

S. HRG. 114-770

**IMPLEMENTING THE CHILD CARE DEVELOPMENT
BLOCK GRANT ACT OF 2014: PERSPECTIVES
OF STAKEHOLDERS**

HEARING

OF THE

**COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS**

UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

ON

**EXAMINING THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF
2014, FOCUSING ON PERSPECTIVES OF STAKEHOLDERS**

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JUNE 15, 2016
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IMPLEMENTING THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 2014: PERSPECTIVES OF STAKEHOLDERS

WEDNESDAY, June 15, 2016

U.S. SENATE,
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,
Washington, DC.

The committee met, pursuant to notice, at 10 a.m., in room SD-430, Dirksen Senate Office Building, Hon. Richard Burr presiding.
Present: Senators Burr, Mikulski, Alexander, Murray, Isakson, Scott, Casey, Franken, Bennet, and Warren.

OPENING STATEMENT OF SENATOR BURR

Senator BURR. The Committee on Health, Education, Labor, and Pensions will come to order. I'd like to thank today's witnesses for making themselves available for this hearing, and I'd like to thank Chairman Alexander and Ranking Member Murray for letting us borrow their committee for the day and the opportunity to discuss child care.

The CHAIRMAN. Let me just say while Senator Mikulski is still here that we didn't let you borrow the committee. The two Senators who have done the most work on this issue for several years have been Senator Burr and Senator Mikulski. The Child Care Development Block Grant is one of the real success stories for our government. It's a model for how the Federal Government can work with States and help Americans who deserve and need the help, give them choices, allow States to have a say, the major say, in how this is done.

I want to thank Richard Burr and Barbara Mikulski for effective work on behalf of millions of American families.

Senator BURR. Thank you for that, Mr. Chairman. I'd also like to thank today's Ranking Member, Barbara Mikulski, for agreeing to partner with me once again. I think 5 years ago, the two of us got together and agreed to tackle the issue of child care and improving the health and safety of millions of children and their families that use Federal child care funding across the Nation.

After years of collaborating and working with early learning communities across the country, in 2014, we passed a landmark piece of legislation, the Child Care and Development Block Grant Act of 2014, which has ushered in a new era in safe, quality child care for low-income families and their children, allowing moms and dads to further their careers with the peace of mind of knowing that their loved ones are safe.

Today's hearing is an opportunity to review how that law is unfolding across the Nation. If this hearing can accomplish only one thing, I hope it's that all levels of the administration, the States, child care providers, and parents are well aware that Congress was serious when they said children will be in safe settings when Federal child care dollars are being used.

Child care, especially for low-income working mothers who need these Federal subsidies, shouldn't be about cramming as many children as possible into substandard care. Not one Senator in this body would send their child to a facility where convicted felons cared for their child and where basic health and safety measures weren't followed. It was an outrage that Federal dollars were going to this, and it's my strong desire that the implementation of this law ensures it never happens again.

I'd also like to note, because this was a major concern voiced when we debated the law, that Congress has put its money where its mouth is as it relates to child care. Senator Mikulski has secured—by my staff's calculations, Barbara—one of the largest year-over-year increases in the CCDF discretionary account, with a \$300 million increase over the past year for this program. I applaud Senator Mikulski for her work on the Appropriations Committee to make this happen.

I'm also highly encouraged by the early work by HHS and look forward to hearing from Deputy Assistant Secretary Smith and her thoughts. For years, in her various posts, both in government and out, Linda has been a leader in creating safe environments in child care, first on military bases as well as in civilian care. She was an invaluable contributor to Senator Mikulski's and my work on CCDBG.

I look forward, Linda, to hearing from you and your thoughts today.

I also look forward to hearing from Sheila Hoyle, a fellow North Carolinian. She's on the front lines working with these families seeking quality child care. She was a contributor to this law and I welcome her, as I do all our witnesses today.

I'll now turn to my partner in crime, Senator Mikulski.

OPENING STATEMENT OF SENATOR MIKULSKI

Senator MIKULSKI. Thank you very much, Senator Burr. I join with you in your enthusiasm to welcome our wonderful witnesses today, certainly Ms. Smith, who has served the Nation in terms of her expertise and knowledge in providing child care, both running a major nonprofit on information and referral and quality and also being one of the lead people at the Department of Defense in providing child care where child care is needed often 24/7, with all of the challenges. Some of the best daycare centers in the country are on military bases.

You helped set the standard for not only what quality daycare should be, but also you set the standard for what a public official should be in terms of fulfilling a mission. We thank you for that.

I know shortly we'll be hearing from our panel of other witnesses, and I want to give a shout-out for Margaret Williams, the Director of the Maryland Family Network, which is a nonprofit na-

tionally known for ensuring young children and their families, and I'll talk more about her.

But today is an oversight hearing on the Child Care Development Block Grant that Senator Burr and I led in terms of the reauthorization, with the help then of—very much the help of Senators Lamar Alexander and Patty Murray. We govern best when we can function bipartisanly. The first bill was under the presidency of George Herbert Walker Bush in 1990, and because of that, we laid the predicate for Federal investment, but not Federal micro-management of daycare. Since then, we did this excellent reauthorization which was the first time it had been done since 1990.

Today, Senator Burr and I are absolutely committed, with the concurrence of our committee on both sides of the aisle, to quality initiatives, that daycare be accessible, that it be affordable, that it be safe, and that it also help children learn so that they can even be more learning ready when they go to school.

But quality demands continuous monitoring. When you read the gurus on quality, they say you have to continuously monitor, and this is where we are. This is not one of those hearings where it's a spring hazing of people who run the programs, but really to hear what's working and what might be readjusted or tweaked in a way—because at the end of the day, our client and our constituent is a child—working with the most important child care providers, parents, and then with those agencies.

Child care is one of the most important decisions a parent will make when it comes to raising their children. But we live in the age of scrimp and save, where times are tough and budgets are tight. Day in and day out, parents across America struggle to not only pay their bills, but as they participate either in job training or the marketplace, affordable and safe and reliable child care is often out of their reach. In Maryland alone, the average cost of child care is more than \$20,000, equaling about \$400 per week. Child care is not a luxury. It is a necessity and should not be beyond the bounds of a family budget.

But today, what we want to talk about is to see what is working. It's not simply enough to ensure that kids have a place to go. We must ensure that it's a place that nurtures their development, challenges their mind, and prepares them for school, and at the same time, that that environment is a safe and secure one.

Simply put, when we looked at the CDBG of yesteryear, it didn't focus on certain things, particularly infants and toddlers, the changing nature of women in the workplace, and even those with irregular hours. That's why Senator Burr and I got together 4 years ago, holding a significant number of hearings, and working on the issues, emphasizing quality.

What did we do? We required States to prioritize quality, required child care providers to meet health and safety requirements, required mandatory background checks, and we gave families in CCDBG more say and more reliability and predictability. We think we made a good start, but we don't want to be self-congratulatory. We want to hear from you what this is.

I look forward to hearing from you and the other witnesses, though I must excuse myself temporarily to go to the floor to start

the debate on the Commerce, Justice, Science, and Related Agencies bill.

Senator Burr, I just want to say this. It's great working with you. The phrase, compassionate conservative, I think reflects your work here. Yes, you are conservative, and that means you keep an eye on the money, but you also keep an eye on tradition and on family and on responsibility, and you really were one of the spearheads in terms of background checks.

I was happy to support you as a child welfare social worker, as a child abuse social worker. No child should ever be abused in their home or in a daycare home. It's just great working with you, and let's move forward to see how we can even do better.

I'll be back, and I ask unanimous consent that my full statement go in the record.

Senator BURR. So ordered.

[The prepared statement of Senator Mikulski was not available at time of print.]

Senator BURR. I thank you, Senator Mikulski, for your kind comments, but, more importantly, for your passion on this issue. Now you can go be the Ranking Member of Appropriations for a few minutes. Just remember how kind I am come the appropriations time, will you?

[Laughter.]

Senator MIKULSKI. Right.

Senator BURR. Our first panel has one witness today. Linda Smith is Deputy Assistant Secretary for Early Childhood Development at HHS. Linda has responsibility for policy coordination, for early learning programs at HHS, including the Child Care and Development Block Grant. She previously served as the executive director for what is now called Child Care Aware, where she represented over 650 local agencies that assist parents in finding affordable quality child care.

Prior to that, she was director of the Office of Family Policy for the Secretary of Defense and is widely credited with raising the quality and safety of military child care programs. She is a graduate of the University of Montana.

Linda, we're delighted to have you today. We're delighted to have you at HHS, and we're clearly benefited with your expertise and your passion for this issue. The floor is yours.

STATEMENT OF LINDA K. SMITH, DEPUTY ASSISTANT SECRETARY FOR EARLY CHILDHOOD DEVELOPMENT, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, WASHINGTON, DC

Ms. SMITH. I want to thank the committee for having me back. Chairman Alexander, Ranking Member Murray, and the members of the committee, I'm pleased to be here today to discuss the implementation of the Child Care and Development Block Grant Act. I want to thank the committee, especially Senators Mikulski and Burr for their leadership in this reauthorization. As was said earlier, it marked a historical re-envisioning of child care in this country. We are fully committed to implementing the provisions of the law and look forward to our continued collaboration with the committee on this issue.

The Child Care and Development Fund, or CCDF, is made up of both discretionary funds and funds provided under the Social Security Act. It provides subsidies to low-income families as well as resources to raise the quality of care for all children. In 2014, CCDF provided assistance to over 1.4 million children from 850,000 families. Over half of all children served are living at or below poverty.

We have taken many steps to support States, territories, and tribes as they implement the new CCDBG requirements. We held numerous meetings with State and tribal leaders and more than 20 listening sessions with stakeholders. We published a Notice of Proposed Rulemaking in December 2015 and received approximately 150 public comments. We are carefully considering all comments as we prepare the final rule, and we expect to publish it this fall.

The State CCDF plans are their application for Federal funding. They were submitted to us in March of this year along with implementation plans for how the States will meet the new requirements established in the law. Overall, the plans show that the States are making great progress in implementing the provisions.

The State gave the Secretary the authority to waive requirements for specified reasons. States submitted their waiver requests to us along with their plans in March. Twenty-four States asked for a waiver for at least one provision. The most common requests were for the 12-month eligibility requirement, graduated phase-out, health and safety training, and inspection requirements.

You asked me to talk about the issues and challenges that States face in implementing the new law. There are four key areas that I want to highlight today.

First, health and safety. Of the 24 States requesting a waiver, half included at least one request for an extension on health and safety training. In the past, health and safety requirements have varied greatly by State and have left critical gaps in care. The HHS Inspector General found that 69 percent of child care providers in nine States had numerous potentially hazardous conditions that failed to meet health and safety requirements.

We consider health and safety to be critical to reducing the risk of death or injury to a child. In addition, we know that free or low-cost training is available and online. Based on these factors, we did not approve waiver requests for health and safety trainings, but did approve all other requests.

Second, background checks. States are concerned about two things: the National Crime Information Center check, NCIC, and the cross-state background checks. We are actively working with the Federal Bureau of Investigation on the NCIC check and are considering strategies that we can use to assist with the interstate checks that are required, especially the child abuse registry checks.

Third, monitoring. Thirty-nine States are already in compliance with the pre-licensing and annual unannounced inspection requirements required for licensed CCDF providers. However, States that currently have many license-exempt providers who have not been subject to monitoring will likely face challenges. It should be noted that some of these include some of our largest States.

Fourth, continuity of care and equal access. To achieve the 12-month eligibility requirement without additional resources, some States report that they will need to reduce the number of children

served, lower eligibility rates, or create waiting lists. In the past, many States have relied on the fact that children are churning on and off the program, and the average stay on subsidy was 6 months. This kept waiting lists down.

As a result of the new requirement, the cumulative number of children served may go down slightly. But the point in time number of children should remain close to the current levels.

Over the years, the value of the subsidy has fallen below what private pay parents are paying, which makes it hard for parents to access quality child care with their subsidies. Currently, nine States have reimbursement rates that fall below the 25th percentile of the market, and five States have not raised their rates in over 5 years.

In 2014, the average subsidy paid nationally was \$4,800—and we heard earlier about the cost here in Maryland—far below the actual cost in most States. This means that parents may not really have a choice, because the value of their voucher may be so low that higher programs may not accept them.

In summary, CCDF only serves 15 percent of children who are eligible under Federal rules. The caseload fell to its lowest level ever in 2014 prior to the reauthorization of CCDBG. Now, States are concerned that the new requirements may strain an already underfunded system and lead to greater caseload decline in the absence of increased funding.

We have tried to address this in our budget request, and we greatly appreciate the \$326 million included in the 2016 budget or appropriation. In addition, in this year's president's budget request, we are seeking \$200 million more in discretionary funding and \$82 billion over 10 years in mandatory funding to provide high-quality child care for all low-income children.

We look forward to working with you to continue to implement the changes in the CCDBG Act and improve the child care programs to better meet the needs of our families. Again, we want to thank you for your leadership on this critical issue, and I would be happy to answer questions that you may have.

[The prepared statement of Ms. Smith follows:]

PREPARED STATEMENT OF LINDA K. SMITH

Chairman Alexander, Ranking Member Murray, and members of the committee, I am pleased to discuss with you today implementation of the 2014 reauthorization of the Child Care and Development Block (CCDBG) Act. It is my honor to serve as the Deputy Assistant Secretary for Early Childhood Development at the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS), which administers the CCDBG. Prior to joining ACF in 2011, I worked for nearly 10 years as the Executive Director of the National Association of Child Care Resource and Referral Agencies, now called Child Care Aware of America. I also spent a significant portion of my career at the U.S. Department of Defense helping to develop the military child care system.

I want to thank the members of the committee, especially Senators Mikulski and Burr, for your leadership in reauthorizing the CCDBG Act in 2014. The reauthorization marked a historical re-envisioning of child care in this country. The Administration is grateful for your work to ensure that children across the country are cared for in safe and enriching environments. We are fully committed to implementing the provisions of the law, and look forward to our continued collaboration with the members of the committee.

The reauthorization of the CCDBG Act in 2014 was a major step forward in improving the lives of children and families across the country. The Child Care and Development Fund (CCDF), which is comprised of Federal funding for child care

under the CCDBG Act and the Social Security Act, provides both subsidies to families with low-incomes as well as resources to raise the quality of care for all children. In 2014, CCDF provided child care assistance to over 1.4 million children from 850,000 working families and families attending school or job training in an average month. All of the children who receive subsidies are low-income, and half are living at or below poverty level. These children are all at risk of falling behind in school.¹ In addition to funding child care subsidies, States spend almost \$1 billion of CCDF each year in quality improvement efforts, exceeding the amount previously required by law.

In my testimony today, I will first provide a general overview of ACF's efforts to implement CCDBG reauthorization before turning to discuss four key areas that we will focus on to ensure States, territories, and tribes are successful in making lasting change for the better for child care in this country.

Since the enactment of CCDBG reauthorization, we have taken several steps to support States, territories, and tribes as they implement the new requirements included in the law. Immediately after enactment, we launched a reauthorization web page to provide information about the law, including fact sheets and responses to frequently asked questions. This also included a dedicated email address for interested parties to submit questions. We held five meetings with State and territory CCDF administrators and a series of consultations with tribal leaders. In addition, ACF leadership and staff participated in more than 20 listening sessions with approximately 675 people. We received approximately 650 questions and comments through the dedicated email address, as well as through webinars, meetings, and other listening sessions.

We published a Notice of Proposed Rulemaking (NPRM) in December 2015 that would incorporate the new statutory requirements into the CCDF regulations. The NPRM also responded to requests for clarification on statutory provisions that ACF had received in the preceding months. Approximately 150 public comments on the NPRM were received, including from Chairman Alexander, and we are carefully considering these comments as we prepare the final rule. We expect to publish the final rule by fall of this year, and provide training and technical assistance to States, territories, and tribes. We also plan to continue our ongoing communication with congressional members and staff by providing a briefing at the time of publication.

Following the enactment of the law, the Office of Child Care (OCC) completely revised the now triennial CCDF State and Territory Plan, which States and territories use to apply for their CCDF funding. Originally, the CCDF plans were to be submitted in July 2015. However, in response to concerns from States and territories, OCC extended the deadline for the plans, which States and territories submitted in March 2016. The plans were effective this month, and cover fiscal years 2016 through 2018. In recognition of phased in deadlines for new requirements contained in the law, and the unique challenges some States may face during implementation, States had the opportunity to submit implementation plans laying out the steps they planned to take to meet requirements by established deadlines. Overall, the recently submitted Plans show that States are making great progress in implementing provisions of the reauthorized CCDG Act. For example, in 2015, Washington State passed comprehensive legislation establishing 12-month eligibility along with a new framework for improving quality.

The CCDBG Act reauthorization gave the Secretary the option to exercise waiver authority to allow extensions for up to 3 years for specified reasons identified in the CCDBG Act. States and territories unable to meet the effective date of a provision needed to submit a waiver request with their plans in March 2016, along with an implementation plan outlining proposed steps they will take to meet the full requirements of the provision. Initial waiver requests only cover provisions required in calendar year 2016. For requirements with an effective date after 2016, such as comprehensive background checks, waiver requests may be submitted no later than 90 days prior to the effective date. Twenty-four States and territories submitted a waiver request for a temporary extension of at least one provision. The most common waiver requests were for 12-month eligibility, graduated phase-out, health and safety topics and training, and inspection requirements. Of the 24 States and territories submitting waiver requests, half included at least one request for extension of health and safety training provisions.

As I will discuss in more detail later, waiver requests for health and safety training were not approved as we consider health and safety training critical to reducing risk of injury and death of children, and free or low cost training, including online

¹U.S. Department of Health and Human Services, *The Early Achievement and Development Gap*, Assistant Secretary for Planning and Evaluation Research Brief, 2014.

training, is available. All other temporary waiver applications were approved. However, multi-year requests were only approved for 1 year with an option to renew for an additional year. Prior to moving forward with these actions, we provided an advanced briefing to congressional staff. Soon we will be providing formal notice to members of this committee and the House Committee on Education and the Workforce as required by the CCDBG Act.

The CCDBG Act provides opportunities to offer flexibility to tribes in certain areas where there are unique needs. The final rule will provide guidance to tribes on how the rule applies to them. Before drafting the proposed regulation, we conducted a series of tribal consultations to solicit tribal input. As a result, the NPRM's proposals were intended to increase tribal flexibility, while balancing the CCDF dual goals of promoting families' financial stability and fostering healthy child development. The final rule will address the extent to which the CCDBG Act will apply to tribal CCDF grantees in light of comments on the proposals received from tribes and tribal organizations. In the meantime, we are preparing tribal grantees for the coming changes. The CCDF Tribal Plan, which tribal grantees will submit this summer, includes optional questions related to reauthorization. While tribal grantees are not required to comply with many of the new provisions of the CCDBG Act pending issuance of regulations, a series of trainings held this spring addressed reauthorization and how tribal programs can start preparing for implementation of the upcoming final rule.

We have heard from States, territories, tribes, and other stakeholders that implementing the provisions of the CCDBG Act will require additional financial resources. Over time, States have struggled and been unable to maintain the number of children and families served with child care subsidies, and the CCDF caseload fell to its lowest level ever in fiscal year 2014 prior to enactment of the reauthorized Act. The program only serves 15 percent of children who are eligible under Federal rules. States are concerned that implementation of some of the new requirements may strain an already under-funded system and lead to greater caseload decline in the absence of increased funding. We greatly appreciate the additional \$326 million for CCDBG that Congress included in the fiscal year 2016 appropriations. The President's fiscal year 2017 budget request seeks an additional \$200 million in discretionary funds to further help States implement these important reforms.

In addition, the President's request includes \$82 billion in additional mandatory funding over 10 years to guarantee high-quality child care for low- and moderate-income families with children under the age of 4. The President's proposal includes funding to maintain access to children who are currently served, expand coverage to all low- and moderate-income working families with young children, and raise the quality of care for young children by closing the gap between the low subsidy provided in many child care programs today and the high cost of infant and toddler care. This proposal aligns with the newly added purpose of the CCDBG Act to increase the number of low-income children in high-quality child care settings and would help States meet the requirements of reauthorization while increasing the number of children served. Although many States have recently increased investments in early education, particularly by expanding State-funded preschool programs for 4 year-olds, there is a critical gap in access to high-quality early learning opportunities for infants, toddlers, and 3-year-olds. We need to focus Federal investments on a child's most critical years—beginning at birth and continuing to age 5. We anticipate this will be helped by the new requirement for States to use 3 percent of funds to improve care for infants and toddlers, but we also need to focus additional Federal efforts on the critical years from birth up to age 4. I would like to thank Senator Casey for his leadership on introducing legislation that mirrors the spirit of the President's proposal to expand high-quality care to all infants and toddlers from low- and moderate-income families.

While the changes included in reauthorization were comprehensive, there are four areas in particular of the CCDBG Act where we will focus on moving forward with implementation of the law. These include: protecting the health and safety of children in child care; ensuring equal access to stable, high-quality child care for low-income children; helping parents make informed decisions; and, enhancing the quality of child care. In each of these areas, I will discuss implementation challenges based on waiver requests from States, comments on our proposed rule, and feedback from a range of stakeholders.

PROTECTING THE HEALTH AND SAFETY OF CHILDREN IN CHILD CARE

The law established many new requirements that will help ensure children are adequately protected in child care settings. These include health and safety requirements, training in 10 areas, a pre-licensing visit for child care providers seeking li-

censing, annual monitoring and inspection visits for all CCDF providers, and new background check requirements for all child care staff members.

Prior to reauthorization, health and safety standards varied widely and left critical gaps. During reviews conducted between 2013 and 2016, the HHS Office of Inspector General (OIG) found that 96 percent of child care providers in nine States and territories had numerous potentially hazardous conditions that failed to meet health and safety requirements. These findings included fire code violations, unsanitary conditions, toxic chemicals accessible to children, and lack of supervision of children.

For States that did not already meet the health and safety requirements required by the new law, most are now moving quickly to get these requirements in place to ensure a baseline of health and safety. For example, according to the recently submitted CCDF State and territory plans, 36 States and territories already have standards that address ratios and group size and 52 are in compliance with child abuse reporting requirements.

ACF did not approve any waivers related to health and safety training because of the critical role it plays in reducing the risk of serious injury and death in child care settings. The law requires adequate training in such topics as CPR/First Aid, SIDS prevention, and administration of medication that are essential to ensuring that the child care workforce is properly prepared to care for children. In order to meet these important requirements, we are providing support to States and territories through our national technical assistance centers and other Federal resources.

In addition to health and safety training, the CCDBG Act significantly strengthens protections for children by requiring monitoring of CCDF child care providers, including annual inspections. Research shows that unannounced visits are effective in promoting compliance with health and safety requirements among providers who have a history of low compliance with State child care regulations.² Thirty-nine States and territories indicate that they are already in compliance with pre-licensing and annual unannounced inspection requirements for licensed CCDF providers. States that currently have large numbers of license-exempt child care providers, which previously have not been subject to monitoring, will likely face implementation challenges. ACF is prepared to provide technical assistance and support on best practices for monitoring in a cost-efficient, effective manner that leverages resources from partners, including State licensing and quality rating and improvement systems. As we anticipated, 37 States and territories indicate that they do not yet comply with new inspection requirements for license-exempt providers and have submitted implementation plans outlining their path to compliance.

States have expressed significant concerns about implementing the five required background check components and have indicated that they will not be able to meet the statutory requirements without more Federal direction and leadership. One particular area of concern is conducting a check of the National Crime Information Center (NCIC), which at this time is only accessible by law enforcement. We are working closely with the Federal Bureau of Investigation (FBI) on how States may use this system and meet the requirements of the law. States are also concerned about cross-State background checks covering a 5-year period, with States indicating that no process currently exists for such cross-State checks, and asking how they should handle situations where another State does not respond to a request. We are working to address this concern by requiring States and territories to report to ACF the names and contact information for the offices handling these requests. We plan to disseminate the contact information. This will give us the ability to provide States with information to better facilitate accessing cross-State information. States are also concerned about interpreting results from child abuse and neglect registries, particularly given State variation in registry contents and the need for State processes for ensuring that information is accurate. We are working with the States and territories to ensure that the background check requirements of the law can be implemented by the statutory deadline of September 30, 2017, or a year later for States receiving an extension by demonstrating a good faith effort.

PROVIDING EQUAL ACCESS TO STABLE, HIGH-QUALITY CHILD CARE FOR LOW-INCOME CHILDREN

We greatly appreciate the law's focus on continuity of care for children receiving subsidies, and the clear requirement that eligible families be provided with a min-

²R. Fiene, *Unannounced vs. announced licensing inspections in monitoring child care programs*, Pennsylvania Office of Children, Youth and Families, 1996; *Caring for Our Children: National health and safety performance standards; Guidelines for early care and education programs*. 3d edition.

imum 12 months of assistance. We know that stable child care environments play an important role in a child's development,³ and providing a minimum of 12 months of eligibility, a period of job search, and a graduated phase-out of assistance help to ensure that a child may continue to be served by their child care provider of choice without interruption. These policies also help parents by minimizing the amount of time they must spend complying with eligibility redetermination requirements or responding to requests for documentation to continue their assistance.

To avoid disrupting work, States such as Maryland and North Carolina have established policies allowing families to complete redetermination by mail or other means. Policies such as the graduated phase-out also protect parents from losing assistance after receiving only a small raise in wages, or placing parents in the position of choosing not to take a raise because it would cause them to lose their child care subsidy. Twenty-eight States and territories have already implemented the graduated phase-out requirement. Some States are already developing two-tiered eligibility with second tiers established at a level high enough for families to accept significant income growth without having that progress undermined by losing their care.

States have expressed concerns about the impact that 12-month eligibility, job search, and graduated phase-out might have on their caseloads. Some States have said they will likely need to reduce the number of children they serve, lower eligibility levels, and create or expand waiting lists without additional resources. Some of them previously had shorter eligibility periods which had the effect of churning families off the program, resulting in them serving more children for shorter periods. However, this churning often means that families are losing the child care subsidy they need to work, as well as forcing children to go in and out of care, disrupting relationships with caregivers and interrupting learning.

The CCDBG Act's focus on increasing the supply of high-quality child care is also critical as current child care options for many low-income families are of low quality. Over the years, the value of the subsidy has fallen behind what private-pay parents are paying for child care, which makes it hard for parents to access high-quality child care with their subsidies. Currently, nine States include rates that are set below the 25th percentile and five States have not adjusted their rates in over 5 years. The CCDBG Act's new requirement for States to take the cost of quality into account when setting payment rates is necessary to ensure that more low-income children are cared for in high-quality child care settings. The law also includes provisions about building supply of high-quality care for other populations. However, creating a high-quality child care program requires sustained investments, which is hard to do with a low subsidy payment that may end without much notice because a parent switches providers or loses their subsidy. Caring for certain children, such as infants and toddlers, is generally more expensive to provide, especially when it is higher quality. These limited options restrict a parent's ability to choose higher quality child care providers if these providers are not willing to accept the child care subsidy. We continue to talk with States and communities about how grants and contracts can be used—as one tool in a child care program—to help build supply of care because they provide a consistent payment for providers, allowing them to make longer-term investments. Grants or contracts may be particularly useful in underserved areas, such as rural communities, where relying solely on vouchers would not be feasible for a child care provider. While State child care programs will continue to offer vouchers to families to purchase care from willing providers, grants and contracts are an important tool for addressing shortages of high quality care available to low-income families.

In their recent CCDF Plans, 31 States and territories indicated that they only use vouchers to provide child care assistance to families. Twenty-five States and territories reported using grants and contracts to increase the supply of child care, such as using contracts to fund programs to serve children with disabilities or other unique needs, targeted geographic areas, infants and toddlers, and school-age children. Grants and contracts also are used to provide wrap-around services to children enrolled in Head Start and pre-kindergarten to provide full-day, full-year care and to fund programs that provide comprehensive services. Additionally, Lead Agencies report using grants and contracts to fund child care programs that provide high-quality child care services.

While I know this has raised concerns for some, the NPRM proposed to require States to use some grants or contracts, in addition to vouchers, to provide direct services to children. This proposal was meant to complement the already robust voucher system, not to displace it. Under the NPRM proposal, every family receiving

³Zaslow, M. et al., *Quality Dosage, Features, Thresholds, and Features in Early Childhood Settings: A Review of the Literature*, OPRE 2011-5, 2010.

a CCDF subsidy must still be offered the option of receiving a voucher, even if they have entered the system through a provider with a grant or contracted slot. We received a strong public response to this proposal, including from Chairman Alexander and Chairman Kline. We are carefully considering these comments as we draft the final rule, and assure this committee and the public that we are fully committed to supporting parental choice and ensuring that all families have access to high-quality child care options in their community.

HELPING PARENTS MAKE INFORMED DECISIONS

We strongly agree with Congress that, in order for the parental choice provisions of the law to be meaningful, parents need to have access to a provider's health and safety record, as well as information about the State's policies and procedures related to licensing, monitoring, and background checks. In addition, we have noted Congress revised the purposes of CCDBG to include "promoting the involvement by parents and family members in the development of their children in child care settings." The new statutory requirements that eligible parents, the general public, and providers receive information about developmental screenings, social-emotional development, and research and best practices about child development help to move consumer education beyond just monitoring reports and into a more holistic realm that can help support parenting and a more enriching child care environment. It also recognizes that often child care providers are a parent's best source of information. This new approach means States are looking at family engagement from a variety of angles. For example, Tennessee is training its child care licensing staff to work with child care providers to help them identify and serve families experiencing homelessness, as well as training child care certificate staff to outreach to community based programs, such as family shelters, transitional programs, and financial assistance programs.

HHS, in collaboration with the U.S. Department of Education, recently published policy statements on supporting dual language learners in early childhood settings, promoting family engagement, including children with disabilities in early childhood programs, and addressing suspension and expulsion in preschools. States and communities across the country have demonstrated leadership in significantly reducing, or eliminating altogether, the use of suspensions and expulsions in early childhood settings, which is consistent with our policy statement and the longstanding practice in Head Start settings. We also continue our work on developmental screenings through *Birth to 5: Watch Me Thrive!*. We are creating trainings and technical assistance to help States develop a website that is truly consumer-friendly. Providing parents with consumer education and engagement is a long-standing requirement of CCDF, so States and territories already had a foundation for providing this information, but they are still working on fully implementing the requirements included in the statute. According to recent CCDF plans, 33 States and territories indicate that they already meet the requirement to disseminate information to parents, providers, and the general public.

Some States have expressed concerns about the amount of time it can take to access funding for and to build new information technology systems in their States. In response to these concerns, the website is one area in which States and territories could submit implementation plans if they were not able to meet all the requirements by the time they submitted their plans. Forty-nine States and territories have submitted implementation plans for meeting new website requirements. We have also heard concerns about including license-exempt family child care homes on the State websites. These concerns centered on the fact that license-exempt, home-based providers frequently care for children of neighbors or friends, and may not be available to care for children they do not know. This is an area we addressed in the NPRM, and we are continuing to discuss it as we prepare the final rule.

We are in the process of developing the national website and hotline required by the law. Since the law's enactment, we have been working with experts and stakeholders to design a national website that gives parents the information they need and builds on State efforts. We recognize the diversity of existing systems and processes, information technology systems' capacity, investments, and limited resources available to Lead Agencies and their partners. Therefore, we have held several listening sessions and planning meetings, and in March 2016 we published a request for comment in the *Federal Register*. We specifically requested comments on effective design features and easy-to-use functions for a national website that will link to new and existing State and local websites. We will begin rolling out resources this summer, and will continue to update the committee as we move forward.

ENHANCING THE QUALITY OF CHILD CARE

The statute's increased focus on improving the quality of child care and the early childhood workforce is a big step toward providing more low-income children with access to high-quality child care settings. The new law raised the minimum quality set-aside from 4 percent to 9 percent, and added a new 3 percent quality set-aside for infants and toddler care. Many States were already spending more than the previously required 4 percent minimum on quality activities, but children in States less likely to invest additional funds were missing out on many of the innovations that could lead to better quality care. The newly increased set-asides—phased in over a period of 5 years—will ensure that children across the country will benefit from these investments and have access to higher-quality child care options. The new requirements to invest in at least one of the ten quality activities included in the CCDBG Act, to report on what those activities are, and to provide measurement about the effectiveness of those activities are leading States and territories to examine their current quality frameworks. We continue to offer technical assistance to States, specifically to help them think about appropriate ways to measure their quality investments. The creation of a permanent set-aside to increase the quality of infant and toddler care is particularly critical as we continue to learn more about brain development and the fact that earlier investments may have more significant impacts.⁴ Our infant and toddler child care workforce is less likely than our preschool and K–12 instructional staff to be well-educated, and they are on average paid significantly less than those who work with preschool age children.⁵ Yesterday, as part of the Summit on the United State of Women, we released a report on the state of compensation of the early childhood workforce. The report—*High-Quality Early Learning Settings Depend on a High-Quality Workforce: Low Compensation Undermines Quality*, and the accompanying state-by-state profiles, show that there is a considerable mismatch between the importance and complexity of teaching young children during the brain's most formative period and the very low wages of early childhood professionals, especially those working in child care. In fact, the median average wage for someone working in child care is below the cutoff of eligibility for SNAP. This is completely at-odds with what we know about the importance of the first few years in a child's life, where the quality of care provided to young children is critical in setting them on a path to lifetime success. Indeed, brain development happens most rapidly during the infant and toddler years, making it one of the most formative periods of development in the life course.

We have focused on improving the quality of care available to the youngest children, most notably through the Early Head Start-Child Care Partnerships (EHS-CCP). These partnerships were created to increase the supply of high-quality early learning opportunities and better align the continuum of care and development leading to preschool for infants and toddlers living in low-income families. These investments are now supporting 275 new EHS-CCP and Early Head Start expansion grantees. Grantees partner with more than 1,300 local child care centers and 800 family child care programs, with additional partners coming on board each month. Through the partnerships, 32,000 infants and toddlers will receive comprehensive services, health and developmental screenings, and the enhanced curriculum offered through Early Head Start.

Additionally, there are more than 5,500 children enrolled in these same classrooms with EHS-CCP children who are benefiting from smaller class sizes, specialized curriculum, and better educated and trained teachers. These children, though not in EHS-CCP slots, are benefiting from our investment in the EHS-CCP model. This dual benefit—to both children who are in EHS-CCP slots and their classmates who are not—illustrates how the EHS-CCP model helps our investments go further and reach more children. Further, the EHS-CCP has made systemic change in the child care system, such that the 1,800 family and center-based child care partners participating in this grant program, many of whom were previously too poorly resourced to provide high quality care to the children they serve, have been able to enhance the quality of their services to better meet the needs of children and families in the community.

We want to thank Congress for investing an additional \$135 million in fiscal year 2016 to support additional EHS-CCP grants. We appreciate your strong support of these partnerships, which are serving as learning laboratories to leverage Federal-, State-, program-, and community-level change for the future of high-quality infant

⁴The President's Council of Economic Advisors, *The Economics of Early Childhood Investments*, 2014.

⁵Number and Characteristics of Early Care and Education Teachers and Caregivers: Initial Findings from the National Survey of Early Care and Education, 2013.

and toddler care. The first year of implementation was marked with tremendous growth and learning as we work toward a seamless system that aligns Head Start and child care.

An important part of this alignment between Head Start and CCDF is the recent transformation of our training and technical assistance network. We have taken the technical assistance systems from Head Start and child care and combined them to form the Early Childhood National Centers for Training and Technical Assistance. This unified approach to technical assistance delivery brings together the knowledge and skills from Head Start, child care, and our health partners within HHS to greatly strengthen our ability to promote excellence through high-quality, practical resources and approaches. We are working to align Head Start Performance Standards and CCDF rules, to the extent possible, as we prepare both final rules.

Finally, we recently held the Infant Toddler Strategies Institute, which was a national meeting for our State and territory partners to focus on the early years of a child's life and how States may wish to invest their infant and toddler set-aside to develop innovative early childhood policies and systems that support families and that optimize infant-toddler development.

As we continue to work with States, territories, and tribes to implement reauthorization, we are fully committed to providing strong oversight of the programs to ensure States implement the law as Congress intended. This oversight includes a more detailed CCDF State Plan, revised reporting forms, and providing targeted technical assistance. Additional monitoring at the Federal level, including onsite visits and reviews of progress, is needed to confirm that crucial health and safety requirements like comprehensive background checks and annual monitoring and inspection visits are completed.

Thank you for your leadership on this critical issue and for inviting me to testify today. We look forward to continuing our work together as we implement the changes included in CCDBG reauthorization. I would be happy to answer any questions that you may have.

Senator BURR. Thank you, Ms. Smith. We will turn to questions at this time.

Ms. Smith, over the past few years, HHS's Office of the Inspector General released several reports that have highlighted lax oversight by States over their child care centers, leaving children exposed to dangers such as toxic chemicals, loose electrical wiring, open access to pools, high provider-to-child ratios, and many other basic requirements that were already set by States, but apparently weren't being followed by providers or being enforced by the States themselves.

I also can't help but notice that some of these States are the same that are claiming more money is needed from the Federal Government to meet the 2014 Act's provisions. Because inattention to oversight in some States has long predated the changes we made on the Federal level, what do you plan to do to ensure that States are making sure that children are not exposed to these dangers and that Federal dollars aren't used to support hostile environments?

Ms. SMITH. I appreciate that question, and we share your concern on the health and safety. I think, obviously, health is our middle name at the Department of Health and Human Services, and we're very concerned about what the Inspector General's report showed. Those reports have been over a series of several decades. Actually, they started back in 1990 with the first report and have continued.

We're taking this very seriously. We understand—and it was one of the reasons that we put our foot down with the training on providers. They just need to be better trained so that they understand some of these things, because there is that aspect when they're not trained and they don't understand. That's one of the things.

We're very concerned about the monitoring on the States, and we are aggressively looking at our plan for how we're going to monitor States for compliance with their plans and what they've submitted to us as we move forward with this.

There are a number of things that we're doing. But I can assure you that we take health and safety as absolutely the baseline of what we need to be paying attention to.

Senator BURR. In the proposed rule that HHS released late last year, you explore the issue of requiring a lower co-payment for families at no more than 7 percent of a family's income. I've heard from many providers in North Carolina that this will become untenable and potentially lead to a withdrawal from the subsidy market, potentially hurting the low-income families that, in fact, we're intending to help with this policy.

Can you tell us the background of this proposal and whether HHS intends to provide States with more flexibility so these unwanted shifts actually won't happen?

Ms. SMITH. Yes. When we put that in there, our goal was to try and get the States to do what's right in terms of the reimbursement rates, because as the States continue to keep the reimbursement rates low and the providers need a certain amount of money to operate on, the gap has continued to increase. We've been concerned that there's a certain amount of what I would call allowing behavior in here of allowing the States to continue to keep rates low and parents make up the difference.

We heard in the comments loud and clear from people that this is a major concern, and without significant increases in resources that the States would be in a hard position and many providers may not be able to continue to accept children. We are carefully considering what we learned from our public comment process, and we will make adjustments to that as we move forward into the final rule.

Senator BURR. We look forward to you sharing those adjustments with us prior to anything official.

With that, I'd recognize Senator Alexander.

Senator MURRAY. I go by seniority, but—Senator Franken.

Senator FRANKEN. We can go by seniority. Would you like to go, Senator Murray?

Senator MURRAY. If you don't mind, I'll jump in. But I apologize for being late. Do you mind?

Senator FRANKEN. I mind, but I'm saying go ahead.

[Laughter.]

Senator FRANKEN. No, no.

Senator MURRAY. But he's also mindful. Thank you so much.

Senator BURR. Let me decide this. Senator Murray, go right ahead.

[Laughter.]

OPENING STATEMENT OF SENATOR MURRAY

Senator MURRAY. Thank you. I just have a couple of questions. First of all, thank you so much for being here today.

Thank you for having this hearing. I think it's really important.

In my home State of Washington, we are currently facing a homelessness crisis, and, sadly, some of the people that are im-

pacted most, of course, are children. We have over 30,000 children under age six, or one in every 17 children are experiencing homelessness today.

I'm really glad that our CDBG reauthorization bill takes some important steps toward promoting access to child care for our homeless children. I want to commend you, because under your leadership, HHS has really worked hard to address the needs of homeless children on a number of fronts.

But I wanted to ask you, specifically, what are some of the unique barriers that our homeless children face when it comes to accessing child care?

Ms. SMITH. I think there are a couple of things that we know. We appreciate your interest in this issue, and we have taken this very seriously. We've done a number of things around providing resources, trying to clarify language in what we're trying to do, and get States flexibility to meet the needs of these families.

Some of the challenges that the families face include things like transportation, getting to and from child care. I visited a child care program for homeless children here in the District area and saw families with very small children coming in from buses and public transportation—which is a very hard thing to do—but very committed to getting their children to these programs.

I think we can do more in thinking about transportation for these families and how we might get the services, and then also think about more services in shelters where we have a lot of young children. We've done that. We've worked on tools for homeless shelters to use to provide child care onsite to help families. But we have more that we can do.

I think another challenge we have seen that is very serious with families with young children are the social and emotional impact of what being homeless has on children. We are seriously looking at this issue in terms of how we can provide more technical assistance to people on the social-emotional development and challenges of children through an agreement and work we're doing with SAMHSA, and we have included homelessness in the work that we're doing there.

I think there are challenges of children themselves and challenges of transportation for the parents. I think the other things we're working on and getting over, like immunizations—I know you were concerned about that. I think that's coming along.

Senator MURRAY. Some of the barriers are just finding these people. I mean, they're in motel rooms to streets to—how do you get over that and find these kids?

Ms. SMITH. That is a challenge, and we know that, and we've been working with our colleagues at HUD on this issue. We are currently working on a joint policy statement with HUD to try to figure out and to do more outreach into programs operated by HUD. We'll be looking forward to getting something out later on this year on that.

A joint policy statement for us has been extremely helpful in getting people to pay attention to the issues. We've done that in a number of other areas and have seen good results. We're working on that and you can expect to see it yet this year.

Senator MURRAY. OK. We know that affordable and high-quality child care is really an important part of a worker's or a family's ability to increase their wages, especially for low-income parents. One of the provisions I was very proud of in this law was making sure that parents don't lose access to child care benefits because of instability in their work schedule, education, or training status.

We had a similar policy in my State, and I wanted to ask you: What are some of the preliminary benefits you've seen as a result of that policy change for parents and their children?

Ms. SMITH. As I said earlier, this is one of the biggest challenges States face—the 12-month eligibility. But I have been out doing site visits and met with families around this country, and I will tell you that one of the first things that they talk about in terms of changes is the fact that they now can rely on their subsidy for a year.

Senator MURRAY. Right.

Ms. SMITH. That makes all the difference in their ability to think about training, education, and fixing some of the other challenges that they have in their lives. I've been hearing that from families firsthand across this country, and it was an important thing. It is a challenging thing.

Senator MURRAY. OK. Great. Thank you. Thank you very much.

Senator BURR. Chairman Alexander.

OPENING STATEMENT OF SENATOR ALEXANDER

The CHAIRMAN. Thanks, Mr. Chairman.

Ms. Smith, thank you for your leadership on this. I was the United States Education Secretary when this law was passed 25 years ago, and there was a lot of pride in it because it represented an important compromise. It was new Federal dollars to help working families and children, but it gave parents choices of which provider to use.

Am I correct that two major goals of the Act were from the beginning to allow each State maximum flexibility in developing child care programs and to promote parental choice to empower working parents to make their own decisions regarding the child care services?

Ms. SMITH. Yes.

The CHAIRMAN. Am I correct that the law does not require States to use grants or contracts?

Ms. SMITH. That's correct.

The CHAIRMAN. But they may if they wish.

Ms. SMITH. Right.

The CHAIRMAN. Am I correct that in 2014, in the new law, I believe Senator Scott offered an amendment. Just to make that clear, it says,

“Nothing in this law shall be construed in a manner to favor or promote the use of grants and contracts for the receipt of child care services or disfavor or discourage the use of such certificates.” Am I correct about that?

Ms. SMITH. Yes.

Senator SCOTT. Yes.

The CHAIRMAN. I assume Senator Scott may ask about this. I'm puzzled by the proposed rule that would require State agencies to use at least some grants or contracts to pay for child care services. The way I understand it, there's one pool of Federal dollars, and a State may use it for vouchers for working parents to choose a center for their child, or it may use it for contracts. But if you require a State to use it for contracts, that diminishes the amount of money necessarily that may be available for vouchers.

Why doesn't the proposed rule squarely contradict the Scott Amendment, which we just adopted in 2014 to stop an attempt to do this before in 2013? Why doesn't it violate the law as it has existed from the day it was started?

The whole purpose of the law was to make these sort of Pell grants for early childhood education. It would give working parents a choice of providers, and they might be public, they might be private, and they could even be sponsored by religious institutions, and that has worked very well.

Please explain to me why it doesn't violate the law to propose a rule that would say a State must use some of the money for contracts, since that money would necessarily diminish the amount of money, in my view, that's available for certificates or vouchers.

Ms. SMITH. I want to first say, sir, that we completely agree with the goal of CCDBG to allow maximum choice for parents. When we wrote the NPRM, our concern was that in many low-income neighborhoods, there is no child care, and it is very difficult for providers to get up and running without some assurance of funds in order to operate a program. Our goal was really to increase parent choice by ensuring that many neighborhoods had child care.

We have carefully thought about your comments. We appreciate the letter that you and Chairman Kline wrote, and we're very serious about this. We want to make sure that—parent choice. I was a parent and I'm a grandparent, and one of the things that I would tell you—I ran a child care center and my own daughter was in a family child care home because that was the best environment for her. We truly understand parent choice.

The CHAIRMAN. But, Ms. Smith, I respect that, and I respect you. But the law says you cannot make a State favor contracts over certificates. If you require a State to use contracts, it takes money away from certificates. That clearly violates not only Senator Scott's amendment, which was adopted in 2014, but it violates the whole original agreement in 1991 or 1992, because this was a breakthrough, really. It was a concession by those who were cautious about this.

In exchange for the dollars, these were basically vouchers for working parents, in the same way that we give vouchers to college students, which has been maybe the most successful social program we've ever had. The concern you express about something not being available is something a State could figure out.

I was once a Governor. If there's a problem in the use or the administering of my child care program, if there's nothing available, then that's something that a State can deal with. But I would respectfully urge you to follow the law on this, and as well intentioned as your motive might be, taking money away from vouchers

to require States to use contracts violates the law as recently enacted as 2014.

Thank you, Mr. Chairman.

Senator BURR. Senator Franken.

STATEMENT OF SENATOR FRANKEN

Senator FRANKEN. Thank you, Mr. Chairman.

I'm very proud that we passed this law, the CCDBG reauthorization, in 2014—but very, very good things in this. In your testimony, though, you say we serve 15 percent, just 15 percent, of the families that qualify. As the chairman said, this gives low-income families that get the benefit from this the assurance that their children will be in safe settings. But I believe that we need to make sure that all low-income families who qualify for this get the benefit, and that's why I'm the co-sponsor of Senator Casey's bill to fund it.

One thing I am proud of is the piece put in for Indian country, for American Indians. They experience exceptionally high unemployment levels compared to the rest of the Nation. According to the latest figures from the Bureau of Labor Statistics, Native Americans continue to have unemployment rates nearly double that of the general population, and, additionally, American Indian children experience some of the poorest educational outcomes in America. These are exactly the sort of challenges that CCDBG is designed to address.

That's why Senator Murkowski and I worked together during the reauthorization to lift the ceiling on tribal child care funding. Our provisions enable more funds to flow to tribes but without reducing the amounts that go to States. I was very pleased that we were able to incorporate that into the law.

Can you talk about the impact that this additional funding has had on Native American children?

Ms. SMITH. Yes, sir, and we appreciated that change in the law very much, because tribal funding was and had been flat for so long. After you lifted that cap on the tribal set-aside, we have increased the amount of money going to tribes over the last 2 years as we've gotten new money in the budget. I think the total amount is almost \$30 million, a 28-point-something increase in tribal funding.

What we're encouraging tribes to do with that funding right now is to be sure to factor in the new requirements of the law and make sure that the provisions, especially around health and safety and training and those things, are paid for as they begin to move forward, and then after that, to increase the access to child care for tribal children. But because the money has been low for a long time, we are seriously encouraging them to look at implementing the law and using the funds to address the issues that they need to around quality.

Senator FRANKEN. Senator Murray brought up children that are homeless. We know that children who have adverse childhood experiences are more susceptible to emotional difficulties, and you talked about social-emotional development when speaking to her questions. One of the things I'm proud of is that in the Every Student Succeeds Act, I put in a mental health piece.

We know that for kids who are homeless, kids that witness drug addiction, kids that witness domestic violence, this trauma leads to higher emotional developmental difficulties. Can you speak to what we can do to meet unmet mental health needs for kids before they enter elementary school?

Ms. SMITH. We are looking at this issue very closely because we have looked at the data on early childhood expulsion from preschools and child care programs, which is alarming, to say the least, that we put a child on a pathway to failure at 3 or 4. We've been taking this into consideration. We have, as I said earlier, worked with our colleagues at SAMHSA, and we've established a national technical assistance center specifically designed to look at social-emotional development and mental health in the birth to five population.

To your point on the tribal issues, two of the experts that we're hiring for that TA center will be tribal experts, because we know that the tribal community has challenges around social-emotional issues, especially related to drugs and alcohol addiction problems. About 3 months ago, we convened a national panel of experts at HHS to look at the issues of social-emotional development in tribal communities, especially in the children under age five, and we'll probably be putting a policy statement out or some further guidance on this.

One thing that we have found very alarming is the number of drug addicted babies born, not only in our tribal populations but across this country, and how do we begin to prepare child care and Head Start program people to work with these children as they come into their programs. We're taking a serious look at that. SAMHSA has been very supportive in this, and we think that we've just scratched the surface on what we need to do.

Senator FRANKEN. Thank you for that answer.

Thank you, Mr. Chairman. But certainly the trauma that we're talking about that's associated with adverse childhood experiences are not confined to Indian country, and this is an issue that we need to address, I believe, at the earliest possible point in a child's life.

Thank you, Mr. Chairman.

Senator BURR. Senator Isakson.

STATEMENT OF SENATOR ISAKSON

Senator ISAKSON. Ms. Smith, thank you for being here. Are the health and safety requirements background checks and monitoring carried out by the States?

Ms. SMITH. Yes, they are.

Senator ISAKSON. We're going to hear on the second panel from Ms. LeVaughn Westbrook. She was a resident of my State. She lost her two-and-a-half-month-old first son in a daycare setting where there was found to have been no background check done, where the monitoring of children in the facility was inadequate, and, in fact, there may have been actually some other violations as well.

What do you do to ensure that the States are doing the correct health and safety requirement oversight, the correct monitoring, and the correct background checks on employees?

Ms. SMITH. As I said, these are some of the challenges that we are working with the States on, especially in the background clearance issues and the child abuse registry checks, which we know are going to be challenging between the States. We are working, and we have several things that we're considering doing, including work on a clearinghouse that might help States share information, because sharing this information is very difficult and sensitive, too. We are working very hard on that, on the background checks.

On the monitoring, we are closely tracking their monitoring. As I said, 39 States are already in compliance with this. They are making progress on it. We are following up.

One of the things we did when States came in and asked for waivers is that we did not give them a waiver for more than a year, because we want to make sure that we're tracking their progress in implementing the requirements of the law, especially around health and safety and monitoring. We will be tracking those over the next year as they work on implementing this. But we are very seriously watching this.

Senator ISAKSON. What are the consequences to a State if a State is found not to be doing the proper monitoring, the proper background checks, or the proper health and safety training?

Ms. SMITH. We have the ability to give penalties to the States on this, and that would come in the form of a penalty with their funding.

Senator ISAKSON. Thank you very much, Mr. Chairman.

Senator BURR. Senator Casey.

STATEMENT OF SENATOR CASEY

Senator CASEY. Thank you, Mr. Chairman. I appreciate having this hearing, and I want to, first of all, in addition to having an opportunity to have a hearing like this, which is an oversight hearing which is important for us to do, I want to thank Deputy Assistant Secretary Smith for her work and her leadership.

We're grateful that you're here.

We had a number of reasons to be positive about the reauthorization. Just the fact that it had not happened in so many years was reason alone to be optimistic and to be positive. But some of the basic features of that legislation—the 12-month eligibility provision, which was a major focus and priority of mine, so that States are now required to provide for a 12-month eligibility period so that families don't lose access to care if someone in the family has a change in their working conditions.

Of course, the health and safety provisions were critical—and Senator Isakson talked about that and others have as well—and the necessity of training as part of that, both pre-service training and ongoing training in at least 10 specified health and safety topics—among the many things we can be positive about.

We still face this major challenge of resources, and it's one that I think folks in the advocacy community, and folks at the local and State level, and the Democrats and Republicans here in Washington are concerned about. We need to get more support for more resources. It's as simple as that.

We know that less than one in 10 eligible children nationwide under the age of 4—it's not all children who receive child care—

but under the age of 4, only 10 percent eligible are receiving child care assistance. In Pennsylvania, even when we have robust State investment, the number in Pennsylvania is just 15 percent. We have a real problem with very young children who are eligible not getting the services. As much as we can be positive about the bipartisan nature of this legislation and the good work on oversight that we're doing, we still have a major resource problem.

We know that—and this is according to Child Care Aware—in more than half the country—it's hard to comprehend this—in half the country, a year of child care costs more than a year of college tuition at a public school. That's how grave the challenge is with regard to a resource deficit and the major challenge that these families have.

We also know the median wage for child care workers is \$9.30 an hour. We're literally paying these workers, in whom we place so much of our confidence, in whom we entrust our children to—they're making less than parking lot attendants in the United States of America. We have a major challenge there.

I guess the first thing I'd ask is about the funding gap and what you think we should do about it and what you hope we would do about it.

Ms. SMITH. I do think there is a serious gap in funding in this country. As I said in my opening remarks, the average value of a subsidy voucher right now is \$4,800, which, if you look at the national averages for an infant, that's about half of the national averages. In many cases, in our bigger cities, it's much more expensive, as we've talked about.

We do have a gap, and we are going to, as a country, have to figure out how we're going to close that gap at some point. Low-income families simply cannot afford what it costs to access high-quality child care in this country. There is a gap. That's why we put in our budget proposal this year, our budget request, the \$82 billion over 10 years. That would close that gap.

I want to add one thing here which I think is very important in this conversation. One of the things that we have learned—and thank you to this body and the House for supporting our early Head Start child care partnerships, because the investment there is demonstrating that when we invest in high-quality infant-toddler child care and raise the rates that we're paying to those providers, we are getting high quality.

It's amazing what's going on around the country through the partnerships where the Head Start programs are working in partnership with child care providers serving infants and toddlers and paying them to do the same level of work that we expect in Head Start. It shows and it demonstrates that with the resources, we can get there in infant-toddler care in this country. We're investing \$635 million in that right now, and that investment probably is the most important investment that we are making in terms of demonstrating how to do this.

That gap, which is what we're talking about here, and the \$82 billion—and thank you for introducing the legislation, because that would close that gap for roughly all children under the age of 4 at 200 percent of poverty or below. That would be a huge investment in our future in this country.

Senator CASEY. I appreciate you working with us on that legislation and also focusing on both access as well as quality. Thanks very much.

Thanks, Mr. Chairman.

Senator BURR. Senator Scott.

STATEMENT OF SENATOR SCOTT

Senator SCOTT. Thank you, Mr. Chairman.

Thank you, Ms. Smith, for being here this morning.

Senator Alexander, thank you for bringing up the point on my amendment that I thought was pretty clear. Sometimes when we pass laws in this country, the laws are ambiguous, hard to understand, not necessarily clear. In an attempt to make sure that our law was crystal clear, I added an amendment that provided such direction. The amendment very clearly states the parental rights to use child care certificates is now embedded in part of the law.

“Nothing in this subchapter shall be construed or applied in any manner that would favor or promote the use of grants and contracts over the use of child care certificates, or that would disfavor or discourage the use of such certificates for the purchase of child care services, including those services provided by private or nonprofit entities such as faith-based providers.”

In your estimation, isn't that clear?

Ms. SMITH. That is clear, and I do want to say that we're very—

Senator SCOTT. Ms. Smith, before you go on, as long as we're dealing with something that is completely clear, then for the NPR to require States to use grants would be inconsistent with the current law. This is not a place that lacks clarity. This is one of the few instances in law where, actually, the law is completely clear.

So my question is: Why would HHS violate the existing law by promulgating an NPR that requires not just my State of South Carolina that has opted to use exclusively the certificate process—38 States use the same process. You're saying to 38 States that they now must violate the law and include grants. How is that not inconsistent with the law?

Ms. SMITH. I think we have heard you loud and clear on this issue, and we are considering the input that you've given to us.

Senator SCOTT. Ms. Smith, I don't know that I gave you input. We gave you specific clear direction. This is not an option. It would be different if we said, “It is your choice. Please pick one. We prefer that you use one.” We clearly stated in the laws of our country—in other words, in order to do something other than what the law says, you will have to violate the law, and the NPR violates the law.

Ms. SMITH. Let me just say that earlier in the NPRM and in current regs and everything that we've put out consistently over this program, we have required certificates to be offered to every family. We're not really saying that families won't have the option to have a certificate. As I said earlier, we hear you. We will take this back, and we are considering all these as we do a final rule.

Our goal is not to undermine parent choice and/or to do away with the option for a family to have a certificate. It is clear in the

NPRM that all families must be offered that. We will take steps as we need to clarify this and respond to your concern here, sir.

Senator SCOTT. Not to belabor the point, but when one says they're not going to belabor the point, they're going to belabor the point. Your NPR requires States to use grants. If that is also clear, that your NPR requires States to use grants, then it is clear that your NPR would violate the law. Anything other than, "Yes, we will follow the law," seems to be inconsistent with following the law.

I hope that, somehow, the clarity in the law will be followed by those governed by the law and not promulgate a rule that seems to say that the bureaucrats are in a better position to create laws than the elected representatives of the Americans in our country. I don't know how else to be clear on such an important conversation for parents who are looking for a clear path to creating a better life than to make sure that those same parents who are smart, engaged in the process of taking care of their kids—that those parents have the flexibility to make the choices that are best for them and not have those of us in Washington come down and say, "Here's what we think is best for you."

My time is up.

Senator BURR. I thank the Senator from South Carolina. In concluding our first panel, I'll just direct to Ms. Smith one last question. Will the final rule eliminate the requirement to have grants?

Ms. SMITH. It would be improper of me to say what the final rule will look like because it's still in the process of going through coordination. All I can say on this one is what I have said, that we have taken very seriously your comments, concerns, and questions, and I think that you will see changes on that, without saying what they are, because they're still in the process.

We do not want to upset the issue of certificates or parent choice in any way. We're very committed to that.

Senator BURR. Let me say, if I can—and not to restate what Senators Alexander and Scott have said—just the mere fact that you put this in the proposed rule shows a disregard for the letter of the law. Congress was very specific through Senator Scott's amendment, and it's disturbing. It would be disturbing anywhere that might happen in a proposed rule. I would ask you to take this under considerable advisement, so when that final rule is proposed, that it conforms with exactly what the law says.

With that, we want to thank you for your testimony today, and you are excused, Ms. Smith.

I would call on the second panel.

I'd like to welcome our second panel, and I'm going to go slightly out of order because of Senators' schedules. I'm going to turn to Senator Isakson for the introduction of Le'Vaughn Johnson Westbrook.

Senator Isakson.

Senator ISAKSON. Thank you very much, Mr. Chairman. It's really a pleasure for me to introduce Le'Vaughn Westbrook. Ms. Westbrook has served as an advocate at the State and Federal level for quality child care since 2009. She proposed comprehensive background check legislation in the State of Georgia, which was adopted by our legislature. She has been praised by the Atlanta

Constitution and published on WSB television in Atlanta for her effort to improve child care in our State.

Ms. Westbrook holds a bachelor of social work from the University of Michigan and a master of social work from Michigan State University. She worked within the child welfare field and served abused and neglected children throughout her career. Ms. Westbrook currently resides in Falls Church, VA—we're sorry we lost her in Georgia, but we're happy she's closer to Washington—with her husband and two children and is a licensed clinical social worker who continues her work with children in psychiatric clinics.

We welcome you today, Ms. Westbrook.

Senator BURR. Thank you, Senator Isakson.

I'd also like to welcome Sheila Hoyle, a North Carolinian. Sheila has dedicated the past 44 years of her life to bettering early learning and child care in North Carolina. Since 1987, Sheila served as the executive director of the Southwestern Child Development Commission in North Carolina. In her role, she oversees 12 development centers in the southwestern part of North Carolina. All 12 of these providers received the highest ratings under North Carolina's quality rating system.

Sheila along with others in the resource and referral community in North Carolina were instrumental in providing on-the-ground expertise to me and my staff in offering the CCDBG Act of 2014. I am delighted to welcome her today. She is a graduate of Western Carolina University, where she received a B.A. degree in social work and her master's in public administration.

Sheila, I am told you are accompanied this morning by your lovely 90-year-old mother.

We welcome you, ma'am.

Also, I'd be remiss if I didn't recognize Celia Sims, who used to be on my staff and active on this committee and who was really instrumental in much of the work we're here to do oversight on today that is reflected in the 2014 Act.

Celia, welcome and congratulations.

In addition to our two announced panelists, I'd like to introduce Myra Jones-Taylor. Welcome. Senator Murphy intended to be here. I think he's been delayed.

Dr. Myra Jones-Taylor is the Commissioner of the Connecticut Office of Early Childhood. Dr. Jones-Taylor previously served as an assistant professor, faculty fellow at the McSilver Institute for Poverty Policy and Research at the Silver School of Social Work at New York University. She received her doctorate in American studies and anthropology from Yale University, where she also received two master's degrees, one in American studies and the other in African American studies. Dr. Jones-Taylor lives in New Haven, Connecticut, with her husband and two children.

We certainly do welcome you here today.

I was hoping that my partner in this would be back. Her legs aren't quite as long as mine—

[Laughter.]

Senator BURR [continuing]. Ms. Williams, it may be taking her a while.

Margaret Williams has served as the executive director of Maryland Family Network in Baltimore since 1991. Prior to that, she

was the executive director of the Friends of the Family organization. She is a graduate of Connecticut University with a degree in economics.

Ms. Williams, we welcome you, and I'm sure that my partner will be back very quickly.

Now, I'm going to turn to Ms. Hoyle and recognize all of you for up to 5 minutes, and we'll start that way and go straight across.

Welcome, Sheila.

**STATEMENT OF SHEILA HOYLE, EXECUTIVE DIRECTOR,
SOUTHWESTERN CHILD DEVELOPMENT COMMISSION, WEB-
STER, NC**

Ms. HOYLE. Thank you. Good morning. I want to thank Chairman Alexander, Ranking Member Murray, for inviting me today, and especially I want to thank Senator Burr, Senator Mikulski for their leadership on the Child Development Block Grant reauthorization. I so appreciate their efforts and dedication to making sure that children are safe in child care and that we have more children who are in quality arrangements.

Last year in North Carolina, the North Carolina Child Care Coalition honored Senator Burr for the work that he did on the reauthorization. It really is a pleasure for me to get to come to Washington and say that again to you here in this venue. The same with Senator Mikulski. The teamwork that the two of you did has just been remarkable and certainly is what brought us here today.

As you've already said about me, I've worked in the early childhood field for the past 44 years, all of that in North Carolina. I've been the executive director of Southwestern for 28 years, and my agency is a private nonprofit agency created in 1972. We do local work, we do regional work, and we do work all across the State of North Carolina.

Our goal is to bring access for low-income children to better quality child care. We do that by helping families find child care. We administer child care subsidies, and we provide training and technical assistance to the child care workforce. We sponsor the Child Care and Adult Feeding Program. We also operate 12 child care centers, because in North Carolina, sometimes our shortage is a shortage of quality spaces for children to have care.

I want to begin by calling the new law historic. Congress has called for a new vision for child care, one that recognizes that child care is a work support for parents, but also that it is an important setting for the healthy development of young children. I feel fortunate to live in North Carolina because for a long time, North Carolina has been regarded as a leader in early childhood education. We have a strong service delivery system. That doesn't mean it's perfect. It doesn't mean that we've found the way to do everything right. But we do have in place already most of the basic requirements that are called for in the new law.

I do understand that some States will have a greater challenge than others in meeting the new requirements. But when it comes to protecting children, Congress took the right step. There are many important changes in the law that will assist young families, and I want to comment about three specific parts of the law.

I want to talk first about the minimum health and safety requirements and background checks, because I believe that these are the very core of protecting our young children. I know that for some States, this compliance will have a cost. But as the director of an agency whose mission is to promote safety and child development, these are the right policies. There should be accountability for the manner in which public funds are spent. Children should be placed in a setting that promotes their healthy development and their safety while their parents are working.

The second point that I'd like to comment on is the 12-month eligibility and the graduated phase-out provisions. This is good policy. This is good for young families. Families need stability with child care. The graduated phase-out program will help us to end the cliff effect, and the cliff effect, of course, is when families reach a certain point in income, they just drop off of the subsidy eligibility program.

The new law will give us a way to transition these families and work with these families so that children have continuity of care and families have a chance to transform and transition into a new kind of stability. There is a cost of doing this. But it is a cost, and it is the difference of serving families or serving families well.

The third piece of the new law that I want to talk about and support is the quality set-aside. I believe that the quality set-aside helps us to strengthen the infrastructure on which we provide good early childhood development in every community. I often think about this as the roadmap that builds the economy, that builds jobs. Child care doesn't just happen. It has to be built. Like any system in our Nation that is built, we have to have a structure. We have to have a foundation. We have to have infrastructure to make that happen.

Quality is the foundation for this, and we do these things by developing a workforce. We know that in the early childhood environment, the teacher is the most valuable part of equipment in that classroom.

The CCDBG Act of 2014 is the right policy at the right time. We've had 18 years to review State policy. We've looked at the neuroscience research. We understand now much more about brain development and what happens to very young children. We have evaluated high-quality programs so that we can identify their characteristics. These are some tough choices for many of our States. But it is past time that we offer accountability for the children and families and how we assist them.

Sufficient resources to fund implementation is critical. However, our policies are right, and I look forward in North Carolina to continue working with the new implementation of this law, and children and families in our Nation will be served better by this law.

Thank you.

[The prepared statement of Ms. Hoyle follows:]

PREPARED STATEMENT OF SHEILA HOYLE

Good morning. I want to thank Chairman Alexander and Ranking Member Murray for setting aside time on the committee agenda to hold this hearing today. In addition, I particularly want to thank Senator Burr and Senator Mikulski for their leadership spearheading the Child Care and Development Block Grant through reauthorization. I know it wasn't easy. Anything that takes 18 years isn't. But, I so

appreciate your efforts, your willingness to put partisan politics aside, and your dedication to making sure that children are safe in child care and that more children are in high quality care.

Last year, the North Carolina Child Care Coalition recognized Senator Burr for all of his efforts. I am proud to be from North Carolina and proud of the leadership on child care that Senator Burr has shown. Not just talking the talk as we say, but actually doing the walk. Senator Mikulski, I want to commend your dedication as well. We know without the partnership between the two of you, we would not be here today.

I have been in the child care field for 44 years. I have been the executive director of the Southwestern Child Development Commission for 28 years. My organization, a private, nonprofit agency, was created back in 1972, and is the only regional early childhood organization created through the Appalachian Regional Commission that still exists today. Our operating budget is about \$30 million, which includes about \$20 million in subsidy funding to assist nearly 4,500 children every month access quality child care.

At the local, regional and State level, the Southwestern Child Development Commission works to increase access to high quality child care. We do that by:

- helping families find child care, by helping them understand what to look for and what to ask,
- administering subsidies to low-income families throughout 9 counties,
- providing training and technical assistance to child care providers to help them become licensed, participate in North Carolina's quality rating system, or otherwise strengthen the quality of care,
- sponsoring the Child and Adult Care Food Program (also known as CACFP) so that providers (both centers and child care homes) can offer and be reimbursed for nutritious meals and snacks, and,
- operating 12 child care programs because quite frankly, in rural North Carolina there is a supply shortage of care.

Beyond the 13 counties in which we assist families, the Southwestern Child Development Commission is one of three agencies that together represent a council (which includes the Child Care Services Association in Raleigh and Child Care Resources Inc. in Charlotte) that oversees child care resource and referral activities throughout the State's 14 regions. Data for the most recent 5 months¹ shows that statewide, Child Care Resource & Referral Agencies have:

- Assisted 13,516 child care providers with training, technical assistance or other professional development services,
- Offered 179 training sessions on a wide array of topics from emergency preparedness to North Carolina's Early Learning Guidelines—NC Foundations,
- Offered trainings throughout all 14 CCR&R regions on inclusion and working with children with special needs,
- Offered 94 trainings related to childhood obesity and encouraging healthy meals and physical activities and 20 workshops on family child care home pre-licensing,
- Provided 4,252 preschool classrooms with onsite technical assistance visits,
- Provided child care referrals to families on behalf of 8,148 preschool-age children (some regions report web-enabled referrals at year end while others do not—therefore, the actual number of referrals is higher than reflected),
- Provided child care referrals to families on behalf of 2,239 school-age children (some regions report web-enabled referrals at year end while others do not—therefore, the actual number of referrals is higher than reflected),
- Assisted families of 588 children with special needs with child care referrals,
- Assisted 307 non-English speaking families with child care referrals, and,
- All 14 regions are working to partner with local homeless shelters and community organizations to assist homeless families with children to access high quality child care.

I am proud to be here today because I view the 2014 Child Care Reauthorization as historic. I am old enough and have been in the early childhood field long enough to fully appreciate how far Congress has come over the decades. I saw up close the need for child care assistance back in the 1970s and 1980s as more women were entering the workforce. I fought for enactment of the Child Care and Development Block Grant Act back in 1990. In 1996, as part of welfare reform, I fought to make sure that in consolidating the various child care funding streams, that assistance would be available for low-income working families—not just families on welfare.

¹ Fiscal year 2016 Five Month Report, July 1, 2015–November 30, 2015, North Carolina Child Care Resource & Referral Council, Child Care Resource & Referral Core Services.

Then for 18 years after that, I worked to support reauthorization to promote the safety and healthy development of children.

Between 2010 and 2014, I was on the Public Policy Committee at the National Association of Child Care Resource and Referral Agencies, or NACCRRRA, currently doing business as Child Care Aware of America. During that time, we issued annual reports that reviewed State child care laws, selected 15 different health and safety measures, and scored and ranked the States. Since there were no minimum protections for children under CCDBG at the time, State laws varied widely. Therefore, every year, Janet Singerman, the executive director of Child Care Resources Inc., in Charlotte and I met with our Members of Congress and staff about those reports and urged reauthorization. We supported the 2014 CCDBG Act because much of it reflects the basic recommendations from our reports.

Today's hearing is about the implementation of the new law and the perspectives of stakeholders. I am fortunate to live in North Carolina where we have long had a strong child care system. That doesn't mean perfect, but it does mean that we had many of the basic requirements called for in the new law already in place.

I understand that some States may have a greater challenge than others in meeting some of the new requirements. But, when it comes to protecting children, I believe Congress took the right approach. Protect children. Require accountability for public spending. Make sure that when families receive assistance, children have access to high quality care and some oversight to ensure that the rules are followed. It's common sense.

We have had decades of research about brain development during the earliest years. We have had evaluations of early learning programs over the years so that we know high quality programs make a difference, particularly for the school readiness of low-income children. We also know from newspaper reports across the country over the years that bad things can happen without protections for children or oversight to ensure compliance or to promote quality improvement.

From a stakeholder's perspective, I see the new law as an opportunity for a new vision. It's taken several decades, but we can get this right. Child care continues to be a work support for parents. Absolutely. However, given the hours that children spend every week in child care, it is equally important to pay attention to the developmental needs of the child. That's what the new law is about—the combination to support parents and children.

Background Checks: North Carolina, as Senator Burr knows, already had a strong fingerprint-based background check system. So far this year, the NC Division of Child Development and Early Education has processed 25,487 criminal background checks. Of those, 469 individuals have been disqualified. The fact that 469 individuals who should not be in the business of providing child care have been screened out, is a good protection for children. I know not all States have a fingerprint-based background check system, but with livescan and digital devices today, it is possible, efficient, and can be done at a modest cost. It's time for States to figure out how to put that type of system in place.

North Carolina will need to figure out how to work with other States to check their child abuse registries for those who have not lived in the State for the past 5 years. We'll have to figure out how to work with other States to check criminal histories and the sex offender registry. I have confidence that this is not rocket science and we will figure it out. It's the right thing to do to protect children.

Minimum Training. According to the National Center on Early Childhood Quality Assurance, more than three-quarters of States require staff working in child care centers to complete some type of orientation training.² The number of annual training hours required for staff working in centers ranges from 3 to 30.³ Twenty-eight States that license family child care homes require providers to complete some type of orientation training.⁴ The number of annual training hours required for family child care home providers varies from 4 to 24.⁵

I support the minimum training requirements in the new law. There isn't an hourly requirement, but the requirement that there be an orientation training and that annual training should be progressive and related to the social, emotional, physical, and cognitive development of children is the right approach. It's not nec-

²Research Brief #1: Trends in Child Care Licensing Regulations and Policies for 2014. National Center on Early Childhood Quality Assurance (November 2015). https://childcareta.acf.hhs.gov/sites/default/files/public/center_licensing_trends_brief_2014.pdf.

³Ibid.

⁴Research Brief #2: Trends in Family Child Care Home Licensing Regulations and Policies for 2014. National Center on Early Childhood Quality Assurance (November 2015). https://childcareta.acf.hhs.gov/sites/default/files/public/315_1511_fch_licensing_trends_brief_2014_final_508_0.pdf.

⁵Ibid.

essarily about the hours, but it is about the content. We know that the safety of the children and the quality of the program are directly related to the training and education of the staff. While some States may have a challenge in meeting the training requirements, I believe they are critical, at a minimum, for quality care. More would be required for high quality care.

Inspections. According to the National Center on Early Childhood Quality Assurance, all but six States require inspections for child care centers at least once a year.⁶ Not all States require licensing for family child care homes, but of those that do (43 States), only 11 States do not require annual inspections of homes.⁷

North Carolina already requires annual inspections. The proposed regulations by the U.S. Department of Health and Human Services asked for comment about whether this requirement should apply only to those providers that care for children on subsidy or whether the requirement should be applied to the broader universe of licensed care (plus unlicensed providers who care for children on subsidy). I am part of a Child Care Resource & Referral Consortium that submitted comments on the proposed regulations in February. With regard to inspections, our comments included,

“Universe Subject to Annual Inspections: *Annual inspections should apply to all licensed providers and unlicensed providers who receive subsidy (excluding relatives unless States choose to inspect them). If the inspection requirement is not broadly applied, it will create a two-tiered system which will have the effect of restricting parent choice. Also, if the inspection requirement is not systemic, it could have the effect of delaying subsidy availability to families as they wait for inspections to occur in order to receive their subsidy. In order for parents to have maximum choice among all providers, inspections should be annual for all licensed providers and those who are not licensed who care for children receiving a CCDF subsidy.”*

As a subsidy administrator, I want to promote efficiency. I want to make sure that families can select child care and have their subsidy to use as soon as possible—not wait until an inspector has gone out to the property, which depending on the State and the caseload could seriously delay the receipt of subsidy. At a minimum, all licensed care should have an annual inspection. That way, parents would have maximum choice. In North Carolina, Child Care Resource & Referral Agencies sometimes work with child care programs that have been found to have licensing violations. We help them to correct those problems. For States that don’t inspect, it doesn’t mean that there aren’t potential dangers for children, it just means that children are left to chance. We can do better than that.

To me, the real opportunity on inspections is that maybe there is a way to do them more efficiently and cost-effectively. As an operator of 12 programs in North Carolina, my programs receive several inspections every year—not just from child care licensing. With the new requirement under CCDBG, it could be an opportunity to convene the individuals from the various agencies that conduct inspections and figure out if there is a better way to conduct them. Rather than by funding stream, maybe there is a core set of safety requirements that could be shared by all, maybe there could be some cross-training, some sharing of data and coordination. I think there is likely room for improvement with regard to inspections in most States and the new CCDBG law is a good start (i.e., inspectors need to have training, basic competency, and a reasonable caseload).

12 MONTH ELIGIBILITY AND GRADUATED PHASE-OUT OF ASSISTANCE

To me, the new law is an opportunity for a new vision. Although North Carolina does many things right, there is still more we can do better.

We have a statewide tiered quality rating system where licensing is embedded at the lowest level, which means all programs are rated. If providers want to receive subsidy funds, they have to have at least a 3 star rating. Nearly three-quarters (73 percent) of children on subsidy are in 4 or 5 star care. On average, about 70,000

⁶Research Brief #1: Trends in Child Care Licensing Regulations and Policies for 2014. National Center on Early Childhood Quality Assurance (November 2015). https://childcareta.acf.hhs.gov/sites/default/files/public/center_licensing_trends_brief_2014.pdf.

⁷Research Brief #2: Trends in Family Child Care Home Licensing Regulations and Policies for 2014. National Center on Early Childhood Quality Assurance (November 2015). https://childcareta.acf.hhs.gov/sites/default/files/public/315_1511_fch_licensing_trends_brief_2014_final_508_0.pdf.

children throughout the State each month are assisted with a child care subsidy so that their parents can work, go to school, or participate in job training.⁸

At the same time, the waiting list statewide includes about 20,330 children. Because Work First (or TANF families) are given priority, the waiting list is comprised of low-income working families who are not receiving Work First assistance. They are low-income families with children and the wait for assistance can be 2 years or longer.

My agency is in a rural community. We don't have a waiting list. However, throughout North Carolina, 66 of our 100 counties do have a waiting list. For example, in Mecklenburg County, in the greater Charlotte area, 6,500 children receive assistance and nearly as many (5,275 children) are on the waiting list.

North Carolina currently has 12 month eligibility. However, until enactment of the CCDBG Act of 2014, some counties required recertification quarterly and some every 6 months. Therefore, although we have 12 month eligibility on paper, frequent recertification means that families do not actually receive assistance for 12 months. The recertification process leads to a churn in the caseload at a much earlier point in time (i.e., one family is terminated and another receives assistance). Sometimes that is because families move and they don't receive the paperwork. Sometimes that is because families do not understand the paperwork or they don't have it together to bring in the documentation that they need. Sometimes a modest increase in income can cause a family to lose assistance basically overnight.

Going to 12-month eligibility, similar to Head Start eligibility, without periodic recertification during the year, is better for the child. It promotes continuity of care and stability for families. Very rarely are families over-income. They are still working poor. However, as current families receive child care assistance longer, without additional resources, new families can't receive assistance. For counties with a waiting list, this is a challenge. I support 12-month eligibility. I am hopeful that additional Federal dollars can be provided so that the churning of families is reduced. It just doesn't serve children well, which is at the heart of the new law.

The new requirement for graduated phase-out is related. Currently, when families exceed the income limit, nearly immediately, they lose assistance. North Carolina is in the process of allowing a 90-day graduated phase-out for families exceeding the State set income limits. That sounds like a short period of time. However, we will have that 90-day transition for families because of the new law. Ninety days is better than immediate termination. Graduated phase-out will have a cost, however, I think it is the right policy for families.

There are no easy choices. In North Carolina, there are 458,136 children under age 6 with working parents. These children need to be somewhere while their parents work. Child care is expensive. In 2015, the average annual cost of center-based care for an infant was \$9,254 and the average annual cost of center-based preschool-age care was \$7,919. Many families, particularly those with more than one child, struggle with the cost of child care. Low-income families struggle the most.

The poverty rate for families with children under age 5 in North Carolina is 20.4 percent. In my 13 county service area, the poverty rate for families with children under age 5 exceeds the State average in 10 counties. In Swain County, the poverty rate for families with children under age 5 is 41.3 percent—more than double the State average.

It's worse for single mothers. In 8 counties in our service area, the poverty rate for single mothers raising children under age 5 exceeds the State average of 49.4 percent. In two counties, Swain and Clay, about two-thirds of these mothers with young children are living in poverty.

Twelve-month eligibility and a graduated phase-out can help these families, particularly the children whose trajectory we can change with access to high quality care.

Market Rate Survey. Because the counties my agency serves in southwestern North Carolina have such high poverty, it is difficult for high quality programs to operate. Families can't afford the cost of high quality care and therefore, the economics based on private pay families doesn't work. I was thrilled to see the option in the new law for States to use an alternative cost methodology to set subsidy rates. A market rate survey measures only what the market currently bears—and in my counties, those rates are low. It's a measurement related to what parents currently pay but not what quality care would cost per slot. These are two very different measures. I want to thank the committee for including this option and I am hopeful that we might be able to use an alternative cost modeling approach in at least some pilot communities.

⁸North Carolina Department of Health and Human Services, Division of Child Development and Early Education, March 2016 CCDF Expenditure Report.

Quality Set-Aside. I want to thank you for increasing the quality set-aside. Theoretically, we could serve many more children if we didn't invest in activities to improve the quality of care, however, we would not be serving children well. The quality set-aside is really about building the infrastructure, the system that supports quality care. I often think about it as the roadmap that supports jobs and economic development. Parents of young children need child care in order to work. Children need a safe place to be and a setting that supports their healthy development. Quality child care doesn't just happen. It is built. It is built primarily through professional development of the workforce, which strengthens the quality of care that families can access. Investments in quality related activities help to ensure that the infrastructure within a community can support working families.

In North Carolina, there are so many innovative examples of the use of quality dollars. Training, technical assistance, our tiered quality rating system, our Infant Toddler Quality Enhancement Project, the T.E.A.C.H. program that in fiscal year 2015 enabled 2,563 early childhood teachers, directors, and family child care home providers in 98 of North Carolina's counties to further their education,⁹ and the Child Care WAGE\$ Project that provided salary supplements for 66 Pre-K teachers and 257 assistant teachers in 238 child care programs in 51 counties who all work in 4 and 5 star centers.¹⁰

CONCLUSION

The CCDBG Act of 2014 is the right policy at the right time. We have had 18 years to review State policy and practice, the neuroscience research about children's brain development during their earliest years, and evaluations of high quality programs. Meeting basic health and safety protections for children in child care should have been State policy over the years. In some States it was. In some States it was not. Children should be safe in child care regardless of the State in which they live. Knowing the long hours that many children are in child care, it is essential that we look at the developmental needs of children as well as their safety. There are some tough choices that many States may have to make. Sufficient resources to fund implementation are essential. I would like to serve more families. I would like to help strengthen the workforce so that high quality care can be available in every community. At a minimum, we need to ensure that the children in families who do receive assistance are safe and in a setting that promotes their healthy development. I fully support the new law and I am looking forward to working within North Carolina to help make implementation successful.

Senator BURR. Thank you, Ms. Hoyle.
Ms. Westbrook.

STATEMENT OF LE'VAUGHN JOHNSON WESTBROOK, PARENT, FALLS CHURCH, VA

Ms. WESTBROOK. Good morning. I want to thank Chairman Alexander, Senator Mikulski, who's not here right now, and Senator Burr for inviting me to testify today. I also want to thank the other members of the committee for listening to my story.

My name is Le'Vaughn Westbrook, and I am a wife and mother of three beautiful boys. My firstborn, Qualé Jelani, would have been 8 years old this July 2d. I'm a licensed clinical master social worker and work as an emergency psychiatric clinician for a hospital in Fairfax, VA.

I'm here today to share Qualé's story and his tragic death. It's the heartbreak of my life and a cautionary tale about the consequences of an inadequate child care system. In September 2008, I was a single mother returning to work after maternity leave, living in Georgia. As a first-time parent with limited resources, I did everything I knew at the time to find a quality child care setting

⁹T.E.A.C.H. Early Childhood Annual Report, July 1, 2014–June 30, 2015, Child Care Services Association. http://www.childcareservices.org/wp-content/uploads/2013/11/TEACHAnnualReport14_15_FINAL.pdf.

¹⁰Child Care WAGE\$ Project, statewide Final Report, fiscal year 2015, Child Care Services Association. http://www.childcareservices.org/wagesapps/statewideFinalFY15_Full.pdf.

for my two and a half month old baby son, Qualé. Although I qualified for child care assistance at the time, I didn't have the required recent pay stubs, as I had been on maternity leave, and, therefore, was unable to receive benefits, and it limited what I could afford.

I visited the Georgia Department of Early Care and Learning's website, also known as DECAL, to find affordable licensed child care. I assumed a child care license meant I was putting my son in a safe, high-quality setting. I ultimately chose a family child care program that was licensed, close to home, and that fit my work schedule, via the State website.

On September 25, 2008, during my son's second day of child care, I received a call from the next door neighbor that my son was unresponsive and not breathing. The provider was not present in the daycare at the time. When I arrived at Qualé's child care, EMS told me that CPR was performed on my son for 25 minutes, and Qualé had been dead for a while. Because the child care program was considered a crime scene, I was not able to see nor hold my child. I questioned how this could have happened.

After spending many hours researching Georgia's child care regulations, my concerns about inadequate child care licensing requirements were confirmed. I contacted DECAL, and an investigation was launched. I discovered that not only had the State not conducted a comprehensive background check on the provider, but they were not made aware of my son's death by the provider, the provider was still caring for children at the time the investigation was initiated, and the provider had a child protective services history.

Furthermore, the State had cited this licensed provider for various violations, including a lack of first aid training, no CPR certification, and inadequate supervision of the children in her care. If I and the State had known this information when I was conducting my child care search, she would not have been licensed. I never would have placed Qualé in the provider's care, and he would still be alive today.

Since my son's death, I have worked tirelessly advocating at the State and Federal level for legislation that requires comprehensive background checks before issuing a license to any child care provider. Thanks to the reauthorization of CCDBG in 2014, championed by the hard work of this committee, there are new and stronger health and safety measures for child care.

I am so very pleased, and I must say I am so pleased that the new law mandates comprehensive background checks for providers and requires training to include safety, first aid, and CPR for all child care providers. These measures are critical and will prevent the heartbreak that I and so many other parents have faced.

However, millions of families like mine still struggle to find affordable quality child care. I now live in northern Virginia, one of the most expensive places in this country to raise a family. I earn a decent salary, so I don't qualify for child care assistance. Yet quality child care is still not affordable. The cost of putting my infant son in a quality setting is \$2,000 a month.

My husband and I established a budget and we decided that he would stay at home and care for our son. It's wonderful that we can do this, but it comes at a significant price. My husband is put-

ting his career on hold, and living on one income is a major strain on the family budget. I would prefer having the choice of a quality child care for my son as soon as possible with exceptionally trained, responsive, and caring providers that can partner with me in preparing my child for school so that my husband can return back to the workforce.

In summary, though tragedy has forced me to become an expert on child care licensing, and I know what questions to ask providers, many parents do not have this knowledge. They are like me with my first child. They don't know where to go to find information about what a license does and does not mean.

More has to be done to support parents like me. It's important to have affordable quality options so parents can have a peace of mind while they work or further their education. The equation is simple. Quality child care ultimately equals a strong, stable workforce.

Also, more has to be done to support child care providers, both through increased compensation and training. They are the ones working tirelessly to help shape young minds and build loving hearts.

I wanted to share Qualé's story with Congress, not to dwell on all the laws that could have been in place to protect him at the time, but to inspire future action that will enable each and every family in your districts and across America to have access to safe, healthy, and affordable child care.

Thank you so much.

[The prepared statement of Ms. Westbrook follows:]

PREPARED STATEMENT OF LE'VAUGHN JOHNSON WESTBROOK

Good morning. I want to thank Chairman Alexander, Senator Mikulski, and Senator Burr for inviting me to testify today. I also want to thank the other members of the committee for listening to my story.

My name is Le'Vaughn Westbrook and I am a wife and a mother of three beautiful children, Dre who is 1½, Matai who is 6, and my firstborn, Qualé Jelani, who would have been 8 years old on July 2d.

I am a Licensed Clinical Master Social Worker and work as an emergency psychiatric clinician for a hospital in Fairfax, VA.

I'm here today to share Qualé Jelani's story and how I lost him. It's the heartbreak of my life, and a cautionary tale about the consequences of an inadequate child care system.

In September 2008, I was a single mother returning to work after maternity leave, living in Georgia. As a first-time parent with limited resources, I did everything I knew at the time to find a quality child care setting for my 2½ month baby boy, Qualé. Although I qualified for child care assistance, I didn't have the required recent pay stubs as I had been on maternity leave, and therefore was unable to receive benefits and it limited what I could afford. I visited the Georgia Department of Early Care and Learning's website to find affordable, licensed child care. I assumed a child care license meant I was putting my son in a safe, high quality setting. I ultimately chose a family child care program that was licensed, close to home, and that fit my work schedule.

On September 25th, 2008, during my son's second day of child care, I received a call from a neighbor of the child care that almost made my heart stop. My son was unresponsive—not breathing. When I arrived at Qualé's child care, they told me that the Emergency team had unsuccessfully performed CPR on my son for 25 minutes—Qualé died. Because the child care program was considered a crime scene, I was not able to see my child or hold him. Three days later, at the funeral home, I was finally able to see him again.

I questioned how this could have happened. After spending many late nights on my computer doing research about Georgia's child care regulations, my concerns about inadequate child care licensing requirements were confirmed. I contacted

Georgia Early Care and Learning State Department and an investigation was launched. I discovered that not only had the State not conducted a comprehensive background check on the provider, the provider was potentially on the child abuse neglect registry. Furthermore, the State had cited this *licensed* provider for various violations, including a lack of first aid training, no CPR certificate, and “inadequate supervision” of the children in her care. If I’d known this information when I was conducting my child care search, I never would have placed Qualé in this provider’s care and I wouldn’t be here today.

Since my son’s death I have worked tirelessly advocating (at the State and Federal level) for legislation that requires comprehensive background checks before issuing a license to any child care provider.

Thanks to the reauthorization of CCDBG in 2014, championed by the hard work of this committee, there are new and stronger health and safety measures for child care. I am so pleased that the new law mandates comprehensive background checks for providers and requires training to include safety, first aid and CPR for all child care providers. These measures are critical and will prevent the heartbreak that I and so many other parents have faced.

However, millions of families, like mine, still struggle to find and afford quality child care. I now live in Northern Virginia, one of the most expensive places in this country to raise a family. I earn a good salary so I don’t qualify for child care assistance yet quality child care is still not affordable; the cost of putting my 2-year-old son in a quality setting is **\$2,000 a month!** My husband and I did the math, and we decided he would stay at home and care for our son. It’s wonderful that we can do this, but it comes at a significant price. My husband is putting his career on hold and our living with one income is a major strain on the family budget. I would prefer having the *choice* of quality child care for my son in the fall, quality child care with exceptionally trained, responsive and caring providers that can partner with me in preparing my child for school.

In summary, though tragedy has forced me to become an expert on child care licensing and I know what questions to ask of providers, many parents don’t have that knowledge. They are like me with my first child—they don’t know where to go to find information about what a license does—and doesn’t—mean.

More has to be done to support parents like me. It’s important to have affordable, quality options so parents can have peace of mind while they work or go to school. The equation is simple—quality child care ultimately equals a strong, stable workforce. Also, more has to be done to support child care providers both through increased compensation and training—they are the ones working tirelessly to shape young minds and build loving hearts.

I wanted to share Qualé’s story with Congress, not to dwell on all the laws that could have been in place to protect him, but to inspire future action that will enable each and every family in your districts and across America to have access to safe, healthy, and affordable child care.

Senator BURR. Ms. Westbrook, thank you for that story.
Ms. Williams.

**STATEMENT OF MARGARET WILLIAMS, EXECUTIVE
DIRECTOR, MARYLAND FAMILY NETWORK, BALTIMORE, MD**

Ms. WILLIAMS. Thank you very much, Senator Burr.

Senator Alexander, distinguished members of this committee, I am really honored to be here, and I’m especially happy to be able to say thank you in person to Senator Burr and, before the hearing began, to Senator Mikulski again for the CCDBG Act of 2014, a very important step forward, setting the bar high, even for a State like Maryland that has a reputation of doing a pretty good job with child care.

Maryland Family Network has been working since 1945 to ensure that families with very young children, birth to 5, birth to kindergarten, have the resources they need to succeed. As everybody in this room probably knows, it’s impossible to overstate the importance of those early years, birth to 5, that builds the foundation for all the rest of what comes next for people.

As a parent, a grandparent, an employer, I think the resources parents need, among them, chief, is child care. I know that the way we keep parents earning and children learning is quality, safe, affordable child care. Yet, as we've heard numbers of people in this room say already today, high-quality child care is out of reach of many Americans. Just in Maryland itself, between 2010 and 2014, we had at least 13 children die in unregulated care, care that parents chose because that was their last resort.

Government can't prevent all these tragedies. Government can't even help, necessarily, providers or parents themselves to make good choices at all times. But government, we hope, will use taxpayer resources to promote our best thinking and our best actions and to do it with accountability.

There are four provisions of the 2014 Act that I want to call out, in particular, and as one of your State level stakeholders talk to you a little bit about our implementation in Maryland of these provisions. First, the background checks, which I think are terrifically important. For the first time ever, regulated and most license exempt providers who receive child care subsidies will be required to have background checks.

We started out on this course in 2013, and when we did, we started to investigate what was our history with those who were doing background and those who weren't. We found 80 on the Maryland sex offender list who were child care providers, family and center-based, who were on the sex offender list, resulting in people losing not only their subsidy but also their license to provide child care.

We still have a little ways to go. We do not do these checks every 5 years, and we don't check the comprehensive backgrounds in other States where providers might have been. But we're on the way to get there by September 30 of 2017, and we think it's important to do so.

Second is our inspections, regular inspections, which we have been doing in Maryland, and we think that they've saved lives.

Third is the quality set-aside. Child care is not just about health and safety. Good child care is essential. It's not just enough to have health and safety standards. Quality child care is deeply embedded in the wonderful 2014 Act, and it does allow States to decide what is needed for quality for them, what constitutes quality.

For us in Maryland, we're looking forward to strengthening our child care resource network, which, in the interest of full disclosure, Maryland Family Network manages on behalf of the State of Maryland. Child care resource centers leverage other funds, non-State and non-Federal funds, and address the issues they see right on the ground and do a wonderful job.

But they could be seeing more child care providers and they could be doing a better job, a more comprehensive job, with the providers that they are providing training and technical assistance to with more resources. This law ramps up the set-aside for quality from 4 percent to 9 percent, and that's a terrific achievement.

Finally, you've heard about the 12-month determination. This is important for two big reasons. One is for the family economic stability, and the other one is because continuity of care for little ones

is so critical. This is a huge, huge step forward, and I think most States have to move up into this.

This will be the most challenging for Maryland. I think our government set-aside is about \$4.3 million this year to address the expansion. That doesn't look like it'll be nearly enough, based on what one of our universities projected. We hope no compromises will have to be made that end up hurting the very children we're trying to help here.

But I want to, in conclusion, just say thank you so much, Senators Mikulski and Burr, for this really remarkable high bar you've set in a bipartisan exemplary way for all the States.

Thank you.

[The prepared statement of Ms. Williams follows:]

PREPARED STATEMENT OF MARGARET WILLIAMS

Senator Mikulski, Senator Burr, and distinguished committee members, good morning. My name is Margaret Williams, and I am executive director of Maryland Family Network (MFN). It is an honor to be here today to offer a State-level stakeholder's perspective on the Child Care and Development Block Grant (CCDBG) Act of 2014, for which all of us concerned with child care and early education owe tremendous gratitude to the co-chairs of this hearing. Personally, I consider it a high privilege to testify before Senator Mikulski, who has represented me and all Marylanders with such great distinction for many, many years.

MFN has worked since 1945 to improve the availability and quality of child care and other supports for children and families in Maryland. We have been active in State and Federal debates on child care policy and are strongly committed to ensuring that low-and moderate-income working families—and indeed, all families—have the supports they need to care for their children and to be economically self-sufficient.

Chief among these supports is access to high-quality, affordable child care, which keeps children learning and parents earning. I believe it is impossible to overstate the importance of safe, healthy, and nurturing child care from the time of birth until a child enters school. High-quality early education sets the foundation for a child's success in school and in life. As a parent, a grandparent, and an employer, I also know that safe and reliable child care is essential to maintaining a productive workforce. Distinguished economists and other scholars have repeatedly documented the fact that investments in high-quality child care pay enormous dividends, both to the families involved and to society as a whole.

Yet, for many Americans and Marylanders, high-quality, affordable child care lies out of reach. In some cases, parents entrust their children to care providers who fail to meet even the most basic health and safety standards, with tragic consequences. Evidence is sadly very close at hand. In Virginia, over the course of a decade, 43 children died in unregulated child care programs, as the Washington Post reported 2 years ago. In Maryland, between 2010 and 2014, at least 13 children died in unregulated care, as did two more early this year even as our State legislature debated a bill to strengthen the inspection process and improve parent and provider education about the benefits of licensed child care.

Government surely cannot prevent every tragedy, nor can it ensure that every parent and every child care provider make perfect decisions all the time. But government can—and, I submit, should—strive to ensure that its actions motivate good behavior and that taxpayer dollars are spent according to standards and with accountability. State spending on child care subsidies for low-income families—buttressed to a large degree by Federal block grant dollars—provides a prime example, and that's one of the important reasons I applaud the CCDBG Act of 2014.

For the first time, providers will need to undergo comprehensive background checks in order to be eligible to receive CCDBG-funded subsidy payments. This new provision applies both to regulated and license-exempt providers (with only limited exceptions for situations in which all the children are related to the caregiver). In Maryland, we saw the need to check the backgrounds of license-exempt providers receiving subsidy dollars several years ago. In addition, we discovered that even licensed providers were not routinely cross-checked against the Maryland Sex Offender Registry. Our research had an immediate impact: 80 Sex Offender Registry "hits" were recorded, and in six identified cases, circumstances dictated that child care, not just subsidy, be terminated. Legislation enacted in Maryland in 2013 in

many ways anticipated the new CCDBG background check provisions. Similarly, Maryland has for many years conducted the types of child care provider inspections that the CCDBG Act of 2014 now requires as condition of receiving Federal subsidy funding. We are convinced that these provisions will significantly enhance the health and safety of children in care around the country.

There is much more to child care, of course, than basic health and safety considerations. Care of poor quality can be extremely detrimental to child development. That is why I find it particularly praiseworthy that a commitment to high-quality care is deeply embedded in the CCDBG Act of 2014. States were previously required to set aside 4 percent of their block grant funds for quality improvement. Under the new Act, that set-aside requirement will more than double, gradually rising to 9 percent.

Wisely, the CCDBG Act of 2014 does not prescribe what quality-improvement activities the States must undertake. Different States have different needs and priorities, and quality can be improved through multiple means. In Maryland, by way of example, we hope that the increased quality set-aside will fund an expansion of services provided by our network of regional Child Care Resource Centers (which, in the interest of full disclosure, MFN manages on behalf of the State). This priority reflects our belief that the single most important factor in high-quality child care is the quality of the child care workforce. Child Care Resource Centers provide critical training and technical assistance that helps providers not only meet but surpass licensing baselines to become the best professionals that they can be. They leverage resources from and for the communities they serve. They do an excellent job for the providers they assist, but they could reach so many more providers, and do more for them, if their resources weren't so constrained. We look forward to learning how our sister States plan to deploy their quality set-aside dollars, and we'll eagerly steal the ideas that fit best for Maryland.

Low-income parents who rely on child care subsidy also have much to be thankful for in the CCDBG Act of 2014. One of the Act's key provisions mandates that families retain subsidy eligibility for 12 months before redetermination, regardless of temporary changes in employment or income. The 12-month eligibility period supports two notable goals: family economic stability; and continuity of care, which is a cornerstone of optimal child development.

I heartily applaud this "family friendly" provision of the CCDBG Act of 2014, and point out that it comes with a considerable price tag. In Maryland, approximately 75 percent of families' redetermination periods are shorter than 12 months, in many cases much shorter. The added cost to Maryland of implementing the 12-month eligibility provision could be significant. The absence of a significant increase in the Federal CCDBG appropriation may force Maryland to make difficult choices, perhaps with unintended consequences and negative outcomes among the very population—very young children and their families—whom we want to help with CCDBG legislation.

Other States are similarly grappling with the fiscal implications of the CCDBG Act of 2014, in some cases for different reasons. Some States must beef up their inspection processes, for example. On their behalf as well as Maryland's, I urge you to give these fiscal concerns your utmost consideration as budget deliberations continue.

I am grateful for your time, your attention, and your outstanding leadership on the CCDBG Act of 2014. I'd be happy to answer any questions.

Senator BURR. Ms. Williams, thank you for your testimony and for your comments.

Dr. Jones-Taylor.

STATEMENT OF MYRA JONES-TAYLOR, Ph.D., COMMISSIONER, CONNECTICUT OFFICE OF EARLY CHILDHOOD, HARTFORD, CT

Ms. JONES-TAYLOR. Good morning, Chairman Burr—I'm calling you chairman today since Chairman Alexander left—and Ranking Member Senator Mikulski, Connecticut's senator, Chris Murphy, who is not here right now, and all distinguished members of the Senate Health, Education, Labor, and Pensions Committee. It is my great pleasure to be with you this morning.

I am Myra Jones-Taylor, Commissioner of the Connecticut Office of Early Childhood. As a cabinet level State agency reporting directly to Governor Dannel Malloy, the OEC is the lead agency for early care and education, quality improvement, child care licensing,

home visiting, and early intervention. I am honored to be given the opportunity to testify before this committee concerning the Federal reauthorization of CCDBG and its impact on Connecticut's child care program, which we call Care4Kids.

I want to commend Congress for greatly improving CCDBG when it reauthorized the law in 2014. These changes bring new and much needed focus on quality and continuity of care for our children enrolled in our Care4Kids program. Connecticut children receiving a child care subsidy will now receive higher quality and more stable care while ensuring a parent can maintain employment.

Prior to these sweeping changes, Connecticut's Care4Kids program had numerous reporting requirements that made it very difficult for parents to comply. As recent as this past year, there were many instances of a parent immediately losing the child care subsidy because of a change in her income or other subtle reasons. For example, if a parent received a promotion at work, which is a good thing, and the parent's income increased to 51 percent of the State median income, which is just over the current eligibility threshold, the child care subsidy would be immediately terminated.

There have been instances when a parent took maternity leave and reported this change 1 day late and immediately lost the child care subsidy for her preschool age child. These abrupt benefit cliffs create a significant hardship for families struggling to pay their bills and put food on the table. They also fly in the face of all that we know about early childhood development and what is good for children.

Under the new CCDBG rules, these arbitrary reporting requirements will be significantly reduced, and I am incredibly grateful. I would like to offer just some very positive examples of how families are currently benefiting from the law that we have implemented in Connecticut.

Recently, one mother's work schedule changed. Under the new 12-month redetermination policy, the mother's work schedule does not need to match up exactly to the hours of child care within this 12-month period. Therefore, the child can remain in the child care center and avoid losing the bond with the teacher and disrupting the child's routine as a result of the parent's unpredictable work schedule.

Recently, a single mother called into our agency to report her last day of employment. We happily informed her that now, under the new law, her child care subsidy will continue for 3 months to provide her time to seek a new job. She said to us,

"In the past, I was only given until the end of the month, the following month, to find a new job. But with this 90-day job search, it gives me more time to try and get a job I actually want and not just take the first job because it allows me to stay eligible."

These policy shifts are good for children, they're good for parents, and they're good for providers. However, the challenge for Connecticut and many other States is that these changes significantly increase the annual cost of care per child. This fiscal year, the annual cost of Connecticut's direct child care subsidy was \$113 mil-

lion, approximately \$53 million coming from the Federal Government and \$60 million coming from State funds.

The new CCDBG policy changes are projected to increase the cost of our Care4Kids program by approximately \$33 million in the coming fiscal year. Without sufficient additional Federal funds to cover these costs, Connecticut has no choice but to serve fewer families. To address this fiscal shortfall, Connecticut is taking painful steps to ensure that the number of children served is sustainable and families most in need receive the child care subsidy.

Therefore, beginning July 1st, in a couple of weeks, eligibility for working parents applying for the program will change from 50 percent to 30 percent of the State median income. Currently, there are approximately 4,400 families, which translates to about 6,100 children, who will ultimately be denied access to the child care subsidy program upon redetermination because of this change in eligibility.

This income eligibility threshold change will allow the program to remain sustainable—we're living within our means—while keeping the program open to new applicants year round. Nevertheless, the difficult choice we have necessarily had to make creates a tremendous hardship on our working families, many who will be at risk of losing their jobs.

I want to be very clear that I am not here today to encourage Congress to scale back on these policy changes. I cannot tell you how happy we are, and you heard from others this morning. We do not want to take a step back toward the days when CCDBG policies created a disincentive to earn a higher wage or when subtle changes in a parent's work schedule resulted in the loss of a subsidy and the end of a strong bond between a child and a caregiver. I sit before you today to urge Congress to allocate sufficient additional Federal funding to States to implement these policies and to ensure that all eligible families benefit from the positive changes in the law.

I am grateful for this opportunity and happy to answer any questions you may have of me. Thank you.

[The prepared statement of Ms. Jones-Taylor follows:]

PREPARED STATEMENT OF MYRA JONES-TAYLOR, PH.D.

Good morning, Chairman Burr, Senator Mikulski, Connecticut's Senator Chris Murphy and distinguished members of the Senate Health, Education, Labor, and Pensions Committee. I am Myra Jones-Taylor, Commissioner of the Connecticut Office of Early Childhood.

The Office of Early Childhood was created through Executive Order No. 35, effective June 24, 2013, and statutorily established in the 2014 legislative session, effective July 1, 2014. As a cabinet-level State agency reporting directly to Governor Dannel Malloy, the OEC is the lead agency for early care and education, workforce development, program quality and improvement, child care licensing, family support and early intervention. Our mission is to support all young children in their development by ensuring that early childhood policy, funding and services strengthen the critical role families, providers, educators and communities play in a child's life.

I am honored to be given the opportunity to testify before this committee concerning the Federal re-authorization of the Child Care Development Block Grant Act (CCDBG) and its impact on Connecticut's child care subsidy program, known as Care4Kids.

I want to commend Congress for greatly improving the CCDBG program when it reauthorized the law in 2014. These changes bring new, and *much needed*, focus on quality and continuity of care for children enrolled in our Care4Kids program. Connecticut children receiving a child care subsidy will now receive higher quality and more stable care while ensuring a parent can maintain employment.

Prior to these sweeping policy changes, Connecticut's Care4Kids program had numerous reporting requirements that made it very difficult for parents to comply. As recent as this past year, there were many instances of a parent immediately losing the child care subsidy because of a change in their income or other relatively insignificant circumstances. For example, if a parent received a promotion at work and the parent's income increased to 51 percent of the State Median Income—just over the current eligibility threshold—the child care subsidy would be terminated immediately. There have been instances when a parent took maternity leave and reported this change 1 day late and immediately lost the child care subsidy for her preschool-aged child. As another example, if a parent's work hours shifted from first to third shift, the child care subsidy for day-time center-based care would be terminated immediately because the work hours did not match the hours for the child care subsidy. These abrupt benefit cliffs created a significant hardship for families struggling to pay their bills and put food on the table. They also fly in the face of all that we know about early childhood development.

Under the new Federal CCDBG rules, these arbitrary reporting requirements will be significantly reduced. I would like to offer some very positive examples of how families are benefiting from the new policy changes that Connecticut has implemented under this Federal reauthorization:

- One mother's work schedule changed. Under the new 12-month redetermination policy, the mother's work schedule does not need to match the hours of child care within the 12-month period. Therefore, the child can remain in the child care center and avoid losing the bond with the teacher and disrupting the child's routine, unaffected by the unpredictable work hours that dictate the lives of so many of our low-income working families.

- A single mother called in to report her last day of employment. We informed her that, now under the new law, her child care subsidy will continue for 3 months to provide her time to seek a new job. She said,

“In the past, I was only given until the end of the following month to find a new job but with the 90-day job search, it gives me more time to try and get a job I actually want and not just take any job just to continue to be eligible.”

- Under the new Federal rules, the child care subsidy was reinstated for a single mother whose income increased and was modestly over the eligibility threshold. She stated that if the child care subsidy had not been reinstated, she would not have been able to go to work due to the high cost of child care. She said, “I am very appreciative of Care4Kids.”

The sweeping policy shifts under CCDBG reauthorization are welcome changes. The focus on quality, continuity of care, and basic health and safety are long overdue. These policies are good for children, parents and providers; however, the challenge for Connecticut and many other States is that these changes significantly increase the annual cost of care per child. In fiscal year 2016, the annual cost of Connecticut's direct child care subsidy was \$113 million—approximately \$53 million in Federal funds and \$60 million in State funds. The new CCDBG policy changes are projected to increase the cost of our Care4Kids program by approximately \$33 million in fiscal year 2017. Without sufficient additional Federal funds to cover these costs, Connecticut has no choice but to serve fewer families.

To address this fiscal shortfall, Connecticut is taking painful steps to ensure that the number of children served is sustainable and families most in need receive the child care subsidy. Therefore, beginning July 1, 2016, eligibility for working parents applying for the program will change from 50 percent to 30 percent of the State Median Income. For a family of three, this means that eligibility will be reduced from an annual household income of \$44,601 to \$26,760.

Currently, there are 4,448 families enrolled with incomes between 31 percent and 49 percent of the State Median Income, which translates to 6,158 children ultimately denied access to the child care subsidy.

This income eligibility threshold change will allow the program to remain sustainable, while keeping the program open to new applicants year round. Nevertheless, the difficult choice we have necessarily had to make creates a tremendous hardship on our working families, many who will be at risk of losing their jobs.

I want to be clear that I am not here today to encourage Congress to scale back on these policy changes. We do not want to take a step backward toward the days when CCDBG policies created a disincentive to earn a higher wage, or when subtle changes in a parent's work schedule resulted in the loss of a subsidy and the end of a strong bond between a child and a caregiver. I sit before you today to urge Congress to allocate sufficient additional Federal funding to States to implement these important policy changes and ensure that all eligible families benefit from the positive changes in the law.

I thank you for your time and attention to this critical policy. I am happy to answer any questions you may have of me.

Senator BURR. Dr. Jones-Taylor, thank you for your testimony. We'll move to questions for this panel.

Ms. Westbrook, let me just say as a father and now a recent grandfather, that I'm impacted significantly by your story, and my heart aches for the loss you've gone through. But the ability to hear your story reassures me that what Barbara and I started to do now 5 years ago is, in fact, the right thing, and that no matter what the hardship is that we might present to a State, though they may see it as a hardship, I see it as a responsibility.

I know I'll have a granddaughter soon that will be in daycare. Right now, she's in her grandmother's care, which might be just as scary because she hasn't done this for 30-something years, but this week is her week. I just want to thank you. It's tough to tell a story like that, but it's important for us to understand where we were, where we are today, but, more importantly, where we're trying to get to, and I'm grateful to you for that.

Ms. Hoyle, thank you for coming up from North Carolina. Thank you for the expertise and the advice that you gave us as we crafted this legislation. In your testimony, you referred to many implementation timelines as being the right policy. I'm wondering if you can expand upon the view and share with us how States can implement CCDBG's new requirements in a way that doesn't unduly disrupt the number of children served.

Ms. HOYLE. Each State will have a different plan, and part of the whole process is working through that State plan. I know in North Carolina, we were very, very careful to have provider input. We had forums around our State, and we collected input from parents, from community providers—and I'm sure most States in the Nation did this—as we read the Federal objectives clearly.

Then we had to lay out a plan for how we were going to get there. There are some issues that are policy changes. There's some issues that have a financial impact on them. I think as we all care about serving children well, serving children better, we try to balance what it costs us and what it does in terms of improving the quality.

Some of the requirements—it's not new knowledge. It's not like people who are in early childhood would say, "Oh, gosh. I didn't know about that. I never thought of criminal records checks." I think the early childhood community has known for a long time that many of the things that are required in the new legislation, that they should be doing these things.

Senator BURR. Thank you for that.

Ms. Williams, you mentioned in your testimony that once you began checking the sex offender registry, you found you had 80 registered sex offenders who were working in child care. As you probably know, only 18 States actually check the sex offender registry prior to offering employment to child care workers.

Can you share with the committee why that search was so enlightening to you and why, more importantly, you found it so important?

Ms. WILLIAMS. Parents and nonparents alike—all of us had parents, so we know about being children—are concerned about sex offenders. We want to know that.

Our background checks were not specific enough about what was required. We, as advocates, assumed that that was something being checked on background checks and found that it wasn't systematically happening. It was spotty. We were shocked at the number of so-called hits in the system that we found. Having this spelled out clearly and calling them comprehensive background checks—I think Ms. Westbrook refers to this, too—is really important to us. Would that we had done this sooner, but we're on it now.

Senator BURR. Let me say if God gave us grandchildren first, we'd have never had kids.

[Laughter.]

Senator BURR. For those that haven't experienced that yet, you'll understand exactly what I mean when I say that.

Dr. Jones-Taylor, Connecticut claims it's going to have a hard time coming into compliance with the law's new requirements and last week apparently notified parents, as you said, that the income thresholds would essentially be cut in half for low-income families eligible for subsidies, leaving about 4,500 low-income families without child care assistance, or 25 percent of the State's child care subsidy recipients.

The reason, according to press reports, is that the State cannot afford to carry out the health and safety requirements under CCDBG. The State also applied for a waiver under the law from all 10 of CCDBG's health and safety requirements. Am I correct on that?

Ms. JONES-TAYLOR. Yes, sir.

Senator BURR. Since the law's passage, Congress, at her insistence, has provided nearly a \$100 million increase in CCDBG funds in fiscal year 2015 and nearly a \$300 million increase in fiscal year 2016. Staff has checked, and it appears that no other education related program has received a similar percentage increase in its funding.

Why has the State had to take such a drastic measure just to come into compliance with what I think are basic measures that Congress passed?

Ms. JONES-TAYLOR. Thank you, sir, for your question. This will probably be no surprise. Sometimes the press gets it wrong, so that press report is actually incorrect. The question that we have, the challenge in terms of affording the program, is around the 12-month redetermination with limited reporting, the 3-month job search, and the graduated phase-out.

The health and safety checks we are able to maintain. We asked for an extension for the orientation, and we're fine with not getting that. We did not ask for an extension for background checks or anything else. We feel that we are confident that we will manage that. We desperately want to. We believe in this wholeheartedly. The press—that was incorrect. It's really about the challenge of having higher quality programs, more stable programs for children, and not having enough money to fund those opportunities.

I will say this. When the agency was created, we had many dings from the Inspector General on our licensing, and it was my great pleasure to request an additional 17 licensing staff inspectors to come into our agency so that we would get to annual inspections, which we have done. We're very proud of that effort.

It's really around affording the 12 and three determination, the 3-month job search and the graduated phase-out. I've spoken with many colleagues around the Nation, and they are also facing the same challenge. I've been saying that Connecticut is the canary in the coal mine, and that we have actually gone forward, because we so believe in this new law that we are actually implementing ahead of the game.

But the challenges that we are actually seeing with the cost is when many other States are hoping for the waivers to give them a pass, maybe, or buy them some more time perhaps, which is understandable, we are actually implementing and doing the projections. We understand what they're about to go through.

Senator BURR. I've abused my time. But prior to the law's passage, there were two other areas that you didn't come up to where the standard was. One was the inspections reports were not online for parents to review, and the second was that you didn't use the sex offender registry program. Can I assume that now you do have that information online and that the sex offender registry is something that you use?

Ms. JONES-TAYLOR. Thank you for your question. We will be in compliance with the law. We are implementing this as we speak. When we were created, we were an agency that was created from different agencies that didn't necessarily see early care and education and early childhood issues as the most important part of their day and their mandate.

When it came to this agency, where young children are the end-all, be-all for us, we started looking and saying, "Wow. We had no idea"—I certainly had no idea that the sex offender was not part of our background checks. We are working to implement that. We're working with our State police. Many of the other policies that have come into us that we inherited, we are swiftly addressing.

I will say this. It is going to be a significant undertaking. We currently do an average of 2,000 background checks per month in Connecticut. In order to meet the CCDBG—which, again, we will, and we firmly believe this is good—we will be doing 44,000—44,500 new fingerprints will have to be done of all of our providers across the State. Again, this is good, but our State police are saying, "We don't have the capacity for that." We really have to get to a state-wide enterprise solution for this, and many other States face this challenge.

Senator BURR. Thank you.

Ms. JONES-TAYLOR. Thank you, sir.

Senator BURR. Senator Mikulski.

Senator MIKULSKI. Thank you again.

Mr. Chairman, thank you for having this hearing so that we can see how the bill is being implemented and what are some of the challenges.

First I want to thank all of the witnesses. I'm sorry that I wasn't here to hear the testimony, although, Ms. Westbrook, I've read your very poignant testimony. I'd like to express my sympathy to what happened to you. The advocacy to which you've devoted your life is really impressive.

I want to go to Margaret for a minute. Margaret Williams, I know, was introduced, but we're really proud of her. When I was working on this legislation with Senator Burr, Ms. Williams helped me organize my roundtables around the State to actually meet with parents who needed child care, the people who were providing child care, the issues of capacity and so on. The Family Network and what it does, from the family support centers to the child care resource centers and the counseling to parents themselves to pick safe, reliable daycare is impressive. So three cheers.

Ms. Williams, one of the issues that we raised as we were working on the bill was that not only for the child—the very eligibility sometimes meant a child was in child care, and then the parent got a raise or something else like that, miniscule, so one was to look out for the continuity of place and space for the child.

But then you also introduced me to the problem of child care provider turnover, that even though they might be in, for example, Kiddie Care of Ashburton, and that's their place, and they've been there 18 months, that there's child care turnover. Is that a real problem that we need to be looking at?

Ms. WILLIAMS. Turnover in the child care provider community?
Senator MIKULSKI. Yes.

Ms. WILLIAMS. That's a serious problem. It's a serious problem in most States, I think we have difficulty with infant-toddler care, keeping infant-toddler care providers in business, because it's the most expensive kind of care. Especially, in Maryland, what we're finding is the care providers who are taking infants often take older children as well, and older children increasingly are eligible for pre-K in the school systems. The children that are sort of cross subsidizing the infants and toddlers are now going to public school, and it's just really almost cost prohibitive to offer only care for birth to 3-year-olds. We're losing providers that way.

This is mostly anecdotal, but we're getting this from our 12 child care resource centers, that the child care standards that we're ramping up and up and up for quality—providers who are older, who have been in the business a long time, rather than keep moving up the scale decide to go out of business. And we're having trouble, because of salaries, getting providers coming in at the early stages of their careers providing care.

Senator MIKULSKI. So this is an issue.

Ms. WILLIAMS. This is an issue.

Senator MIKULSKI. In other words, to have the right staff, because, again, we want to do this background check. Senator Burr has led that, and we've supported that. Look at just checking the sex registry in Maryland—80 hits. That's bone chilling. That's bone chilling. What is the average salary of a child care provider in Maryland?

Ms. WILLIAMS. I think it's about \$17 an hour now for a lead teacher.

Senator MIKULSKI. What does that come out to annually?

Ms. WILLIAMS. Oh, my gosh. I can't do that in my head.

Senator MIKULSKI. It's about \$30,000.

Ms. WILLIAMS. OK. I was going to say—

Senator MIKULSKI. What is it, Warren? You're—

[Laughter.]

Senator MIKULSKI. We'll come back to it. Could I ask what is the waiting list in Maryland for child care?

Ms. WILLIAMS. We have 4,000 children on the waiting list for the subsidy, the child care subsidy.

Senator MIKULSKI. That's pretty significant.

Ms. WILLIAMS. It is significant, and these are families who are a family of three at or below a \$30,000 income. That's who's on the waiting list.

Senator MIKULSKI. Even if we could provide more money—well, there is an enormous need. Am I accurate in saying that in your States, Connecticut, North Carolina—is there a waiting list?

What is your waiting list, Ms. Hoyle?

Ms. HOYLE. North Carolina currently has a waiting list of about 20,000 children.

Ms. JONES-TAYLOR. Connecticut currently does not have a waiting list, actually. We have eligibility at 50 percent of the State median income. We completely serve our TANF population and those families who have transitioned off of TANF and are still eligible. We do not have a wait list, so this will be a big change for us.

Senator MIKULSKI. Do you have the number, Senator Warren? I'll come back. I have another question, though, for Dr. Jones-Taylor.

Dr. Taylor, when you spoke with Senator Burr about the challenges of the 12-month recertification—should we keep that, or is it something about the way we set it up that makes it more expensive?

Ms. JONES-TAYLOR. Please keep it.

Senator MIKULSKI. I don't want to give it up.

Ms. JONES-TAYLOR. OK. Good.

Senator MIKULSKI. But you have to ask the question. We believe one of the reasons this has been a success is we believe in candor and putting it all on the table, no matter what the answer is. So keep the 12-month eligibility as we now have it.

Ms. JONES-TAYLOR. Yes, please.

Senator MIKULSKI. What makes it so expensive?

Ms. JONES-TAYLOR. If I can explain, one way to think about it is imagine you have one slot. Think about each of these—we call them certificates in Connecticut. Each of these certificates is one slot. When you have a family who is in a program and has to report all those different reporting requirements that I explained, and they fall off, within the course of a year, you can have three children in that slot because of the churn, the churn we all know so well that we speak about in this field.

When you get to 12-month redetermination or eligibility with very little reporting, that one slot is for one baby, and that's great. That's great continuity of care.

But what that means is you're serving fewer children because you now are serving that child for a longer amount of time, and there isn't that churn. This is good. For children—we know so much about attachment. We don't want to have to take a child who

has formed a strong bond with a caregiver and separate them. That's traumatic for a young child. For a parent, not knowing if they can rely on their child care subsidy from 1 day to the next—that's incredibly traumatic for economic reasons.

Senator MIKULSKI. Dr. Taylor, that's exactly why Senator Burr and I wanted this.

Ms. JONES-TAYLOR. Right.

Senator MIKULSKI. When we did this bill, we wanted it to focus on the needs of the child, not the needs of a bureaucracy and not the needs of the budget. Both of those have to be taken into consideration. The needs of the bureaucracy to meet the requirement we need to know about, because then that's where the expense comes in. But it was really about the need of the child to have continuity of care and continuity of the caregiver. Isn't that really it?

Ms. JONES-TAYLOR. Right, and that's it. That was my third piece. For providers, it's very hard for them to make ends meet when they have a child who's going to lose a subsidy overnight. That's income for those providers, for centers and family child care providers.

Having that predictability is good across the board. The challenge is that it costs more money. I'm talking to colleagues and hearing \$300 million, \$190 million, in additional costs to implement this. What we say in the field is often that we don't want to pit quality against access. But what we are doing, essentially, is highlighting quality and we're limiting access.

Senator MIKULSKI. To summarize, No. 1, many States have waiting lists, so there's an enormous demand. No. 2, we have a capacity problem. No. 3, we do have a resource problem, because if we want to have quality and provide continuity, it costs money no matter how tight you make it. Is that kind of it in a nutshell?

Ms. JONES-TAYLOR. Yes.

Senator MIKULSKI. I know that others have questions, so thank you.

Senator BURR. Senator Warren.

STATEMENT OF SENATOR WARREN

Senator WARREN. Thank you, Mr. Chairman, and thank you and Ranking Member Mikulski for the work that you've done in this area. I also want to say a very special thank you to Senator Mikulski for a lifetime of work advocating on behalf of our children. You have changed this world.

Thank you all for being here today.

Thank you, Ms. Westbrook. I know that it has to be really hard to tell that story. But it makes a difference when you tell it, thank you very much for being here. Thank you.

Child care and early childhood education is one of the areas where we really know that Federal investment pays off. Extensive research now demonstrates that, depending on the specific program, for every dollar we spend on early learning, we get back as much as \$3, \$6, \$8 in economic benefits down the road, and a lot of those benefits come in the form of higher earnings for children once they grow up. For example, I found one study that noted that high-quality affordable child care measurably increased participants' annual earnings as adults.

Dr. Jones-Taylor, I am sure you spent a lot of time thinking about the investments that make a difference in children's lives. Can you just briefly walk us through what the evidence shows about how investments in child care, specifically, pay off down the road for children and for our economy?

Ms. JONES-TAYLOR. Yes. Thank you for your question, Senator. We often speak about the high rate of return on investment for investing in early childhood programs. I want to stress that it's high-quality. It's not just anything, right? It has to be high-quality, which this law makes a huge step in that right direction, so thank you.

We know some estimates—James Heckman has said it's \$16 for every \$1 invested on the child side. One thing that we really should think about is in terms of the family economic side and the community side.

The Connecticut Center on Economic Analysis recently did an analysis of a program in New Haven, CT, called All Our Kin and what it's doing for investing in family child care providers and the economic impact it's having on families, the parents, and the providers. They found that in the city of New Haven, there was a \$9.4 million increase, a macro economic increase, and then a \$17 million a year tax increase when you invest in child care programs and have them stay open, stay stable, and have quality. The CCDBG is certainly about children. But the economic impact cannot be underestimated.

Senator WARREN. Thank you. This is about as close as we're ever likely to get on a no-brainer when it comes to Federal investments. We know what to do. We just need to put up the money to do it, and, today, that's just not happening.

The Child Care and Development Fund, which is where the funding provided by the Child Care Development Block Grant ends up, is the primary source of Federal funding dedicated to help low-income families afford child care. But national figures show that five out of six children who are eligible for help and who need that help aren't getting it because the Federal Government knows how to help but won't spend the money to do it. Five out of six children who could see their life chances improved are simply being left behind.

Dr. Jones-Taylor, does Connecticut have enough funding right now to be able to serve all the eligible families in your State? I think you said they did. Is that right?

Ms. JONES-TAYLOR. We set our eligibility at 50 percent, so right now, we are living within our means. If we went to the 85 percent of CCDBG, we do not have enough funds. When this happens, when we implement this, we will be moving in the opposite direction for sure, and so many other States will be as well. Those numbers, five out of six, will probably look worse.

Senator WARREN. Five out of six—there may actually be more children who are left behind. When Speaker Paul Ryan comes out with a poverty proposal, is he working to get help to the five out of six children who are eligible and who need it but who are not getting that money right now? No. He is focusing on how to take money away from the one child who is getting help. He uses words

like streamline early childhood education or reduce redundancy. These are code words for cutting the money that children receive.

Republicans would rather keep the tax breaks and the special loopholes open for the billionaires and for the giant corporations than pay for proven programs for our children. But let's all recognize what they're doing. The Ryan agenda is a recipe for creating more poverty, not less.

Thank you, Mr. Chair.

Senator BURR. Thank you, Senator, for that editorial. I want to thank all of you for being here. When Barbara and I look back over our work on this, we think it was long and hard. When I look at what you guys have gone through for a lifetime, I understand what commitment, passion, and responsibility really is.

I remember when she and I got to where we publicly went out and talked about what we were going to do, and we mentioned that we're going to require everybody to do background checks, boy, you would have thought we set a threshold that was higher than anybody thought they could reach. But Maryland and North Carolina already did it, and I want to say to both of you that it's the fact that our States were progressive and ahead of the game. They knew what they needed to do to meet the safety issue. It's not to take anything away from others.

You were our inspiration, because we didn't have a lot of fans, Barbara, if you remember, that said, "Yes, this needs to be done. Go do it." Everybody told us why it couldn't be done, and the fact is it should have always been in place. As we see additional areas, I hope we're going to go there, whether we do it in Federal statute or whether we do it—because you, as providers, as organizations that focus on this day in and day out, identify it and see it as the right thing.

Ms. Westbrook, I hope that no parent has to come in and tell a story like your personal story again.

This hearing is going to come to an end. The record will be open for 10 days for comments and questions.

I want to thank all of you for being here today. This hearing is now adjourned.

ADDITIONAL MATERIAL

RESPONSE BY LINDA K. SMITH TO QUESTIONS OF SENATOR ENZI, SENATOR MURKOWSKI, SENATOR SCOTT, SENATOR SANDERS, AND SENATOR BENNET

SENATOR ENZI

Question. Ms. Smith, I had an amendment adopted 98–0 during the passage of the CCDBG that required a review of Federal early learning and care programs, a plan for the elimination of duplicative and overlapping programs as identified by the Government Accountability Office, recommendations to the Congress for the streamlining of such programs, and a detailed report recommending the elimination of duplication, overlap, and fragmentation among all Federal early learning and care programs.

Can you please give us a detailed update on that review, plan, and report? What steps have you, in coordination with the other Federal agencies as required by the CCDBG law, taken to eliminate duplication, overlap, and fragmentation among all Federal early learning and care programs?

Answer. The Administration takes this reporting requirement very seriously. In cooperation with our colleagues at the Department of Education and other agencies, we completed a thorough review of programs and are in the final stages of preparing the report which we expect to deliver to you very soon.

What we have found is that not only are there few programs with a primary mission to support children's readiness for school, but these early learning programs are severely underfunded, leaving substantial numbers of eligible children unable to benefit from them, and leaving many early child care and education programs without the level of resources needed to provide and sustain high-quality services.

We also know that some early childhood programs are specialized or directed for a specific purpose. These programs are essential to ensuring we have a system that meets families' unique needs and that does not fall into a one-size fits all approach. For example, some families need a full work day or year, or evening and weekend child care, in addition to the time their child spends in Head Start or preschool, and some children will need early intervention services provided under IDEA in addition to access to federally subsidized child care while their parents work or are in job training.

We are working to promote cross-program alignment at the Federal, State and local levels, including through:

- **Early Head Start-Child Care Partnership (EHS-CCP):** Early Head Start-Child Care Partnership grants align the Early Head Start and child care programs, our two largest early learning programs, and provide more of our Nation's children and families with high quality early learning experiences that will set them up for success in school and beyond.

- **Technical Assistance:** We transformed our technical assistance to align efforts across Head Start and child care, eliminate any duplication, and ensure that both programs receive the high-quality technical assistance they need to deliver the best services to children and families.

- **The State Advisory Councils for Early Care and Education (SAC):** The Administration for Children and Families continues to encourage collaboration and coordination with State Advisory Councils to develop high-quality, comprehensive systems of early childhood development and care and increase alignment between the various sectors within each State that provide services to young children.

- **Intra-and Interagency Partnerships:** We have brought together several operating divisions within HHS, including National Institutes of Health, Centers for Disease Control and Prevention, Health Resources Services Administration, Substance Abuse and Mental Health Services Administration, and others to better coordinate and align our services. In addition, we have worked with other Federal agencies, including the Departments of Education, Defense, Agriculture, and Housing and Urban Development, on initiatives that help align our messages and services.

SENATOR MURKOWSKI

Question 1. What guidance or technical assistance would the Administration on Children and Families provide to State and resource and referral agencies and to tribes in States whose budget crises makes increased State investment unrealistic on how to comply with CCDBG Act amendments while maintaining participation rates?

Answer 1. Reauthorization made critically important changes that will increase the health and safety of children in child care, and build access to higher quality

care for children in low-income families. However, many States are faced with tough decisions as they move forward with implementing the new requirements in reauthorization. Unfortunately, we have heard from States that they are at least exploring these tradeoffs within their current budgets, rather than considering any increases at this time. This includes reducing income eligibility, creating or expanding waiting lists, or reducing payment rates to providers. Certain requirements for equal access and taking quality into account when setting payment rates may limit States from reducing already low payment rates. Very few States currently meet the benchmark of payment at the 75th percentile of a recent market rate survey of provider prices. Therefore, we are expecting States to do other things to limit the size of caseload unless there are additional resources provided.

To support States as they move forward with implementation, we requested \$200 million in additional discretionary funding in the President's Budget Proposal for fiscal year 2017. This is in addition to the \$326 million increase Congress provided in fiscal year 2016. Most of these funds would go directly to the States to implement reauthorization, with a small amount going to pilots to support State innovation. We also requested \$3.7 billion in new mandatory funding in 2017 alone as part of the larger proposal to invest a total of \$82 billion in additional mandatory funding over the next 10 years to ensure access to high quality care for children under age four living in families under 200 percent of the Federal poverty level.

Question 2. Do you anticipate any changes to the NPRM that will impact the current timeline of CCDBG implementation?

Answer 2. We do not anticipate any changes to the NPRM that will significantly impact the current timeline of CCDBG implementation. We expect States, territories, and Tribal Lead Agencies to be in full compliance no later than the statutory deadlines based on their reasonable interpretation of the requirements in the Act. Once a final rule is issued, any State, territory, or tribe that does not fully meet the requirements of the Act, as interpreted by the regulations, will need to revise its policies and procedures to come into compliance within a timeframe that will be identified in the final rule. Our goal is for full implementation before the start of the next CCDF plan period, October 1, 2018.

Question 3. In Alaska, there is great appreciation for the amount of technical assistance they have received via e-mail about webinars and other outreach. In fact, it is difficult to keep up with all the activities and offers that are being sent out or to take advantage of these opportunities. Given Alaska's severe economic downturn and deep cuts in State funding, folks in Alaska who are working to implement the new law are working with extremely limited staff and financial resources. Some have noted that they would prefer that the money ACF is dedicating to technical assistance be re-directed to States to support direct services. Have you heard this suggestion previously, and would you consider it?

Answer 3. The reauthorized CCDBG Act included many new requirements for States, and we think training and technical assistance are crucial to ensuring the law is implemented fully. We appreciate that Congress recognized the importance of technical assistance and increased the amount HHS may set-aside to support the States, territories, and tribes.

Since the passage of the new law, the technical assistance specialists across the country have worked with States, territories, and tribes as they move toward full implementation of provisions around subsidy administration, improving access to high-quality care, and strengthening child care health and safety requirements. Because the context in every State is different, we have developed a system in which the individual needs of each State are identified and addressed.

We understand concerns about limited resources, which is why we have consistently requested additional funding for CCDF through the President's Budget Requests. However, as only one-half of 1 percent of the CCDF appropriation goes to technical assistance, redistributing that amount across States for direct services would fund very few child care slots while significantly decreasing the support that States, territories, and tribes need to implement the law.

Question 4. Regarding Head Start, which was not the subject of the hearing but was referenced in your testimony.

"Many Head Start directors are concerned that the new monitoring system will result in the reviewers—who will have varying levels of experience and knowledge and conduct the reviews alone—will be unable to benefit from different perspectives and experience levels that informed observers operating under the former team approach."

Because the monitoring process has high stakes implications, how will the Administration on Children and Families respond to this concern?

Answer 4. While the make-up of the reviews looks different, the training and expertise of the reviewers has not changed. All reviewers are supervised and assisted by virtual team leaders known as content area leads. The content area leads provide guidance to review team members, add perspective to review content and are subject matter experts in the areas being reviewed. Both reviewers and grantees have access to the content area leads before, during and after the onsite review.

Additionally, onsite team members are responsible for collecting the evidence and details of the review; this information is processed and analyzed by teams of expert staff who make the final decisions about monitoring outcomes and findings. The Office of Head Start (OHS) designed the Aligned Monitoring System to support the OHS transition from indefinite grants to a 5-year grant cycle. This approach ensures that monitoring continues to measure the quality and accountability of Head Start programs across the country and provides grantees with opportunities for continuous improvement. The Aligned Monitoring System gives OHS a multi-year perspective on grantee performance with a focus on high quality and compliance.

Question 5. Head Start directors have communicated to me that the Designated Renewal System (DRS) has fundamentally changed the culture of the Head Start community that used to value collaboration. Because DRS results can result in a grantee having to re-compete for their grant, far fewer grantees are willing to share best practices and innovative approaches with other grantees against whom they may be required to compete in the future. How will the Administration on Children and Families respond to this concern?

Answer 5. Competition is common among social service programs and not generally seen as a threat to collaboration. When Congress required ACF to transition all Head Start grants to 5-year grants and develop DRS, Head Start was unusual among Federal grant programs because competition was not regularly required. OHS and its partners have many strong collaborative efforts that have continued and expanded in recent years. Head Start grantees collaborate and share information through the national and regional Training and Technical Assistance systems which brings grantees together for regional trainings or issue specific trainings. Head Start State Collaboration Directors and the State and regional Head Start associations also foster grantee information sharing and collaboration. In addition, informal networks of grantee staff, for example the health managers network, share information and best practices. We continue to explore how OHS communications and technical assistance systems can foster collaboration. I also think it is important to note that even when grantees are identified for re-competition, many of the previous grant-holders make sufficient improvement to re-gain the grant. We believe that the DRS has been a driver for quality that has benefited existing grantees.

It is also worth noting that ACF set aside \$635 million to fund the Early Head Start-Child Care Partnerships program which brings together the strengths of Early Head Start programs and child care providers for sustained and collaborative partnerships—this program supports a culture of collaboration through various means including networking, coaching, and peer-to-peer learning.

In fiscal year 2015, ACF awarded \$500 million under this grant and ACF recently posted Funding Opportunity Announcements that total \$135 million to support additional partnerships and expansion of Early Head Start.

Question 6. Tribal Head Start directors have communicated their concerns that the CLASS observation tool is not culturally appropriate in all communities. What is the Administration on Children and Families doing to ensure that this problem is resolved?

Answer 6. Initially, there were concerns about the CLASS being used for American Indian and Alaska Native (AI/AN) programs. However, we have worked closely with these grantees, and they now have some of the highest CLASS scores across the country. Cultural and linguistic relevance is a high priority for the Office of Head Start including in the administration of CLASS. CLASS reviewers must meet with the tribe to learn and collect information about the tribe. OHS has implemented a language preservation program for American Indian Alaska Native programs. In addition, as part of the AI/AN FACES study, CLASS reviewers were trained within AI/AN Head Start classrooms to support their understanding when conducting CLASS observation in AI/AN classrooms. The AI/AN Regional Office—Region XI—has worked closely with the monitoring division to ensure reviews are appropriate for AI/AN grantees. Videos specifically about CLASS and AI/AN programs are on the Early Childhood Learning and Knowledge Center portal. There are efforts to include reviewers familiar with the communication styles of tribes as

well as the languages. If a tribal language is the primary language of instruction, then a CLASS review is postponed until a reviewer is found that is fluent in the tribal language. We understand that reviewers that do not fully understand the primary language spoken in the classroom cannot understand the teacher-child interactions.

Question 7. By what methodology does the Administration on Children and Families distribute funds to address necessary Head Start facility maintenance and renovation?

Answer 7. The maintenance, repair, and renovation of facilities is a challenge for the Head Start and Early Head Start program. We have been taking steps to address this challenge including a review of all facilities and working closely with programs in facility renovation and disposition requests, but we expect a portion of facilities are at or nearing an age of 40 years which may need completely new construction. Head Start funding does not include amounts separately identified for facilities repairs and renovation. Any dedicated funding for facilities would need to be appropriated.

Minor repairs and renovations may be included in the grantee's annual operating budget, and grantees holding title to facilities used for the Head Start program whose cost were not borne by or donated by the Federal Government may charge depreciation against their annual award, in accordance with 45 CFR § 75.436. Because depreciation is a non-cash expenditure, grantees may use funds charged as depreciation for minor renovations and repairs.

A grantee who wants to engage in a more extensive facilities project, such as purchase, construction or major renovation of a facility, must submit a separate application for one time funds. Funding for emergency facilities activities that are necessary for a facility to be operational has the highest priority, followed by activities needed to address serious health and safety issues, then general purchase, construction, renovations, and repairs.

SENATOR SCOTT

Question 1. Will the Department agree to follow the statutory language and not favor or promote the use of grants and contracts over the use of child care certificates, or that would disfavor or discourage the use of such certificates for the purchase of child care services, including those services provided by private or nonprofit entities, such as faith-based providers, in any final rule on CCDBG issued by the Department of Health and Human Services?

Answer 1. As part of the ongoing final rule process, we have carefully reviewed and considered your comments and the comments and concerns we received from Chairman Alexander and Chairman Kline. We want to assure you and the public that we continue to be fully committed to supporting parental choice and ensuring that all families have access to high-quality child care options in their communities. To clarify, the proposed rule would not have allowed States to favor grants or contracts over certificates because States would still have to provide parents with a certificate if that was the parents' preference.

Question 2. Ms. Smith, in the hearing, you stated that the department took our concerns "very seriously" when writing the CCDBG regulations related to grants and contracts. Can you expand on that, and provide my office with the process by which the Department came to its interpretation to require States to incorporate grants and contracts into their funding methods?

Answer 2. We have taken your comments and concerns very seriously as we continue to work on the final rule. Our goal with the proposal in the NPRM was never to undermine parental choice or go against the Act. Instead, we were building on the previously existing requirement that parents be offered a certificate or a grant, which was not changed in reauthorization, as well as the new requirement that States develop and implement strategies, which might include grants and contracts, to build the supply and quality of care for underserved groups. We believe a system that includes certificates, grants or contracts, and private-pay families is the most sustainable option for the CCDF program and for child care providers.

Question 3. You also stated that the NPRM still requires that parents are given the option of using certificates for childcare. However, since the NPRM also requires States to use grants and contracts, hasn't the pool of funds that could otherwise be used for certificates, and therefore parental options, essentially shrunk?

Answer 3. The NPRM continues to require that parents receive the option to choose a certificate for child care, and this requirement would not change regardless of the proposed requirement for the use of some grants or contracts. Parental choice

is a very important part of CCDBG, and our proposed requirement that States use some grants or contracts for direct services was not meant to limit that choice. Rather, we were trying to find a way to create additional high-quality child care options for parents. Child care supply in many low-income and rural communities is often low, particularly the supply of high-quality care. We know that certain child care recipients struggle to find access to high-quality care, including families care for infants and toddlers, school-age children, children with disabilities, and families with non-traditional work schedules. Creating a high-quality child care program requires sustained investments, which is hard to do with a low subsidy payment that may end without much notice because a parent switches providers or loses their subsidy. Caring for certain children, such as infants and toddlers, is generally more expensive to provide, especially when it is higher quality. These limited options restrict a parent's ability to choose higher quality child care providers that are not willing to accept the child care subsidy. Using grants and contracts in combination with certificates can play a role in building the supply and availability of child care, particularly high quality care, for underserved populations and areas.

Question 4. The funding payment method in 38 States, including South Carolina, is entirely certificate-based. How would States like mine, whose funding methods are 100 percent certificate based, comply with HHS's regulatory language?

Answer 4. As proposed in the NPRM, States have the flexibility to determine how to use grants and contracts, in addition to certificates, based on an assessment of shortages in the supply of high-quality child care. We did not propose to require a certain number of contracts or contracted slots. Instead, States could use the supply data to contract for just a few slots at a variety of child care providers that are providing higher quality care in certain underserved communities.

Alternatively, States could choose to contract for a specific group, such as high quality infant and toddler slots. While State child care programs are likely to continue to rely primarily on direct vouchers to families to purchase care from willing providers, grants and contracts are a useful important tool for addressing shortages of high quality care available to low-income families.

Question 5. My amendment also ensures that the statute should not be construed or applied in any manner that would disfavor or discourage the use of vouchers or certificates for the purchase of child care services, including those services provided by private or nonprofit entities, such as faith-based providers. Since the NPRM requires the use of contracts and grants, which it also says may not be used for any religious purposes, doesn't it take away funds that parents may otherwise be able to use toward child care services at faith-based providers.

Answer 5. The proposal in the NPRM was not intended to limit a parent's ability to choose a faith-based provider for child care services. In many States, faith-based organizations play a key role in the delivery of child care services, and we fully support their continued participation in the CCDF program. As proposed in the NPRM, every family receiving a CCDF subsidy must still be offered the option of receiving a voucher, which they could use at a faith-based provider if that was their preference.

SENATOR SANDERS

Question 1. I would like to thank the distinguished witnesses on both panels for their testimony. Your expertise and real life experience is of vital importance to this committee's work.

In 2014, I supported the long overdue reauthorization of the Child Care Development Block Grant (CCDBG). This law made a number of key advances to better support children and families, including 12-month eligibility, strengthened health and safety requirements, improved consumer information, increased funding set-aside for quality, raised authorized spending levels, and more. These are good steps forward, but we simply must do more to ensure that all children have access to high-quality child care that their parents can afford.

Our Nation needs a revolution in child care and early learning. It should be a guarantee that our Nation provides a high-quality continuum of care and learning from infancy to Kindergarten entry and beyond.

Today, in America, that is simply not the case. Forty percent of all families lack a regular child care arrangement. Our main Federal investments in child care for low-income families only reach about 15 percent of eligible children. Yet the need continues to grow. Currently, out of all age groups, *young children are most likely to be poor*, with young Black, Latino, and Native children experiencing the highest rates of poverty.

The picture is not much better for working and middle class families either. The Department of Health and Human Service's Administration of Children and Families recommends that families spend no more than 7 percent of their income on child care. Yet, in my home State of Vermont, middle-income families without access to subsidies spend between 28 and 40 percent of their income on child care. It is equally unacceptable that our main investment in child care punishes mothers and fathers, when they advance in their careers by phasing out their eligibility for support needed to pay their child care bill. Lack of adequate access to high-quality child care is very detrimental to the lifetime earning potential of all parents, but particularly mothers, and households led by women. This is a very real concern in Vermont, where over 70 percent of women, with children under the age of six, work outside of the home.

For children, the importance of access to high-quality, safe, healthy, and nurturing child care cannot be underestimated. The research on the brain's growth before the age of five confirms this and the later school and workforce outcomes of children that had high-quality care and early learning provide ample evidence of its benefit.

I believe we need to dramatically increase Federal funding for child care and early learning programs like those provided through CCDBG. I'd like to ask the entire panel, what would a dramatic increase in Federal funding for programs like CCDBG mean for your communities? What would it mean for State waiting lists for care or State determined decisions on income eligibility? How would strong funding for programs like CCDBG improve workforce support for all families and in particular working mothers? What would robust Federal funding that supported a strong continuum of care from infancy to Kindergarten entry mean for our children, our schools, and our future workforce?

Answer 1. Currently, Federal and State funding for child care assistance falls well short of the need, and millions of low-income families struggle to find quality care they can afford in their communities. Of more than 14 million children who are federally eligible for child care subsidies (i.e., with incomes under 85 percent of State Median Income), only approximately 15 percent receive them. Access to CCDF-funded child care assistance fell to an all-time low in fiscal year 2014 due to funding constraints, with an average of only 1.4 million children served each month, and many States have waiting lists for assistance as a result of funding shortfalls. In addition, CCDF funding levels have not kept pace with the rising cost of child care and the value of the child care subsidy has decreased in real dollars by about 20 percent since 2003.

The Administration strongly supports an increase in Federal funding for child care and early learning programs. The President's most recent budget request includes \$82 billion in additional mandatory funding over 10 years to ensure that all low- and moderate-income working families (under 200 percent of the Federal Poverty Level) with children under age four have access to child care assistance that can help them afford high-quality care. This investment would maintain access for 1.5 million children as States implement the changes included in the CCDBG reauthorization, while providing access for an additional 1.15 million children by 2026. These increased investments will not only ensure that more low-income children are in higher-quality child care settings; they will also help support child care providers to hire, train, and retain highly skilled child care workers through a higher subsidy that covers the cost of high-quality care.

Workforce conditions, including low wages, can greatly influence the level of stress child care teachers are under, directly impacting their interactions with children and their ability to support children's optimal development. Additionally, the proposal would provide more than \$9 billion in new quality improvement funding over 10 years, targeted to activities we know will improve quality—including investments on the workforce. For instance, using about 50 percent of these quality dollars in this area could support 2 years of educational support toward a degree or credential for more than 225,000 early childhood professionals over 10 years.

We have also proposed an increase of \$200 million in discretionary CCDF funding to help States implement new CCDBG requirements and to develop and implement innovative ways of providing high-quality care for rural families and families needing care during non-traditional hours. These proposed investments ensure that families do not lose their subsidies over time, while also expanding access to high-quality care for additional families with young children to build a strong foundation for early learning and development.

In addition, the Administration strongly supports partnering with States to provide publicly funded preschool for 4-year olds from low- and moderate-income families. The President's Preschool for All budget proposal would provide high-quality preschool services to children with families at or below 200 percent of poverty. The

President's early learning initiative seeks to build a continuum of high-quality early childhood programs through additional resources that increase the number of Head Start children attending a full school day and school year program; maintain Head Start enrollment through a full cost-of-living adjustment for all Head Start grantees, including Early Head Start-Child Care Partnership grantees; expand access to preschool; and expand access to voluntary evidence-based home visiting programs.

Question 2. The low pay for child care and early learning workers is well documented and a national disgrace that effects a workforce that is nearly universally female.

This month, the U.S. Department of Health and Human Services (HHS) and the Department of Education released a *report* documenting the embarrassingly low compensation for child care workers. In every State in the Nation the median annual earnings for child care workers qualify them for SNAP benefits. Shockingly, those caring for children at the most vulnerable stage of their lives—from birth to age three—earn the least, \$10.40 an hour on average. This unfair compensation exists regardless of qualifications. Early learning teachers and care givers with a bachelor's degree earn about \$14.70 per an hour, over \$12 less an hour than the average earnings overall of those with a bachelor's degree. HHS' report also shows that low compensation and lack of professional development can fuel staff turnover. This is certainly the case in Vermont where teacher turnover is 50 percent due to low wages and benefits. Evidence shows that child care centers with low turnover and fair compensation results in better outcomes for kids.

Ms. Smith, can you speak to the necessity of paying child care and early learning workers a fair wage? What does a fair wage mean for their families and their own well-being? Why are well compensated and highly trained child care givers and early learning teachers important for a child's development? How would dramatically increasing funding for CCDBG help increase worker compensation? What else can the Federal Government do to increase compensation for this crucial workforce?

Answer 2. We fully agree that compensation of the early childhood workforce needs to be turned around, and we were happy to release, with the Department of Education, the report *High-Quality Early Learning Settings Depend on a High-Quality Workforce: Low Compensation Undermines Quality*, along with State profiles that illustrate the inadequate wages for early childhood workers earlier this year. That report shows that the compensation of our early educators is completely disproportionate to the importance of the service they provide. It showed that child care workers earned, on average, \$20,320 a year, over \$8,000 less than Head Start and preschool teachers and less than half of what kindergarten teachers earn.

Workforce conditions, including low wages, can greatly influence the level of stress child care teachers are under, directly impacting their interactions with children and their ability to support children's optimal development. Instead of the worst paid, these educators should be some of the best paid professionals given the important work they do in setting the trajectory for children's success in school and life alongside their parents.

Both the reauthorized Child Care and Development Block Grant Act and the proposed Child Care and Development Fund (CCDF) rule address compensation and financial incentives as an allowable quality activity. The rule also encourages financial incentives as part of the training and professional development requirements—States have already been creative in using CCDF funding to support higher compensation for the child care workforce, including scholarships and retention rewards for those with more education. But we know that these efforts alone will not solve the compensation problem.

We think the statutory requirement for States to consider the cost of quality in setting payment rates will help support compensation increases that are necessary to increase the quality of a program. Quality depends in large part on the director, teachers, and staff. A payment rate that represents quality has to address a fair wage for our child care workforce.

To fund the high quality care children need, which includes increased compensation and professional development for child care workers without limiting access to the program or raising fees for parents, we must increase funding for the program. For the past 2 years, the Administration has proposed a significant increase in CCDF funding to provide all children under age 4 in low-income families with high quality child care. The Administration's proposal includes investments in the child care workforce that can help improve compensation by increasing the subsidy providers receive. Higher child care subsidy payments mean higher payments to child care providers, which in turn enable providers to pay their workers better. A stronger subsidy has the potential to both broaden the set of child care options that families can access, improve the working conditions and wages of the early care and edu-

education workforce, and in turn, improve the quality of care provided. Child care employers often struggle to retain well-qualified child care workers. With an increased average annual subsidy, they could improve wages to reduce turnover and improve the continuity of caregiver relationships with children.

As a result, the funding request takes into account the need to significantly raise the compensation of child care providers, which is particularly low for the infant and toddler workforce that is providing children with the critical foundation for future health, development, and learning.

Question 3. I have been hearing from early educators and care givers in Vermont and from people across the country that our communities are experiencing a dramatic increase in the number of children exposed to multiple adverse experiences and that they do not feel adequately equipped with the resources, training, and support to accommodate this crisis.

According to the national Adverse Childhood Experience Study, over half of those surveyed reported at least one form of childhood adversity. Shockingly, two in three children in our Nation—46 million children—are exposed to violence, crime, abuse, or psychological trauma. In Vermont, over 20 percent of children have had two or more adverse experiences, which include traumatic events like living in chronic poverty, living with someone with a substance abuse problem, experiencing community or family violence, and more. Even more alarming is the fact that our youngest citizens and their parents are at the forefront of this crisis. Since 2014, the Department for Children and Families in Vermont has seen a 33 percent increase of children in State custody with children under the age of 6 making up more than two-thirds of this increase. Further, similar to nationwide trends, over 40 percent of children come from low-income families in my home State, with young children the most likely of any age group to be poor.

Ms. Smith, given the need to provide high-quality care and early learning to all children, and the increased rate of children with adverse experiences, what is the Department of Health and Human Services (HHS) doing across all of its early childhood programs—from CCDBG to home visiting—to ensure that providers are delivering trauma-informed services? Similarly, what resources or tools do you need from the Federal Government to ensure that HHS can respond to this need? Last, can you share promising practices that you have seen from States that enacted trauma-informed approaches to their early care and learning programs?

Answer 3. The reauthorized CCDBG Act includes several requirements aimed at addressing children's social-emotional development and needs. For example, States are required to create a progression of professional development that incorporates social-emotional behavior intervention models, which may include positive behavior intervention and support models. As States consider how they spend the funds they reserve for quality activities, Congress made clear that training and support to promote social-emotional development is an allowable use of funds for child care workers who serve young children, including infants and toddlers. States are also required to provide consumer education information to parents, the general public, and, where applicable, providers about policies regarding the social-emotional and behavioral health of young children. In 2015, ACF issued an information memorandum detailing research and policy options related to children's social-emotional development.¹

As the Nation's laboratory, Head Start is also working to promote trauma-informed practices, including having teachers and caregivers trained in trauma-informed care. One evidence-based trauma-informed care training program for staff serving young children is Head Start-Trauma Smart (HS-TS), developed by the Crittenton Children's Center in Kansas City, MO. The HS-TS approach includes: training for parents and all Head Start program staff; individual trauma-focused intervention for children identified as needing individual support; classroom consultation available from HS-TS therapists for all teachers; and peer-based mentoring for both staff and parents. To date, the program has had significant success in supporting children with multiple adverse childhood experiences and reducing their externalizing and internalizing behaviors to normal levels before kindergarten entry. HS-TS is currently being scaled across States.

Supporting families that may be at-risk is a critical step in providing holistic, trauma-informed care. The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program gives pregnant women, expectant fathers, and parents and caregivers of children under the age of 5 necessary resources and skills to raise children who are physically, socially, and emotionally health and ready to learn. The

¹ CCDF-ACF-IM-2015-01, Issued September 8, 2015 http://www.acf.hhs.gov/sites/default/files/occ/ccdf_acf_im_2015_01.pdf.

MIECHV program is administered by the Health Resources and Services Administration (HRSA) in collaboration with ACF. By choosing to participate in the program, families receive help from health, social service, and child development professionals. Through regular, planned home visits, parents learn how to improve their family's health and provide better opportunities for their children. Home visits may include supporting preventive health and prenatal practices, helping parents understand child development milestones and behaviors, and promoting parents' use of praise and other positive parenting techniques.

Other work being done through Head Start are ACF-funded evaluations of promising parenting interventions in Early Head Start settings, including home-based and center-based, to help support parenting and buffer children from the effects of toxic stress. Additionally, the National Center on Early Childhood Health and Wellness technical assistance center, jointly funded by the Office of Head Start and the Office of Child Care, works to promote children's mental health and social-emotional well-being via a number of projects including developing materials to help providers discover ways to identify and help children and families who have experienced trauma, and producing an evidence-based set of modules to outline the competencies needed to be an effective mental health consultant in early childhood settings.

To further address these issues, HHS has established a National Center of Excellence for Infant and Early Childhood Mental Health Consultation (IECMHC). A partnership between ACF, the Substance Abuse and Mental Health Services Administration (SAMHSA), and HRSA, IECMHC is an intervention that builds the capacity of teachers, home visitors, and parents to address challenging behaviors and promote social-emotional development. The model has shown positive impacts in:

- improving children's social skills,
- reducing challenging behaviors,
- increasing family school collaboration,
- improving child-adult relationships,
- preventing preschool suspensions and expulsions, and
- increasing classroom quality, and reducing teacher stress, burnout, and turnover.

The National Center of Excellence provides state-of-the-art tools, training, and technical assistance to build strong, sustainable IECMHC systems in States and tribes. Home visiting professionals will have greater knowledge and skills for helping families who are dealing with health and mental health issues such as attachment disorders, trauma, and maternal depression.

As a result of the work of the National Center of Excellence, more teachers will be able to call on mental health consultants to help them create positive and nurturing learning environments, to manage challenging situations, and to examine implicit biases that may lead to racial inequities.

SENATOR BENNET

Question 1. The Child Care Development Block grant is one of several important Federal, State, and local funding streams providing access to early childhood care and education. While each of these investments is critical to families, multiple funding streams can add complexity to the system.

How is the Department providing support for States and providers to create a seamless system of layering funds? What States are doing this well and how can other States learn from their examples? How can we ensure that our child care system is as simple as possible for the low-income families who are trying to access it?

Answer 1. Several new provisions included in the reauthorized CCDBG Act are helping to create a more user friendly child care system for low-income families. These provisions include:

- Ensuring that re-determination processes will not unduly disrupt employment, education, or participation in job-training of parents;
- Requesting that States, as a part of their plan, describe how they will coordinate and align Federal, State, and local funds to expand accessibility and continuity of care for children enrolled in early childhood programs;
- Establishing a minimum 12 month eligibility redetermination period for CCDF families, regardless of changes in income or temporary changes in participation in work, training, or education activities;
- Provides for a graduated phase-out of assistance for families whose income has increased at the time of re-determination, but remains below the Federal threshold; and,

- Expanding the consumer information that States must provide to parents, including the requirement for families to be informed about other assistance programs for which the family might be eligible.

We have also made investments in new models for providing more seamless care for infants and toddlers, most notably through the Early Head Start-Child Care Partnerships. These partnerships were created to increase the supply of high-quality early learning opportunities and better align the continuum of care and development leading to preschool for infants and toddlers living in low-income families. We appreciate Congress' strong support of these partnerships, which are serving as learning laboratories to leverage Federal-, State-, program-, and community-level change for the future of high-quality infant and toddler care. The first year of implementation was marked with tremendous growth and learning as we work toward a seamless system that aligns Head Start and child care.

Finally, in 2015, ACF redesigned the early childhood technical assistance (TA) system to better integrate support across all early care and education programs. The new system fosters stronger collaboration among HHS programs, including Head Start and CCDF. This collaboration allows for a wider-reaching network of assistance and provides TA to identify innovations in child care administration and to bring the latest in research and best practices to State systems as well as teachers and early educators across early childhood and afterschool/summer learning settings.

Our TA centers are working across early childhood programs to help States and providers find ways to address managing multiple funding streams. For example, the National Center on Child Care Subsidy Innovation and Accountability and the National Center on Early Head Start-Child Care Partnerships will be introducing a new "Layering Tool" that is designed to help programs develop budgets that support their child care partners and support effective implementation of the layering budget concept.

Many States use a variety of funding sources to layer funds, increasing services to children by combining funding streams to seamlessly pay for different components of a child's care. These other sources include, but are not limited to, other early childhood programs such as pre-K, tax credits, and public private partnerships. The recent efforts made through the Early Head Start (EHS) Child Care Partnerships (CCP) provide strong examples of creating a seamless system of layering funds. Some State grantee examples include:

- Alabama: Provides priority access to subsidy for children who are EHS eligible through a dual enrollment system. The State approved a continuity of care line item to assure that a child could participate even if the parent's subsidy eligibility status changed.
- Georgia: Has a single point of entry for families who are subsidy and EHS eligible and uses contracted slots for EHS-CCPs to have a seamless system of layering funds from CCDF subsidy and EHS funds. The grant agreements provide consistent and predictable subsidy funding that, when added to the EHS-CCP funding, helps partners budget and provide comprehensive services, lower ratios and group sizes, qualified teachers, and broad-scale parent engagement.

Question 2. In Colorado, shared-services models like the David and Laura Merage Foundation's Early Learning Ventures, help to create economies of scale and strong business practices. Such public-private partnerships can help support child care providers and increase access for families.

How does the new law support public-private partnerships? How is the Department supporting States and local governments in the development and expansion of such partnerships?

Answer 2. The reauthorized CCDBG Act includes a new provision that promotes public-private partnerships in State CCDF programs. It requires each CCDF Plan to demonstrate how the State encourages partnerships among State agencies, other public agencies, Indian tribes and tribal organizations, and private entities, including faith-based and community-based organizations, to leverage existing service delivery systems to increase the supply and quality of child care services, such as by implementing voluntary shared services alliance models. A separate provision in the Act requires each State's CCDF Plan to describe how the State will develop and implement strategies to strengthen the business practices of child care providers to expand the supply and improve the quality of child care.

HHS added new questions to the State CCDF Plan template to reflect these new statutory provisions, and included both provisions in the Notice of Proposed Rulemaking (NPRM) published in December 2015 to propose updates to the CCDF regulations to reflect the reauthorized Act. Through its Early Childhood Training and Technical Assistance System, HHS has provided guidance to nearly all States and

direct technical assistance to 12 States in developing and improving public-private partnerships—including written profiles of successful public-private partnerships and at a session called “Using Public-Private Partnerships to Drive Early Childhood Policy, Financing, and Practice” at the 2015 national meeting for State child care administrators. Materials from this session, including written profiles, were shared publicly after the meeting and are available on ACF’s technical assistance website.

ACF has also recently taken the technical assistance systems from OHS and OCC and combined them to form the Early Childhood National Centers for Training and Technical Assistance. This unified approach will allow us to provide support for public/private partnerships at both the State level and more locally as its technical assistance will now work with a broader range of local entities and stakeholders.

Question 3. Under the new law, States are required to increase their investment in quality over the next few years. How is the Department supporting States to use their quality set aside dollars most productively? How are they helping States select activities that will actually increase quality?

Answer 3. The statute’s increased focus on improving the quality of child care and the early childhood workforce is an important step toward providing more low-income children with access to high-quality child care settings. In addition, the law requires methods of measurement of the success of quality investments going forward. The newly increased set-asides—phased in over a period of 5 years—will benefit children across the country regardless of whether they receive CCDF subsidy or not.

Through the National Center on Early Childhood Quality Assurance, as well as other technical assistance partners funded by ACF, we are providing targeted technical assistance to help States spend their quality funds effectively, as well as help them think about appropriate ways to measure their quality investments. This targeted technical assistance includes small group peer-to-peer interactions, national webinars, and topical learning tables.

We also recently announced the Impact Project to assist States as they develop and expand their capacity for planning, investing in, and implementing quality early childhood systems, policies, and practices. The focus for each State participating in the Impact Project is State-directed, based on the State’s particular context and vision and goals for the development of a strong early childhood system. As a result of the Impact Project, State early childhood systems leaders should be able to successfully strengthen systems building for effective high-impact services that can improve outcomes for children and families.

The creation of a permanent set-aside to increase the quality of care for infants and toddlers has given us more opportunities to work with States, territories, and tribes to make sure infants and toddlers have access to high quality child care. In May 2016, we held the Infant Toddler Strategies Institute, which was a national meeting for our State and territory partners to focus on the early years of a child’s life and how States may wish to invest their infant and toddler set-aside to develop innovative early childhood policies and systems that support families and that optimize infant-toddler development. We have also added dedicated infant and toddler specialists in each HHS regional office as part of our technical assistance network.

Question 4. I’ve heard from families across Colorado who are concerned about the child care cliff effect. Parents are concerned that they will lose a subsidy if they accept a raise or take a new job. How does the new law help address this cliff? What more could States and the Federal Government do to mitigate the effects of the child care cliff?

Answer 4. The law includes several important requirements that will protect families from the cliff effect. This includes:

- **Minimum 12 month eligibility:** The law’s minimum 12 month eligibility period will ensure that once a child is determined eligible for a child care subsidy, the family can rely on that benefit for at least a year. This would allow a family to accept a raise or change jobs with worrying about losing their child care assistance because as long as the family’s income did not exceed the Federal income limit of 85 percent of State Median Income during the eligibility period, they would retain their benefit. Low-income families can experience rapid and multiple changes within a short period of time and unemployment and job loss are very disruptive to families. Retention of eligibility during a temporary period of unemployment or extended leave due to illness, for example, can alleviate some of the stress on families and facilitate a smoother transition back into the workforce. Stable child care is critical to strengthening parents’ ability to go to work, improve their prospects in the job market, and increase their earning potential.

- **Taking into Account Irregular Fluctuations in Earnings:** The law also requires States to establish eligibility processes (for both initial eligibility and redetermination) that take into account irregular fluctuations in earnings. This will ensure that temporary increases in income do not affect eligibility or family copayments. This is particularly important for families who rely on work that is unpredictable or seasonal in nature, such as agriculture or construction work or work associated with tourism industries. These families may experience a temporary spike in income due to working increased hours (e.g., retail at the holidays, tourism in summer) over a short period, yet those earnings are not representative of the family's income over the course of a year.

- **Graduated Phase-out:** The graduated phase-out provision in the law will also mitigate the negative impacts of the cliff effect by allowing families who come in at redetermination with incomes that exceed the initial eligibility income threshold to receive some period of continued assistance. Providing a graduated phase-out promotes continuity by allowing for wage growth, a tapered transition out of the child care subsidy program, and supports long-term financial stability to help families get to a point where they no longer need the subsidy. Sudden withdrawal of support can destabilize and undermine a family's pathway to financial stability.

In addition to these policies, there are additional strategies for avoiding the cliff effect, many of which ACF has included in the NPRM. As you know, these are proposed at this point, and the final rule is expected to be published in late summer. Some proposals from the NPRM include:

- Providing a definition of "temporary change" to further protect a family's eligibility in cases where they experience:

- a time-limited absence for family or sick leave (including parental leave);
- any interruption for a seasonal worker who is not working between regular industry seasons;
- a student holiday or break; any reduction in work, training, or education hours as long as the parent is still doing one of those activities;
- any cessation of job/education/training that is less than 3 months; and
- any change in residency within State/territory/tribe;
- Prohibiting States from increasing parental co-pays during the eligibility period, which eliminates a possible negative impact of a family's income increase; and
- Limiting what a State could require families to report during the eligibility period, thereby significantly reducing the burden on families. For example, the NPRM proposed to:
 - Limit change reporting requirements to items that impact a family's eligibility (income and, at State option, work, training, or education status) or those that enable the lead agency to contact the family or pay providers; and
 - Ensure that change reporting does not require an office visit and that the States offer a range of notification options to accommodate the needs of working parents.

RESPONSE BY SHEILA HOYLE TO QUESTIONS OF SENATOR SANDERS

Question 1. I would like to thank the distinguished witnesses on both panels for their testimony. Your expertise and real life experience is of vital importance to this committee's work.

In 2014, I supported the long overdue reauthorization of the Child Care Development Block Grant (CCDBG). This law made a number of key advances to better support children and families, including 12-month eligibility, strengthened health and safety requirements, improved consumer information, increased funding set-aside for quality, raised authorized spending levels, and more. These are good steps forward, but we simply must do more to ensure that all children have access to high-quality child care that their parents can afford.

Our Nation needs a revolution in child care and early learning. It should be a guarantee that our Nation provides a high-quality continuum of care and learning from infancy to Kindergarten entry and beyond.

Today, in America, that is simply not the case. Forty percent of all families lack a regular child care arrangement. Our main Federal investments in child care for low-income families only reach about 15 percent of eligible children. Yet the need continues to grow. Currently, out of all age groups, *young children are most likely to be poor*, with young Black, Latino, and Native children experiencing the highest rates of poverty.

The picture is not much better for working and middle class families either. The Department of Health and Human Service's Administration of Children and Families recommends that families spend no more than 7 percent of their income on child care. Yet, in my home State of Vermont, middle-income families without access to

subsidies spend between 28 and 40 percent of their income on child care. It is equally unacceptable that our main investment in child care punishes mothers and fathers, when they advance in their careers by phasing out their eligibility for support needed to pay their child care bill. Lack of adequate access to high-quality child care is very detrimental to the lifetime earning potential of all parents, but particularly mothers, and households led by women. This is a very real concern in Vermont, where over 70 percent of women with children under the age of 6 work outside of the home.

For children, the importance of access to high-quality, safe, healthy, and nurturing child care cannot be underestimated. The research on the brain's growth before the age of 5 confirms this and the later school and workforce outcomes of children that had high-quality care and early learning provide ample evidence of its benefit.

I believe we need to dramatically increase Federal funding for child care and early learning programs like those provided through CCDBG. I'd like to ask the entire panel, what would a dramatic increase in Federal funding for programs like CCDBG mean for your communities? What would it mean for State waiting lists for care or State determined decisions on income eligibility? How would strong funding for programs like CCDBG improve workforce support for all families and in particular working mothers? What would robust Federal funding that supported a strong continuum of care from infancy to Kindergarten entry mean for our children, our schools, and our future workforce?

Answer 1. Thank you for the opportunity to respond to additional questions as followup to the Senate HELP Committee hearing on June 15. In North Carolina, there are 458,136 children under age 6 with working parents. The poverty rate for families with children under age 5 in North Carolina is 20.4 percent. In my 13 county service area, the poverty rate for families with children under age 5 exceeds the State average in 10 counties. In Swain County, the poverty rate for families with children under age 5 is 41.3 percent—more than double the State average. For single mothers, poverty is far greater. In 8 counties in our service area, the poverty rate for single mothers raising children under age 5 exceeds the State average of 49.4 percent. In two counties, Swain and Clay, about two-thirds of these mothers with young children are living in poverty. Throughout North Carolina, there are about 20,330 children on a waiting list for subsidy.

If there were a “dramatic” increase in funding, the impact would depend upon the size of the dramatic increase. For example, depending upon the size of the increase, North Carolina could eliminate the waiting list. The State could increase eligibility to 85 percent of State median income and include a generous gradual phase-out. In 2015, the average annual cost of center-based care for an infant was \$9,254 and the average annual cost of center-based preschool-age care was \$7,919. Many families, particularly those with more than one child, struggle with the cost of child care. Child care costs are difficult for low income families, but also are a challenge for all families except the very wealthy. If there were a dramatic increase in funding, depending upon the size of the increase, all families with children below 85 percent of State median income could have access to high quality care.

What difference would that make? Decades of research shows that children who have access to high quality care are more likely to:

- Enter school ready to succeed,
- Perform at grade level, and
- Graduate from high school college- or career-ready.

Children who enter school ready to succeed are less likely to:

- Be retained in grade,
- Be referred to special education,
- Drop out of high school, and
- Spend time in a juvenile detention facility or prison.

Studies have also shown that parents with high quality child care that is reliable are more likely to be focused on their job and less likely to miss work due to child care problems. We all have a vested interest in students graduating high school and increasing the college completion rate. A Georgetown University study, “*Help Wanted: Projections of Jobs and Education Requirements Through 2018*,” projects that by 2018, more than two-thirds of the 47 million projected job openings will require some level of postsecondary education or training.¹ It is simply not possible to in-

¹Carnevale, A., Smith, N., and Strohl, J. Help Wanted: Projections of Jobs and Education Requirements Through 2018, Center on Education and the Workforce, Georgetown University, 2010. <https://cew.georgetown.edu/cew-reports/help-wanted/#report>.

crease high school graduation rates and college completion rates without investing in the years when the brain is first developing—laying a foundation for all future emotional, social, physical, and cognitive development.

Child care is a work support for parents, however, it is also an early learning setting for children—one that has a rate of return by helping to change a child’s life trajectory. A dramatic increase in child care funding would enable more parents to work spurring local economies today and be an investment in the healthy development and school readiness of our children—the workforce of tomorrow. Our short- and long-term economy depends on both.

Question 2. The low pay for child care and early learning workers is well documented and a national disgrace that effects a workforce that is nearly universally female.

This month, the U.S. Department of Health and Human Services (HHS) and the Department of Education released a *report* documenting the embarrassingly low compensation for child care workers. In every State in the Nation the median annual earnings for child care workers qualify them for SNAP benefits. Shockingly, those caring for children at the most vulnerable stage of their lives—from birth to age 3—earn the least, \$10.40 an hour on average. This unfair compensation exists regardless of qualifications. Early learning teachers and care givers with a bachelor’s degree earn about \$14.70 per hour, over \$12 less an hour than the average earnings overall of those with a bachelor’s degree. HHS’ report also shows that low compensation and lack of professional development can fuel staff turnover. This is certainly the case in Vermont where teacher turnover is 50 percent due to low wages and benefits. Evidence shows that child care centers with low turnover and fair compensation results in better outcomes for kids.

Ms. Hoyle, can you speak to the necessity of paying child care and early learning workers a fair wage? What does a fair wage mean for their families and their own well-being? Why are well compensated and highly trained child care givers and early learning teachers important for a child’s development? How would dramatically increasing funding for CCDBG help increase worker compensation? What else can the Federal Government do to increase compensation for this crucial workforce?

Answer 2. I, too, found the report by the U.S. Departments of Health and Human Services and Education shocking. In all States, median wages for child care workers would qualify a family of three for the Supplemental Nutrition Assistance Program (SNAP). Compensation for individuals with the same level of education across early learning settings varies greatly. The North Carolina Child Care Services Association has published a number of studies over the last decade about low wages within the child care field.² While pay has increased modestly and turnover has declined slightly in our State, wages are still far too low and turnover is far too high.

We have increased expectations for early educators based on what we know that children need. The Institute of Medicine and National Research Council report, *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*,³ is being held up as the standard for the field with an expectation that those working in early childhood should have a bachelor’s degree. In North Carolina, we have seen tremendous growth in educational attainment so that now over 60 percent of our teachers have at least an Associate degree in any field, and 38 percent have their degree in early childhood. But as you noted, compensation has not kept up with that progress. The national statistics of average hourly wage does reflect what we see in North Carolina as well. We hear from teachers all the time that they are unable to meet the basic necessities for their families—paying bills for rent and electricity, or meeting their own children’s early childhood needs. This results in many of them having to turn to public assistance to support their families. Low wages also mean that the teachers are at risk themselves because their own well-being is compromised. It is a challenge to be an effective teacher when on a daily basis faced with the stress of financial insecurity. How can you be expected to care for others in the best way when your pay doesn’t allow you to take care of yourself or your family? The IOM reports states that when parents and caregivers

“are managing well, they can help children cope more competently with the ordinary stresses that inevitably occur. When caregivers are stressed, by contrast,

²Child Care Services Association, child care workforce studies. <http://www.childcareservices.org/research-reports/early-childhood-workforce-studies/>.

³Institute of Medicine and National Research Council. 2015. “Transforming the workforce for children birth through age 8: A unifying foundation.” Washington, DC: The National Academies Press. <http://www.nap.edu/catalog/19401/transforming-the-workforce-for-children-birth-through-age-8-a>.

they cannot provide this buffering and are instead more often a source of stress for children.⁵

Solutions to this issue are complex. We cannot expect parents to have to pay increased rates to cover increased salaries as families are already typically paying higher than what is recommended at 7–10 percent of their income for child care services. Additional Federal dollars that are targeted to increased subsidy reimbursement rates would provide child care owners with some funding, especially if those rates are based on the cost of care and not the rates that parents pay. However, there is no guarantee that those additional funds would be directed to teacher salaries, unless there is a requirement for child care providers to pay on a salary scale based on educational attainment and experience. That can still be a challenge for those programs that have a blend of private pay and subsidy pay families.

Some States have set up compensation projects that provide direct supplements to teachers based on their education and their continuity in a child care program. Quality dollars from CCDBG have been used for these projects as well as State and local dollars. In North Carolina, we see a dramatic difference in turnover for those teachers who are able to participate in our salary supplement program: 14 percent average turnover for participants compared to far higher rates for the general child care workforce.

The wage problem is far beyond the subsidy system (since families receiving a subsidy are only a small fraction of those using child care). The real problem is that parents can't afford the cost of the current system, let alone a system that would fairly compensate the early care and education workforce. A dramatic increase in CCDBG would help, but not resolve the problem since the compensation issue is far larger than subsidy rates and receipt. Child care programs are a business. The bottom line is that revenues (subsidy and parent tuition) need to cover operating expenses and operating a high quality program costs more than merely operating a child care program.

You asked what else the Federal Government can do to increase compensation for the early learning workforce. I would urge that the Senate Finance Committee and House Ways and Means Committee hold hearings on the financing of our current child care system and what level of funding would be needed to support a system of high quality child care (which would include significantly increasing wages for child care providers and supports for the workforce to attain higher levels of education and credentials). It is unlikely that the appropriations process in Congress can ever appropriate enough funding to address the compensation challenges in the manner in which it should be addressed. There needs to be recognition that parents can't afford to pay more and as long as the system is dependent on parent fees, the workforce cannot be paid significantly higher wages. Back in the 1950s, when the Nation faced a crisis with interstate highway travel, the Federal Aid Highway System was born through a gas tax paid by consumers that would fund a highway trust fund to be allocated to the States to build roads and bridges.⁴ It is time to recognize that there needs to be a dedicated trust fund to support a child care system, which would be derived from some kind of modest fee across the general public (e.g., a modest property tax increase or sales tax increase or other funding base dedicated to an early learning fund). Without it, it is unlikely that sufficient funds will be available to sufficiently compensate the workforce and support a system of high quality child care. This is not just about subsidy rates for low income families, it is about underwriting the cost of a public good for all working families.

I encourage you to think broadly about an alternative source of funding to ensure that all families have access to high quality child care.

RESPONSE BY LE'VAUGHN JOHNSON WESTBROOK TO QUESTIONS OF SENATOR SANDERS

Question 1. I'd like to ask the entire panel, what would a dramatic increase in Federal funding for programs like CCDBG mean for your communities?

Answer 1. Particularly for low income communities or cities that have a high rate of families living below the poverty line increase in Federal funding for programs in these types of areas is needed. For example, I lived in Flint, MI for 5 years and moved to Fairfax, VA last year. The difference in quality of life, income, and early childhood education programs is totally different. As we know, Flint is having a water crisis and these children will be impacted mentally and physically for the rest of their lives. It is imperative that Flint and similar communities receive more funding to be able to provide medical care, mental health and, educational/ special edu-

⁴ Federal Aid Highway System, https://en.wikipedia.org/wiki/Federal_Aid_Highway_Act_of_1956.

cation programs in early Head Start and Head Start programs that these children would qualify for and attend because of the large amount of poverty in that area. Families lack transportation many times so they can't access high quality day care centers near Flint as most are in the suburban areas. Many times the early Head Start and Head Start programs are overcrowded.

I have worked at Head Start providing behavioral services to children ages 3–5 and witnessed children in trailers on an abandoned school parking lot with the lights flickering on and off inside the trailer and in a confined space. These flickering lights for example were distracting children as the lights were dim and the poor teacher was doing the best that she could with what the State and Federal Government provided her in order to teach the most destitute in this community.

You may ask, well other programs can open in the area that are of higher quality, right? The answer is NO. Many private owners will apply for grants but will not open in urban and poverty ridden areas due to crime and the desire to not want to cater to families of poverty as self pay families are more lucrative. Grantees also choose to go out of urban areas because many of the families that would be served have an array of issues that a daycare may not be able to provide, such as providing mental health services, hearing tests, dental care, diapers, formula, extra lunches to take home for dinner that children may otherwise not have because they do not have food or money, proper clothing, medication etc . . . this is why early Head Start and Head Start is so important and a necessity.

Question 2. What would it mean for State waiting lists for care or State determined decisions on income eligibility? How would strong funding for programs like CCDBG improve workforce support for all families and in particular working mothers?

Answer 2. As a middle class family, I do not qualify for subsidy at this time; daycare is still unaffordable and non-accessible due to waiting lists at facilities. However, there was a time when I was a single mother, I did qualify and I applied for child care assistance in Georgia and was told that I needed to provide several pay stubs before the State would issue a subsidy. This was difficult for me to do as I was returning to the workforce off of maternity leave, I did not have anyone to help care for my child so I could begin a new job and I could not afford \$400 a week for infant care at a decent child care. I was ultimately forced to look for lower quality care at an in home day care which resulted in my child dying his second day in attendance.

For families that are ready and willing to work, some of the stipulations can be an obstacle and families eventually must settle for low quality care. This cycle inevitably will force families deeper into poverty and will continue to rely on State assistance as they will not be able to find a job that pays enough to where they would be able to afford daycare without assistance. If a family makes a cent or \$1 more than cutoff they are disqualified for assistance and they lose their slot and may lose their job as they do not have the income or facility to care for their child. The Federal Government and State would lose more money as this type of family would then need to apply for State emergency relief funding, TANF, and food stamps as the family cannot work. CCDBG is important to break this cycle so that families can be more sufficient and less reliant on State aid and contribute to the workforce.

Question 3. What would robust Federal funding that supported a strong continuum of care from infancy to Kindergarten entry mean for our children, our schools, and our future workforce?

Answer 3. The children will be receiving early social/emotional skills that would enable them to be able to learn in primary school so that they can obtain higher education and be competent in the workforce.

RESPONSE BY MARGARET WILLIAMS TO QUESTIONS OF SENATOR SANDERS

Question 1. I would like to thank the distinguished witnesses on both panels for their testimony. Your expertise and real life experience is of vital importance to this committee's work.

In 2014, I supported the long overdue reauthorization of the Child Care Development Block Grant (CCDBG). This law made a number of key advances to better support children and families, including 12-month eligibility, strengthened health and safety requirements, improved consumer information, increased funding set-aside for quality, raised authorized spending levels, and more. These are good steps forward, but we simply must do more to ensure that all children have access to high-quality child care that their parents can afford.

Our Nation needs a revolution in child care and early learning. It should be a guarantee that our Nation provides a high-quality continuum of care and learning from infancy to Kindergarten entry and beyond.

Today, in America, that is simply not the case. Forty percent of all families lack a regular child care arrangement. Our main Federal investments in child care for low-income families only reach about 15 percent of eligible children. Yet the need continues to grow. Currently, out of all age groups, *young children are most likely to be poor*, with young Black, Latino, and Native children experiencing the highest rates of poverty.

The picture is not much better for working and middle class families either. The Department of Health and Human Service's Administration of Children and Families recommends that families spend no more than 7 percent of their income on child care. Yet, in my home State of Vermont, middle-income families without access to subsidies spend between 28 and 40 percent of their income on child care. It is equally unacceptable that our main investment in child care punishes mothers and fathers, when they advance in their careers by phasing out their eligibility for support needed to pay their child care bill. Lack of adequate access to high-quality child care is very detrimental to the lifetime earning potential of all parents, but particularly mothers, and households led by women. This is a very real concern in Vermont, where over 70 percent of women with children under the age of 6 work outside of the home.

For children, the importance of access to high-quality, safe, healthy, and nurturing child care cannot be underestimated. The research on the brain's growth before the age of 5 confirms this and the later school and workforce outcomes of children that had high-quality care and early learning provide ample evidence of its benefit.

I believe we need to dramatically increase Federal funding for child care and early learning programs like those provided through CCDBG. I'd like to ask the entire panel, what would a dramatic increase in Federal funding for programs like CCDBG mean for your communities? What would it mean for State waiting lists for care or State determined decisions on income eligibility? How would strong funding for programs like CCDBG improve workforce support for all families and in particular working mothers? What would robust Federal funding that supported a strong continuum of care from infancy to Kindergarten entry mean for our children, our schools, and our future workforce?

Answer 1. Thank you, Senator Sanders. I could not agree more that "we need to dramatically increase Federal funding for child care and early learning programs like those provided through CCDBG." In Maryland, it is scarcely an overstatement to say that our Child Care Subsidy Program (CCSP) has been cash-starved to the brink of dysfunction.

Severe funding shortfalls affecting CCSP since 2011 jeopardize not only our State's remarkable progress in early childhood education but also our ability to recover from the worst economic recession in decades. Child care poses an enormous expense for all families with young children—in all but one jurisdiction in our State, child care ranks second or third among leading household expenses. For low-income families seeking to re-enter or remain in the workforce, this situation is exacerbated. If "Main Street" economic recovery, in any sustainable form, hinges on employment, now is precisely the worst time to underfund CCSP.

Beginning in 2011, Maryland implemented an enrollment freeze and established a wait list for CCSP applicants, with exceptions for applicants who are Temporary Cash Assistance (TCA) recipients and income-eligible families with children who have special needs. At its high-water mark, the CCSP wait list numbered more than 20,000 children.

Thankfully, Maryland has attempted to address part of this deficiency with an increase in State general funds in past fiscal years. In combination with cost containment achieved through attrition and frozen enrollment, this funding has allowed the State to partially open CCSP to new participants at 8 of the 10 levels of income eligibility, but the enrollment freeze remains in place for significant numbers of the "working poor." As of June 1, 2016, the wait list numbered 3,629 children (a figure I believe understates the actual need, in part because the State purged the wait list as it partially opened enrollment). Completely eliminating the enrollment freeze must remain our goal.

The enrollment freeze is CCSP's most visible problem, but hardly the only one. Federal guidelines recommend that subsidy rates be pegged to the 75th percentile of the current market rate, ensuring that low-income families have access to quality care. Maryland last met that guideline more than a decade ago. Current reimbursement rates fall at the 10th percentile, relegating families to the cheapest and, in many cases, the lowest quality care in their communities. Meanwhile, family eligibility remains fixed at a decade-old level (less than \$30,000 annual income for a family of three), and parent co-payments pose an enormous burden. For parents to earn and children to learn, overall CCSP funds must increase. I applaud Maryland

for increasing the State contribution to CCSP, insufficient though that increase may be. I urge the members of this committee to do all within their power to significantly expand the Federal investment in child care and early education for working families and their children.

Question 2. The low pay for child care and early learning workers is well documented and a national disgrace that effects a workforce that is nearly universally female.

This month, the U.S. Department of Health and Human Services (HHS) and the Department of Education released a *report* documenting the embarrassingly low compensation for child care workers. In every State in the Nation the median annual earnings for child care workers qualify them for SNAP benefits. Shockingly, those caring for children at the most vulnerable stage of their lives—from birth to age 3—earn the least, \$10.40 an hour on average. This unfair compensation exists regardless of qualifications. Early learning teachers and care givers with a bachelor's degree earn about \$14.70 per an hour, over \$12 less an hour than the average earnings overall of those with a bachelor's degree. HHS' report also shows that low compensation and lack of professional development can fuel staff turnover. This is certainly the case in Vermont where teacher turnover is 50 percent due to low wages and benefits. Evidence shows that child care centers with low turnover and fair compensation results in better outcomes for kids.

Ms. Williams, can you speak to the necessity of paying child care and early learning workers a fair wage? What does a fair wage mean for their families and their own well-being? Why are well compensated and highly trained child care givers and early learning teachers important for a child's development? How would dramatically increasing funding for CCDBG help increase worker compensation? What else can the Federal Government do to increase compensation for this crucial workforce?

Answer 2. Thank you for asking this excellent and important question, Senator Sanders. It may interest you to know that each year, in the process of setting policy priorities, my organization (Maryland Family Network, or MFN) surveys the most active and engaged early childhood education advocates in our State. Child care provider compensation almost always ranks among their top five priorities; it has ranked No. 1 in each of the past 3 years.

It's easy to see why. Nationally, child care workers are among the lowest wage earners in the labor market. According to the Bureau of Labor Statistics, they're paid approximately \$22,000 per year, on par with dry cleaning workers and parking lot attendants. This is primarily because child care salaries are limited by the tuition parents can afford to pay. Entry-level educational requirements are low in the child care field, but wages do not increase to the levels earned by educators in public schools as child care providers attain comparable degrees. And yet, many States and the Federal Government are increasingly demanding that providers meet high quality standards—in itself a good thing—while failing to address the economic disincentives and barriers that such low compensation imposes.

MFN's **Child Care Demographics 2016 report** (available on-line at www.marylandfamilynetwork.org/resources/child-care-demographics) lists this average annual wage rate data for Maryland:

- Child Care Center Director — \$38,985
- Center Senior Staff/Teacher — \$26,641
- Center Aide — \$17,035
- Family Child Care Provider — \$36,206

As you can see, there is an enormous discrepancy between what a child care provider earns for a 12-month year and the average salary of \$65,477 earned by a full-time public school teacher for a 10-month year. The salary inequity appears even greater considering the fact that most child care employees also do not receive the benefits available to teachers, including health insurance, retirement benefits, paid sick leave, and other paid time off. Compensation for family child care providers may actually be much lower than we have previously reported. MFN has traditionally used a family child care provider's gross income from parent fees and subsidy payments as a proxy for income. A small survey of providers in 2014 found that providers whose average gross income was \$26,705 had a net income after business expenses that equates more closely with wages of \$15,962. Many providers, especially those who are heading households, are in fact subsisting at the poverty level.

Low wages and lack of benefits for child care professionals are a critical problem that has forced many talented providers out of the field. Low compensation rates make it difficult to recruit and retain highly skilled child care workers, and the resulting lack of a highly skilled workforce limits the availability and quality of child care. Child care centers throughout the State have had difficulty recruiting and re-

taining qualified staff, and the number of regulated family child care providers has been in a steady decline since 1996.

The quality of a child care program is directly related to the quality of its staff. Both nationally and in Maryland, the turnover rate of child care providers in centers hovers around 30 percent. (The figure you cite for Vermont is obviously even worse.) This turnover conflicts with the goal of providing continuity of care givers for young children, which has been shown to foster healthy development, and it frequently means that experienced center staff are replaced with novice staff, who may not have the training and education of their predecessors.

Staff turnover can be reduced by providing scholarships for higher education and additional compensation to accompany educational attainment, a joint approach pioneered in North Carolina with the **Teacher Education And Compensation Helps** (T.E.A.C.H.) **Early Childhood** Project and **WAGE\$** Project. Other States have also demonstrated success with T.E.A.C.H., WAGE\$, or local variations of these models.

Maryland has attempted to address the compensation issue with annual bonuses for providers who participate in the Maryland Child Care Credential at Level 4+ and higher. Child care programs that participate in the Maryland EXCELS quality rating and improvement system are also eligible for tiered reimbursement from the Child Care Subsidy Program and awards from EXCELS once they reach the highest levels. There are also scholarships available to providers to attain higher education degrees. But as these programs encourage providers to meet requirements for teaching in public schools, and as the stark salary inequality between child care and public school teachers remains in place, it becomes increasingly difficult to retain teachers in the child care programs that cannot compensate them for the value of the work they do.

The Federal Government could do a tremendous service to families, children, and the child care profession (not to mention employers and other taxpayers) by implementing a well-funded national option to replace the current patchwork of State professional development/wage supplement programs. With specific regard to CCDBG, I believe the Federal Government could make a tremendous impact in the lives of low-income children and the poorly compensated child care providers who serve them by requiring—rather than simply recommending—that States set subsidy reimbursement at the 75th percentile of current market rates. Achieving this goal without disrupting the child care system in other ways (by precipitating parent copayment increases, for example, or leading States to expand subsidy wait lists) will require a significant investment of new Federal funding. I submit that Americans deserve no less.

RESPONSE BY MYRA JONES-TAYLOR, PH.D. TO QUESTIONS OF SENATOR SANDERS

STATE OF CONNECTICUT,
OFFICE OF EARLY CHILDHOOD,
HARTFORD, CT 06106,
July 19, 2016.

*Committee on Health, Education, Labor, and Pensions,
Washington, DC.*

Re: Responses from the Office of Early Childhood to Questions from the Senate HELP Committee regarding the Federal Child Care and Development Block Grant Act Reauthorization

Below are response from the CT Office of Early Childhood regarding the Federal Child Care Development Block Grant Act Reauthorization and its impact on Connecticut's Care4Kids program. If you have any questions, please contact Maggie Adair, Director, Government Community Relations at 860-713-6413, or Maggie Adair@ct.gov.

Question 1a. What would a dramatic increase in Federal funding for programs like CCDBG mean for your communities?

Answer 1a. Connecticut has had to close all new enrollment for families with incomes less than 50 percent of the State Median Income (SMI). It would require an increase of \$33 million for Connecticut to re-open those admissions and serve the approximately 4,000 eligible families that apply each year.

Question 1b. What would it mean for State waiting lists for care or State determined decisions on income eligibility?

Answer 1b. As stated above, it would allow 4,000 new families to become eligible each year who are going to be denied initial eligibility in fiscal year 2017. It would allow us to retain eligibility at less than 50 percent SMI.

Question 1c. How would strong funding for programs like CCDBG improve workforce support for all families and in particular working mothers?

Answer 1c. In Connecticut, those families who will be denied initial eligibility for a child care subsidy will have to make very hard choices. If there are two parents, one may have to stay home to take care of their children rather than being in the workforce. For a single parent, if there is an extremely low-cost (and potentially low quality) option (including illegal care) available, it may force them to use it. The child would not be in a setting that necessarily protects his or her health and safety and would probably be far from optimum in terms of support for early learning. Or a parent may be forced to leave employment, enroll in TANF, and fall further into poverty.

Question 1d. What would robust Federal funding that supported a strong continuum of care from infancy to Kindergarten entry mean for our children, our schools, and our future workforce?

Answer 1d. Our State struggles to offer child care subsidies that are a reasonable proportion of market rates for infants and toddlers. This has had a negative impact on high-quality child care providers' capacity to offer infant/toddler care. Therefore, many of the toddlers entering pre-k programs have been cared for in less than optimal quality settings. In our attempt to ensure access to high quality pre-k programs for all 3 and 4 year olds, the availability of the child care subsidy is considered one important funding stream that might allow the State to afford the true cost of a quality pre-k program. Robust Federal funding would allow our State to set reimbursements that not only would meet market rates but would allow CT to increase funding to support the high cost of providing high-quality care for all children birth—school age. In turn, the higher rate structure would support programs in recruiting and retaining a quality workforce.

Question 2a. Can you speak to the necessity of paying child care and early learning workers a fair wage? What does a fair wage mean for their families and their own well-being?

Answer 2a. In our current child care system child care workers are paid less than janitors and mail order clerks and most of these workers qualify for public benefits as highlighted in a recent U.S. Departments of Education and Health and Human Services report. These low wages make it impossible for the current workforce to support themselves and their families and many leave the field to pursue higher paying job opportunities. Paying a fair wage for the early care and education workforce would allow teachers to stay in the field and support their family.

Question 2b. Why are well compensated and highly trained child care givers and early learning teachers important for a child's development?

Answer 2b. As recommended in the recently released 2015 Institute of Medicine and National Research Council report, *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*, that all lead teachers of young children from infancy through third grade have at least a bachelor's degree.

Specifically, research has shown that:

- Classrooms in which teachers have at least a bachelor's degree are more likely to be of higher quality, including richer language environments, enhanced literacy environments and better teacher-child interactions and,
- Teachers with at least a bachelor's degree are more likely to appropriately approach instruction—they are more sensitive, less punitive and more engaged.

In order to recruit and retain highly trained teachers it is necessary to pay a fair living wage.

Question 2c. How would dramatically increasing funding for CCDBG help increase worker compensation?

Answer 2c. Substantial increases to CCDBG would allow States to raise subsidy reimbursement rates that would be help subsidize the high cost of providing quality care which include well compensated teachers.

Question 2d. What else can the Federal Government do to increase compensation for this crucial workforce?

Answer 2d. The Federal Government could assist States in additional funding for scholarship support for child care staff to complete degree programs and offer loan forgiveness opportunities.

As a way of attracting and retaining a highly trained workforce the Federal Government could assist States in implementing bonus and incentive programs for degree/course work completion.

[Whereupon, at 11:52 a.m., the hearing was adjourned.]

