncompliance by the provider, the State may require the provider to prepare a plan of action indicating how the instances of noncompliance will be corrected. Connecticut stipulates a timeframe for when the provider must complete these corrective actions to be reassessed for compliance status. For repeated instances of non-compliance, Connecticut may order a Summary Suspension of a licensed child day care program or youth camp whenever it finds that the health, safety, or welfare of day care children requires emergency action. This action immediately closes a facility and the provider may not re-open the facility unless the Summary Suspension is lifted.

  Similarly, in California, Florida, Texas and Ohio, the States hold providers accountable by outlining specific dates by which providers must comply with the health and safety standard or rule they are violating. Deficiencies may be resolved by submitting documentation; however, in Texas, the State may conduct multiple unannounced visits until the deficiency has been resolved. In Illinois, providers receive written reports of substantiated violations and are given corrective action plans containing those areas that must be addressed to come into compliance. In Texas, Ohio, and California, we noted that the most recent site visit notice is prominently displayed.

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[1] Section 658E(c)(2)(F)(i)-(iii) of the CCDBG Act of 1990.

[2] Section 658E(c)(2)(E) of the CCDBG Act of 1990.

- *Assess providers with Civil Monetary Penalties.* In California, the State holds providers accountable in the area of background checks by assessing providers Civil Monetary Penalties in certain instances of noncompliance, such as failure to conduct a background check or notify the State of completion of a background check. Civil Monetary Penalties may also be assessed if the provider fails to remediate deficiencies. Additionally, for certain more serious types of deficiencies (e.g., unlocked storage areas with poisons, failure to obtain a background clearance, home with defects or conditions which might endanger a child), the State requires that the provider give each parent of children in care a copy of the deficiency report. Parents must then sign a form acknowledging receipt, which is kept in the child's file.

2. How did the CCDF program's improper payment rate drop from 9.4 percent to 5.9 percent in just one year? What steps did states take to correct their practices to make such substantive improvements?

HHS annually reports estimated improper payments for the CCDF program in its annual *Agency Financial Report*. HHS reported significant progress in reducing the improper payment rate for the CCDF program from 9.4 percent in FY 2012 to 5.9 percent in FY 2013. HHS reported corrective actions that it and States are taking to target payment errors in the CCDF program. HHS developed a multi-prong approach to deliver technical assistance that helps them identify and address the root causes of errors. According to HHS, it delivers technical assistance in a number ways, including on-site visits; Webinars; peer-to-peer sharing between national, regional and State officials; policy issuances; and policy clarifications. HHS training to States addresses various topics, such as eligibility determination, documentation requirements, the benefits of routine case reviews, overall program administration, and implementing the error rate reviews. HHS also identified several corrective actions implemented by the States to reduce CCDF payment errors. States' efforts include streamlining eligibility procedures, increasing staff oversight and training, ongoing case record reviews, revising unclear policies and increasing the use of technology and automation.

3. **In 2010, GAO conducted an undercover investigation of programs receiving CCDF funds from their respective states and successfully enrolled children whose parents exceeded states' income requirements. For example, child care employees disregarded part of a family's income (and, in some cases, did not even ask for verification of income) to register over-income children into subsidized slots. Other undercover investigators' applications were approved using falsified social security numbers and identification. These undercover tests, although several years old, show that systematically the CCDF program is vulnerable to fraud even while many child care centers had—and continue to have—waiting lists. What protections should Congress put in place to ensure that child care programs prioritize low-income families that truly need the services?**

   Continued Congressional oversight of the Administration for Children and Families is needed to ensure effective implementation by the States of existing statutory provisions that focus on providing financial assistance to eligible low-income families needing child care. By law,[3] all families receiving CCDF must be below 85 percent of State median income. States can set lower thresholds to target limited resources to families most in need. Further, States are required to prioritize services for children of "very low income families"[4] but also have the flexibility to determine how they will prioritize. OIG continues to monitor the CCDF program as part of our oversight responsibilities. Where we see any indicators of fraud, those issues are referred to our Office of Investigations. Additionally, where we have indicators that there have been specific violations of rules regarding prioritization of children, we can conduct a review to ensure that the neediest children receive services.

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[3] Section 658P(3)(b) of the CCDBG Act of 1990.

[4] Section 658E(c)(3)(B) of the CCDBG Act of 1990.

[Ms. Koos response to questions submitted follows:]

The House Education and the Workforce
Subcommittee on Early Childhood, Elementary, and Secondary Education Hearing
"The Foundation for Success: Strengthening the Child Care and Development Block Grant Program"
Hearing Follow-Up Questions
May 15, 2014

Responses by Paula K. Koos, Executive Director, Oklahoma Child Care Resource & Referral Association

1. As a father, I recognize the importance of parent engagement and the role that parents play in their child's education. How can the federal government better support states' efforts to provide information that connects parents to the most appropriate child care setting for their child?

Choosing child care is often a period of anxiety for parents. What to ask, what to look for, understanding the terms for different types of child care and requirements that vary among and between states (and sometimes among counties or communities) as well as parents' access to information (such as inspection reports) can be confusing and overwhelming. Depending upon the state a family resides in, the information may or may not be publicly available. Child Care Resource and Referral is the first and best resource to help parents find quality child care.

There are more than 600 Child Care Resource and Referral agencies throughout the country, serving nearly every zip code, assisting parents in finding child care. They help make a stressful and chaotic process calmer and more understandable and help parents make better informed choices about child care. CCR&R is a valuable service but more and more states have begun eliminating funding for CCR&R as CCDBG funds get tighter and tighter. In many states, CCR&R is considered a support to quality in child care. It would be helpful if CCDBG specifically desinated CCR&R as a quality measure.

Whether CCR&R is available or accessible or not to a community, information in an easy to access and understandable format needs to be available on the internet. At a minimum, provider specific information should include: health & safety requirements met; licensing and regulatory requirements that apply; the date of the last inspection; and inspection reports. Parents should know what state requirements are and how individual programs measure up. Next, parents should know what the background check requirements are and know that providers have cleared a background check screening process. Part of consumer education is educating parents about quality indicators. What are they? Why are they important? How do they apply to different settings? This type of information both educates parents and enables them to more easily differentiate among settings. Access to this type of information (in an easy to understand format) helps alleviate the anxiety and confusion for parents as they choose among child care settings.

Information related to child care needs to be publicly available in a variety of other formats as well. For example, information through the internet has the potential to reach the broadest number of parents. However, research shows that home access to the internet varies by income level, education, and home language.[1]

Therefore, while the internet remains an importance source of information, it is important to find other means to promote consumer education (i.e., through phone calls, meetings, flyers, dissemination of materials at public events and venues, etc.). Parents access information and process information in different ways. For many parents, access to information through the internet (broadband and smartphones) is essential, but other avenues for providing information must be available, particularly for low income families (and families whose first language may not be English) who may not have access to today's technology or may need information translated. Child Care Resource & Referral agencies can not only provide information through the internet, but also fill the gap as well.

2. How do we balance the need to ensure that CCDBG funds are spent on high-quality and safe programs with flexibility to allow states to make their own decisions in serving their unique populations?

There is room for a great deal of flexibility in supporting child care options paid for with CCDBG subsidies. However, at a minimum, federal funds should be used to support settings that meet minimum health and safety requirements. Under current law,

- Only 16 states, including Oklahoma, address each of the 10 health and safety requirements recommended by pediatric experts to protect children in child care centers.[2]

- Only 15 states, including Oklahoma, address each of the 10 health and safety requirements recommended by pediatric experts to protect children in family child care homes.[3]

While I understand the need for state flexibility, I also believe that there should be basic protections for children, which is a form of accountability for receipt of federal dollars. For example, while we know CPR can save lives or that infants placed on their backs to sleep reduces the likelihood of accidental suffocation or SIDS, not all states require CPR or safe sleep practices. In some states, child deaths have led to child safety reforms. From the research, Congress could require core areas to be addressed to promote the health and safety of children in child care and let the states determine how to best address the health and safety of children within those specific areas. The three broad requirements in current law are insufficient when reviewing current state policy and practice.

3. What challenges do states face when trying to enact reforms, such as requiring background checks for all providers and employees, within their child care systems?

Similarly to when Congress seeks to enact changes in federal laws, states face a multitude of challenges as well. Advocates often have different views about how to best address a challenge. It can be difficult when two agencies within state government need to coordinate or integrate their processes (for example, the state police and state education or human service agency in constructing a process for background checks). Some states may want to internally administer a background check system. Other states may want to contract out the screenings and design an internal system for review or appeals. In any requirement for child care provider background checks, the federal statute should make clear that states may address the requirement through internal staff, outside contract or a hybrid approach. This allows states to seek out the most cost-effective and practical means to reach the outcome: screenings based on fingerprint checks against state and federal records and a cross-match against records that may be administrative in nature, not criminal (such as state child abuse registries).

---

[1] Pew Research Center's Internet & American Life Project (2013). http://www.pewinternet.org/2013/11/05/the-state-of-digital-divides-video-slides/; http://www.pewinternet.org/2013/09/25/whos-not-online-and-why/, http://www.pewinternet.org/2013/08/26/home-broadband-2013/, http://broadbandmap.gov/

[2] We Can Do Better: 2013 Update, Child Care Aware of America's Ranking of State Child Care Center Regulations and Oversight, 2013. http://www.naccrra.org/sites/default/files/default_site_pages/2013/wcdb_2013_final_april_11_0.pdf

[3] Leaving Children to Chance: 2012 Update. Child Care Aware of America's Ranking of State Standards and Oversight of Small Family Child Care Homes. 2012. http://www.naccrra.org/sites/default/files/default_site_pages/2012/lcc_report_full_april2012.pdf

[Mrs. Kostantenaco response to questions submitted follows:]

As a private child care provider, how do you engage parents in the activities in which their children participate?

As a private child care provider, we strive to keep our parents informed regarding our activities and the development of their children as much as possible. We feel that open communication benefits everyone; a mutual understanding between parents and their child care center, which helps a child's transition between home and child care center each and every day. There are an array of methods and ways we communicate this information, but below is a list of what a majority of NCCA members, including my own, strive to provide to our parents.

One of the more common tools utilized is a daily or verbal report parents receive at the end of the day. This method is the easiest to share and provides a concise summary of the events that day, and alerts the parents of any difficulty or challenges experienced at that specific time. To build off daily reports, we also have quarterly parent/teacher conferences that we encourage parents participation and included with this meeting, we provide written progress reports outlining the child's development, social interaction, activities, etc.

Another method centers, including mine, typically employ is a monthly newsletter written by each teacher that discusses what curricular content was covered the month prior and what will be covered the following month. This is a great opportunity for parents to read and understand the full scope of their child's learning and what they can expect should they have any questions or concerns. This effort typically coincides with a monthly calendar of events, which clearly outlines the day's activities, which helps families plan their month in the event that their child will be away or unable to attend child care on a certain day. A majority of this information is posted on the school's website for each age level and class, allowing parents ease of access regarding when and where they can review pertinent information.

Another successful tool to keep parents informed is a weekly HUG/PAK (Helping Understand Goals/Parent Action Kit). This is a packet that encourages parents to participate in the curricular content of the week according to 4 levels of activities (cognitive, social, emotional, and physical). These packets are a great way to reinforce a continuation of curriculum between the child care center and the child's home. Such cooperation is a great way to maintain a consistent development path while allowing parents to fully understand what their child is learning and the tools that can be utilized outside of the classroom. The instructional strategies are promoted according to a process called the 4BELS, which is introduced at an annual Back-To-School Night, typically in September. The strategies introduce parents to the instructional process and curriculum that develops cognitive, social, emotional, and physical skills in the classrooms. The parents are encouraged to continue to reinforce the learning process by participating each week in the HUG/PAK project,

and parents are invited to curricular events and presentations throughout the year. These presentations allow children to demonstrate their learning and skill development during these presentations for families and friends, which are always a popular event among parents.

There is also a parent information board in every classroom that posts upcoming events, curricular themes, and weekly lesson plans. A lot of our members utilize a community event board in the school entrance for early childhood information and services that are available in their community and state. Finally, parents receive a school parent handbook for all school information on the academic program, school policies, and school mission and philosophy; a perfect "go-to" guide that has all the relevant information a parent would need as the school year begins.

Given the wide array of examples listed, private child care providers utilize every opportunity to keep parents informed, up to date, and involved with their child's development and learning.

How can the federal government balance enacting measures to ensure the safety of child care participants with the potential for overly burdensome mandates for states that could negatively impact providers and parents?

The National Child Care Association (NCCA) understands the benefits CCDBG provides to the families and children pursuing child care opportunities, as well as the child care industry as a whole. That said, the industry is already dealing with a lot of oversight between local and county regulations, state regulations and inspections, as well as federal oversight, and balance is a key objective to CCDBG's implementation. At the core of NCCA's concern is the real possibility that standards between publically available child care providers and private child care providers are not maintained across the board. Our membership fears that centers may not receive the same funding opportunities and that private child care providers in a certain community are more scrutinized regarding inspections and spot-checks versus a public provider.

We feel one way that the federal government can achieve this balance while limiting industry burdens would be to have CCDBG directed through a participating state's Health and Human Services agency versus a state's Department of Education. The reason we feel this is an important step is that many private child care providers are fearful of state Education Departments assuming control of vital funding streams directed towards the child care industry. Whether intentional or not, these agencies are much more familiar and knowledgeable of the public schools in their state and individual communities, and ultimately funnel CCDBG funding in their direction. The private child care industry must compete with public provider options each day, and though we understand the need for these options, we feel that CCDBG should be separated from the state's Department of Education agency in order to prohibit any

favoritism or bias. Considering CCDBG is administered from HHS at the federal level, there is no reason why this same administrative oversight is not carried to the state level.

NCCA is conducing an internal study and survey to validate the claims made, but our membership receives many more inspections and oversight from their state's HHS than their state's Dept. of Education and a state HHS agency is much equipped to understand and handle a child's welfare. We know this request is not applicable in every state, but where possible, it makes a tremendous amount of sense and requires the state agency most connected to the child care industry in charge of that state's CCDBG.

Another concept we think is applicable would be to develop an incentive model that rewards high-achieving centers and direct much needed resources towards those centers that need to improve. One way this could work would be to allow those centers with immaculate national and state ratings (4 stars out of 4, etc), sustained over a period of time (a year, two years, etc) to be exempt from spot-checks on issues that would need be addressed if a center ever wanted to be nationally accredited.

For instance, simple checks on electrical outlets or door handles; these are areas that would need to be addressed if a center wanted to be considered the best on the national scale. If a center reaches this mark and sustains that benchmark for a long period of time, why not exempt that center from a state regulator who oversees this process?

We feel that national certificates of achievement and high-standards could help save taxpayer money and state agency burdens if such checks were not focused on the 4 star center, rather, that that effort go towards a center with a more checkered past, or no national accreditation to speak of. This is just another novel concept we think could be incorporated into CCDBG in some capacity, so that centers want to go above and beyond each year in their quality ratings, and avoid more low-level inspections. It is a great incentivizing tool that frees up costly and unnecessary administrative headaches while at the same time helping improve CCDBG and an industry.

What is the most important quality you look for in determining the effectiveness of your employees and the quality of care they provide to the children they serve?

As a private child care operator, I know more than anyone else the significance of finding and maintaining the best staff possible. My opening statement reflected that understanding and maintaining an effective staff is what makes a private child care provider unique within the industry.

Regarding my own strategies, we have weekly assessments according to a teacher/staff rubric for excellence, which measures multiple metrics and each metric receives a designated point system on the rubric. Teachers self-assess their work and revisit these benchmarks to see where they have improved and where they still need work. Teachers also participate in a bi-monthly Professional Learning Community (PLC). PLC assessment rubrics are reviewed as a group and peer-review discussions include support for improving weaknesses and sharing strengths as well as discussing new concepts.

Each staff member has a Professional Development Report (PDR) file that documents required and completed professional development annual hours and we also conduct annual individual staff evaluations between staff members and the school's supervisors and operators. One-on-one review allows for a frank and detailed conversation regarding a staffer's work, their challenges, successes, and areas of improvement.

Staff members also participate in the measurement for the STARS state initiative according to the Environmental Rating System (ERS). These assessments are thorough and include categories relating to: health and safety according to school policy and ERS, 4BELS instructional process, lesson planning, parental interaction, behavior management according to school cognitive responsibility system (CRS), and student progress and student class presentation boards according to curricular content. The assessments also include monthly parent letters and parental participation in conferences, HUG/PAKS meetings, and parent calendars; a parent's input has a significant impact in the overall review of staff. Other metrics such as classroom design and appearance according to ERS, as well as classroom maintenance are also included. All of these assessments keep staff fully aware of their responsibilities and provider operators an efficient system to gauge staff effectiveness and abilities.

Finally, student observations and assessment according to the Ounce and Work Sampling state assessment systems are included, which also account for overall school performance assessments and student portfolios, as well as student health tracker reporting.

These reports and constant interaction amongst staff create an effective environment for staff review, targeted improvement, and collaboration of ideas of methods. It is this type of thoroughness that every child care provider strives and is the reason why we all work towards providing the best staff possible.

[Whereupon, at 11:20 a.m., the subcommittee was adjourned.]

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