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CHILD CARE: STRENGTHENING FAMILIES AND IMPROVING THE WELL-BEING OF CHILDREN

HEARING

OF THE

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

ON

EXAMINING CHILD CARE: HELPING PARENTS WORK AND IMPROVING THE WELL-BEING OF CHILDREN

MARCH 15, 2002

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CHILD CARE: STRENGTHENING FAMILIES AND IMPROVING THE WELL-BEING OF CHILDREN

FRIDAY, MARCH 15, 2002

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

The committee met, pursuant to notice, at 9:32 a.m., in room SD–430, Dirksen Senate Office Building, Senator Dodd presiding.

Present: Senators Dodd, Jeffords, Bingaman, Murray, Reed, Bond, Roberts, and Collins.

OPENING STATEMENT OF SENATOR DODD

Senator DODD [presiding]. Good morning. The committee will come to order.

Thank you all for coming. I apologize for starting a few minutes late, but we had a vote a moment ago. I welcome my colleague from the State of Washington, Senator Murray, who has joined us; she was one of the champions of child care even prior to her arrival here as a member of the Washington State legislature.

I am thankful to all of our witnesses and the people who have gathered in the audience to talk about this issue. I thank all of you for being here. As I look out over our witness table, I know that I have worked with some of you for years on these issues, and it is a pleasure to see all of you. So thank you for coming to be a part of this hearing this morning which we have entitled, "Child Care: Strengthening Families and Improving the Well-Being of Children."

We have invited you all to talk this morning about one of the most basic issues of our times and certainly one of the critical issues of the 21st century—and that is not an exaggeration or hyperbole. Let me share the statistics with you.

Certainly I have said many times, and maybe it is becoming overstated but it is absolutely true, that children represent 20 percent of the population of the United States, but no one would deny that they represent 100 percent of the future of this Nation. As we enter this very, very difficult century already, with the problems that we have seen as a result of the events of 9-11, the raging problems of the Middle East, the staggering economic problems that we are going to be facing, the competition worldwide, the generation that is born in this century and will be raised in this century and the coming years will play a critical role in terms of whether this Nation will carry on its great traditions—and that is not an exag-

geration. How we treat the very youngest of our population will in large part determine the outcome of that question.

Let me share with you some very basic statistics which, during today's hearing and the consideration over the weeks ahead, to keep in mind. I think it makes the case more so than any rhetoric than I can offer about the importance of these children.

Today, 78 percent of mothers with school-age children are in the work force. Sixty-five percent of mothers with children under the age of 6 are in the work force, and more than 50 percent of mothers with infants are in the work force. Those are the facts, and the numbers are going up all the time of people in the work force with young children. That is the reality, and I see nothing on the horizon that is going to change those numbers.

Most parents are simply not at home full-time any longer. Many might like to be. For those who are, I introduced, along with my colleague from the State of Washington, legislation in the Senate to provide tax credits for stay-at-home parents, recognizing that there is a sacrifice that they engage in, and we want to recognize that sacrifice through the Tax Code.

But many people do not have that choice; they have to be in the work force, and it is not easy. These people deserve our attention as well. It is not an easy matter to balance work and family issues under any circumstances, and today it is extremely difficult.

Since 1996, the number of families receiving child care assistance has grown dramatically, to about 2 million children today. But for as many children who receive assistance, available child care funds reach only one in seven eligible children across this country. And as many of you in this audience know, child care in too many communities is not affordable even if you can find it; and in too many more, it is not available even if you could afford it; and even worse, in many places, it is of dubious, dubious quality—which may be the most important issue that we will discuss today.

About 14 million children under the age of 6 are in some type of child care arrangements as I speak to you here this morning. This includes about 6 million infants in our country.

The cost of care averages somewhere between $4,000 and $10,000 a year, more than the cost, I might add, of tuition at many if not most of our State universities and colleges. Far too many of our American parents are left with far too few choices. Nearly 20 States currently have waiting lists for child care assistance. Every State has difficulty meeting the child care needs of its population. Not a single State in this country serves all the eligible children in their State.

While waiting lists show that there is a demand for service, that is certainly only part of the picture. Wyoming, for instance, does not have a waiting list, but if you earn over $18,800 a year, which is barely above the poverty level for a family of three and probably below the poverty level for a family of four, you cannot obtain any child care assistance whatsoever in that State.

In some of these States with long waiting lists, parents throw up their hands and do not even bother getting on the list. You can imagine if you show up and say, "I believe I qualify for child care," and you are told by someone, "Well, we will put you on the list, but you are number 500," or number 1000 on the list, the likeli-

hood is slim that you are even going to bother to be on the list, understanding that there is little or no likelihood you are ever going to receive that assistance.

More than 30 States require families of 150 percent of the poverty level to pay more than 7 percent of their income in child care fees, or do not even allow a family at this low income level to qualify for child care assistance. Other families who are eligible for assistance have difficulty finding child care in the community, because subsidies are far too low.

Most people think of child care as work support for working families, and it certainly is that. We talk about the necessity of having a child care program so that people can go to work. But this is far more than just "parking" children. This is not like someplace where you can leave your automobile where it is going to be safe. We need to understand that if we are going to be talking about people's ability to go to work and making it possible for families to work, we need to spend as much time thinking about where these children are going to be and the circumstances under which they are going to be cared for.

It is time to focus, in my view, at least as much attention on the needs of children, who spend so many hours a week in child care, to make certain that they obtain the intellectual stimulation necessary to hone the learning skills that they are going to desperately require in their formative years. Seeing to it that they are safe ought not to be even a question. Seeing to it that they get proper care, seeing to it that it is going to be a stimulating, nurturing environment, is something that we should pay far more attention to.

Let me tell you why. Forty-six percent of kindergarten teachers recently responding to a national survey reported that more than half of their students in kindergarten are not ready for kindergarten. The learning gap does not begin, they said, in kindergarten. It is first noticed there, but it does not begin there. Strengthening the quality of child care in the country is one of the keys, I believe, to shrinking this gap. Quality child care is a major factor in school readiness. In addition to meeting a child's cognitive, physical, social and emotional needs, quality child care should include pre-literacy and oral language training as well. Too many child care settings are deficient in these areas.

I am currently working with Senator Olympia Snowe of Maine and many others, including my colleague from Washington Senator Murray, to introduce legislation to reauthorize the Child Care and Development Block Grant that will address the early development needs of children. Seventy-five percent of children under 5 with working parents are spending a lot of time in child care. If these children are to enter kindergarten ready to learn, we must strengthen the child care that they are receiving today.

In our reauthorization bill, we will set aside specific portions of child care in the development block grant to strengthen the child care work force. I believe it is almost criminal that child care workers on average earn about $16,000 a year. It is no wonder that the turnover rate among child care workers is among the highest of any career in our country. I also believe it is criminal that cab drivers, hair stylists, and window washers all need training and certification—and understandably so, in many cases. But the people

whom we entrust to care for America's young children for the most part require no certification whatsoever. If we are to expect better outcomes for children, we must first work to strengthen the child care work force.

Last year, I introduced the FOCUS bill to provide grants to States to increase child care teacher compensation and to provide scholarships for those who want to improve their training and education. Many of the FOCUS bill provisions will be included in the child care reauthorization bill.

In addition, the education bill was recently enacted to include an amendment to provide professional development for early childhood educators to promote children's school readiness. We know that under the best of circumstances in a growing economy over the last several years, we have not been able to meet the need or demand for child care assistance. Today in a tough economy, the task is going to be that much more difficult.

To compound matters, I am very concerned about the administration's welfare reauthorization plan submitted to Congress last month. The plan calls for an enormous increase in the number of parents who will be required to work under the Temporary Assistance for Needy Families, or TANF, program. I understand that; what bothers me is the following. Not only will the overall number of parents required to work increase, but the number of hours each parent will be required to work each week will also increase from 30 to 40 hours a week.

What is troubling to me is that the administration requested no additional child care funding. In fact, the administration requested a 5-year freeze on child care funding. It is one thing to increase the work load and to demand additional hours, but if simultaneously we are not going to make it possible for those families to be able to leave their children in a safe place and to afford to do so, we are just adding additional burdens to families that are already facing tremendous economic difficulties.

Does that mean—a freeze on child care pay for 5 years, a freeze on reimbursement rates, a freeze on eligibility rates, a freeze on helping working poor families—and by the way, this is the group that we are primarily talking about. You can get the assistance by and large if you are on public assistance or welfare. But we do not want to crowd out the working poor. These are the people who are really going to get hit by freezing this and putting the burdens on them.

So as we talk about this issue, remember that the audience we are talking about is the working poor primarily when we talk about the needs of child care.

It goes without saying that we must be certain there are sufficient child care funds to assist families transitioning from welfare to work, particularly if the Government is going to require them to work. I am concerned that the administration's plan will result in a raid of child care assistance from the working poor to pay for those families transitioning from welfare. We need to do both. Welfare reform cannot succeed in the long run without sufficient funding for child care, and the working poor cannot get by without the child care help that they need.

Leading studies have found that early investments in child care can reduce the likelihood of being held back in school, reduce the need for special education, reduce dropout rates of high school students, and reduce juvenile crime rates. If we do not improve the quality of child care that our children now spend so much time in, in my view, we will be in danger of missing the boat on a whole generation of children.

With those opening thoughts, let me turn to my colleagues. I see my friend from Missouri is here, as well as my colleague from Kansas, and obviously my colleague from Washington.

I will turn to my colleague from Missouri for some opening comments.

OPENING STATEMENT OF SENATOR BOND

Senator BOND. Thank you, Mr. Chairman.

It seems like old times working on child care. A dozen or so years ago we worked on your act for better child care legislation, and that was less contentious than some of the things we are working on now—no death threats or anything like that in that one—and it is a pleasure to be working with you again on something that is so important.

I appreciate your calling this hearing. Unfortunately, I have other commitments this morning, but I want to make a preemptive introduction of Dr. Kathy Thornburg, who is going to be on the second panel. She has spent the past 20 years as director of the Child Development Laboratory at the University of Missouri at Columbia.

In Missouri, we are very proud of a number of things. We are proud of our Parents As Teachers which takes care of the parental responsibility, and we are also extremely proud of the Child Development Laboratory which provides a high-quality early education setting for children from 6 weeks through the third grade, and serves as a teaching and research lab for university students, faculty, and staff.

Dr. Thornburg directs a program that focuses on the growth and development of each individual child by promoting cognitive development, social and emotional development, physical development, creative development, and parental involvement. In fact, the Child Development Laboratory under the leadership of Dr. Thornburg was recognized by Child Magazine as one of the top 10 child care centers in the Nation in 1992.

Dr. Thornburg is a great resource in Missouri on child development and early learning programs. We are very fortunate. I thank you very much for having her here today to testify on work force issues and the important role that compensation and professional development play in building good child care and quality early learning programs.

I will have to read her testimony, but I hope she will be able to address the general questions about what we can do at the Federal level to help attract and keep qualified child care teachers. I know that some States are doing a good job, but this is a shared responsibility, and we need to keep the pressure on State and local governments as well. I would be interested in her thoughts if we were to provide more money in the Child Care Development Block Grant

for professional development, whether that would solve the problem of underqualified teachers.

With that, Mr. Chairman, again I apologize that I have other commitments this morning, but we do look forward to reading the testimony, and I thank you very much for holding this hearing.

Senator DODD. Thank you very much, Senator Bond, and we will give Dr. Thornburg a very warm welcome from the committee when she appears on the second panel.

We thank you for coming by this morning. I should note in addition to your help on the Child Care and Development Block Grant a number of years ago that you were very instrumental along with others on this committee in the Family and Medical Leave Act.

Senator BOND. Yes.

Senator DODD. You played a very critical role in drafting that bill, which has now served almost 40 million families in the United States since its adoption 9 years ago, and we thank you for that as well.

Senator Murray?

OPENING STATEMENT OF SENATOR MURRAY

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

Thank you for holding this really important hearing and for your tremendous work on behalf of children in this country and certainly in particular on the issue of child care at the present time.

Child care is an issue that touches all parts of our society, from working parents who are struggling to hold it together, to employers who are losing valuable hours because of someone's child care problems, to the children, who really spend too many hours in settings that are not preparing them for what life holds.

I can tell you from my own experience in the classroom that early childhood education and child care have a tremendous impact on a child's development. I could tell immediately when a child joined my class whether they had been in a high-quality child care program or a good preschool, or whether they had been left in a setting where there was not a lot of stimulative activity going on, or it just was not good for them.

There are a lot of dedicated people who work in child care and help our children grow and develop, but too often, many of them do not have the kind of training they need, and certainly, all of them do not have the compensation they need.

I think the sad thing, Mr. Chairman, is that every parent wants his or her child to succeed. No parent looks around for an option and says, I would rather leave my child in a setting where they do not get the kind of attention they need or have an untrained caregiver.

The reality is that a lot of parents have no choice. Quality child care is either too expensive, or it is just not available. I think we should be aware that it is even more difficult for parents who work the night shift or who have infants, and any program that we develop has to address those issues.

In my home State of Washington, we have worked very hard to provide good child care options, and until just recently, we were serving families up to 225 percent of poverty, whether they were welfare recipients or just working poor. Unfortunately, my home

State of Washington is very much impacted by the economy right now—we have the second-highest unemployment rate in the Nation, second only to Oregon, our neighbor to the south—and because of a tremendous budget shortfall, our State unfortunately just cut eligibility from 225 percent to 200 percent of poverty, which means that about 13,000 families in my State will be impacted.

My State also increase the copayment requirement and de-funded some important quality initiatives, so I am deeply concerned as our economy is in a very difficult State that the kids are the ones in my home State who are really hurting, and certainly, child care is an issue that is always impacted first.

I think the good news for kids in my State is that there are some really good, committed people who are fighting to get good, quality care, and Mr. Chairman, I am very pleased that one of Washington State's leading advocates for children is here in our audience today; she is on your second panel. Elizabeth Bonbright Thompson is the executive director of the Washington State Child Care Resource and Referral Network. She is a member of the Washington Child Care Coordinating Committee, and she is immediate past president of the National Association of Child Care Resource and Referral Agencies. That is just a small part of her resume, which I know all the members have, so I will not go through it; but I think that what is not in her resume is even more impressive, and that is her total dedication to children and the passion and professionalism that she brings to work. Through her work in my State and our State's Resource and Referral Network, she has helped countless struggling parents find high-quality, affordable child care; she has created opportunities for child care workers to get more training and better salaries; and she has built coalitions to improve child care quality and overcome obstacles.

I think she more than anyone in my State has really worked to make sure that thousands of our kids have a safe and nurturing environment, and I am delighted that she is here today to talk about the Resource and Referral Network, which is really a linchpin for our State.

Unfortunately, I cannot stay for the second panel—I have to catch a flight back to Seattle for commitments in the State—but Mr. Chairman, I want you to know how much I appreciate your work on this issue and my commitment to work with you to make sure we do the right thing particularly as we reauthorize TANF—I concur with the remarks that you made earlier—and I thank Elizabeth for traveling 2,500 miles to come out here and help my colleagues understand the challenges that we face in child care.

Thank you very much.

Senator DODD. Senator Murray, thank you very, very much. As I said a moment ago, you have been a wonderful supporter on these issues, and you have brought a wealth of experience as a teacher and then as a State legislator in the State of Washington to this issue, so you have been a wonderful ally over the years in your service here in the Senate on these issues.

We have been joined by other colleagues—Senator Roberts of Kansas, Senator Collins of Maine, and Senator Jack Reed of Rhode Island.

Let me turn to Senator Roberts. I would point out that when Senator Roberts sees me coming, he looks at me and says, "Child care." The reason I approach him is because he has been such a terrific advocate and great supporter on these issues.

Pat, I thank you for your support and thank you for being here this morning.

OPENING STATEMENT OF SENATOR ROBERTS

Senator ROBERTS. If I do not say "child care," I say "Cuba"—but that is another issue.

Mr. Chairman, thank you for your leadership. It is Friday, and I want to thank all the witnesses for taking their very valuable time to come here. This is a crazy place—they give us cards, and we are supposed to be in two places at the same time over half the time—but it does not mean that we are not tremendously interested and share, as Senator Murray has pointed out, your perseverance on behalf of child care.

It was a great night last night for Connecticut and Missouri and Kansas; they all won—although I think you play tonight.

Senator DODD. Connecticut plays today.

Senator ROBERTS. Well, you are going to win.

Senator DODD. Thank you. [Laughter.]

Senator ROBERTS. That is not March madness.

Senator DODD. You barely won last night, I might add.

Senator ROBERTS. We persevered; our point guard has a bad ankle, so I am going to have to leave—I may have to play if things get too bad. [Laughter.] Then we would really be in a world of trouble.

Let me say that Kansas has an impressive record in reducing welfare cases and providing quality child care services. I am so pleased that our Kansas leading lady in child care who really administers these programs for my home State is here today to testify. Secretary of Social and Rehabilitation Services for Kansas, Janet Schalansky, is here to lend her expertise on this issue and give a State perspective.

Kansas has seen the number of welfare clients decrease from over 26,000 cases in 1996 to an estimate 12,500 cases last year. While decreasing the number of individuals on welfare, we have also seen an increase, like other States, in the number of individuals who are indeed in need of child care. For example, in 1997, about $37 million was spent on child care in Kansas; this year, it is estimated that over $61 million will be spent. Those funds assist 17,000 children, and only 3,000 of those children are designated TANF children. This data really proves that child care is crucial for working parents.

An important and impressive point to note is that there is no waiting list for child care services in Kansas. Janet is certainly responsible in part for that. In addition, SRS has outreach programs to target working families who might qualify for child care, which include partnering with our county health clinics, our schools, our chambers of commerce, health care providers, and various community action agencies.

The mission of the Kansas SRS is "to protect children and to promote adult self-sufficiency." I am happy to say that Janet has pro-

moted this theme throughout her entire career, and we are very fortunate and very lucky to have a person as dedicated as Janet.

Mr. Chairman, I have about seven additional paragraphs here indicating my strong support for child care; I think I will just ask that it be made a part of the record in the interest of time. And like Senator Bond and Senator Murray, I have another commitment that I have to rush off to, and I apologize to the panel and to you, sir.

Thank you for your leadership, and thank you for your perseverance. You have strong bipartisan support in this regard, and in that regard, I do whatever Senator Collins suggests that I do—within reason. We are team for you, Mr. Chairman.

Senator DODD. Thank you, thank you. I know that, and I thank you for coming. I know it is very difficult for Members, but I want the audience and our witnesses to know that there are many times when that occurs, but Members will just send a statement over; and the fact that Members have come here this morning and cannot stay is an indication beyond just the normal, perfunctory submission of statements of their support. I am not just saying the things I have said because they are here. What I have said about Pat Roberts is true—on every, single occasion that I have gone to him and asked for his help on child care, he has been there. So those seven or eight paragraphs, whatever you want to say, we will include it in the record, and thank you for your support.

Senator ROBERTS. Thank you, Mr. Chairman.

Bless your heart, Janet, and thanks for what you do.

[The prepared statement of Senator Roberts follows:]

PREPARED STATEMENT OF SENATOR ROBERTS

Kansas has an impressive record in reducing welfare cases and providing quality child care services. I am pleased that the woman who administers these programs from my home state is here today to testify to our committee. Secretary of Social and Rehabilitative Services for Kansas, Janet Schalansky is here to lend her expertise about this issue and give a state perspective. Kansas has seen the number of welfare clients decrease from over 26,000 cases in 1996 to an estimated 12,500 cases last year. While decreasing the number of individuals on welfare, we have seen an increase in the number of individuals who are in need of child care. For example, in 1997 about $37 million was spent on child care in Kansas compared to this year where it is estimated that over $61 million will be spent. Those funds assist 17,000 children. Only 3,000 of those children are designated TANF Children. This data proves that child care is crucial for working parents.

An important and impressive point to note, there is no waiting list for child care services in Kansas. In addition, SRS has outreach programs to target working families who might qualify for child care, which include partnering with county health clinics, schools, chambers of commerce, health care providers, and community action agencies.

The mission of the Kansas SRS is to "protect children and promote adult self-sufficiency." I am happy to say that Janet has promoted this theme throughout her entire career. Kansas is lucky to have a person as dedicated as Janet.

Child care, in the home when possible and outside the home when parents work, goes right to the heart of keeping families strong. Unfortunately, finding quality, affordable child care is one of the most pressing problems for families in Kansas and around the country.

With the enactment of the 1996 welfare reform, we were successful in administering assistance to those who need it, in an innovative and streamlined way. In the last 5 years, these programs have been extremely successful in reducing the rolls, while giving individuals real skills to work and retain employment. However, even with a decrease in the rolls, we must continue to assist those in need, whether it be welfare recipients or the working poor. One of the easiest ways we can do this, is by offering assistance for child care.

Many families work but are still unable to afford child care, which forces them into economically difficult situations. Child care can eat up 40% of a family's income and can easily cost as much as college tuition. With this in mind, we must continue our commitment to support families who leave TANF but still require some assistance.

Offering states flexibility in administering the Child Care and Development Block Grant has been the driving success of this program. For instance in Kansas, we have rural areas out west and urban areas in the east—giving states flexibility allows individualized needs to be met.

Finally, child care is the beginning of the education process for many children. With an increase of single parent families and an increase of families with two parents who work, we must continue to offer states the flexibility to promote these programs and to invest in child care. Partnering with Early Head Start and Head Start is vital to all our children. If we are able to provide quality and educational child care, we will have kids on the path to success.

Senator DODD. Senator Jack Reed of Rhode Island has also been a strong supporter of this issue. We thank you, Jack, for being with us.

OPENING STATEMENT OF SENATOR REED

Senator REED. Thank you very much, Mr. Chairman, and let me begin by commending you for your leadership, not just in this hearing and this Congress, but for many, many Congresses. There are literally hundreds of thousands of children throughout the United States today who have better chances, better opportunities, and better lives because of what you have done, and I thank you very much for that.

I thank the witnesses. You bring great expertise and experience.

I am particularly concerned—and I hope we can explore it in the questioning—about the fact that we demand very high quality from child care workers, and we do not pay for that quality. I hope we can begin to think about that. I have introduced legislation along with Senators Dodd, Kennedy, Daschle, Murray, Kerry, Corzine, and Cleland to provide some incentives to raise the reimbursement level at the State level for child care. I think that will go a long way toward ensuring quality.

In my view, too much of our system is subsidized by child care workers, most of them women, who are extremely competent, extremely dedicated, but woefully underpaid. So I hope we can do something about that.

Thank you, Mr. Chairman.

Senator DODD. Thank you, Senator Reed. I hope we can as well.

Senator Collins—and again, I rarely get involved in a children's issue that I do not reach out to her or she reaches out to me as a partner in these issues, and this is no exception—so I thank you, Susan, immensely, for your support and your work.

OPENING STATEMENT OF SENATOR COLLINS

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

I am delighted to be here today. I saw Senator Paul Wellstone on the way over, and he asked me to express his concern about this issue and his wish that he could be here. Fridays are very difficult because all of us are catching planes, so like many of my colleagues, at 10:30, I have to turn into a pumpkin and be out of here.

But Mr. Chairman, I want to thank you for calling this hearing to examine the challenges that working families face in finding affordable, quality child care for their children. You truly have been a tireless advocate for working families for many years. Even before becoming a parent yourself, you were concerned about the adequacy of child care, and I have been pleased to support you in a number of initiatives to make quality child care more available and to increase funding from the Federal Government.

As any parent will tell you, quality child care is difficult to find, and even mediocre care is at times out of reach for many working families. Moreover, studies show that the biggest barriers that most families face in both getting a job and keeping a job is affordable, reliable child care. Child care is the crucial work support for parents.

I am particularly pleased to welcome this morning a witness from Maine, Sheila Merkison from Kennebunk. She will describe the challenges that she has faced as a single working mother with a 2-year-old son. While she has been fortunate to find good quality child care, her child care expenses are 48 percent of her weekly net income. That obviously leaves her very little left over for even the basic necessities of life.

While Ms. Merkison qualifies for child care assistance, Maine, like many States, does not have sufficient funds to serve all of its eligible working families. I was impressed to learn that Kansas has been able to serve its families without a waiting list.

Ms. Merkison, on the other hand, remains on a waiting list, and she is not alone. More than 42,000 Maine children need child care and are eligible for subsidies, yet the State currently has funding available for just over 12,000 subsidies. That means that there is an overall unmet need for subsidized child care in Maine for 30,000 children.

I know from talking to child care providers that many working parents in Maine are forced to make terrible choices about what to do in the absence of these subsidies. In fact, there was a survey of low-income working families in Maine that reported that 20 percent of the working parents interviewed acknowledged that they

had left their children in an unsafe child care situation during the prior year—it is not that they want to; it is that they feel that they have only bad choices.

That is why I think it is so important that we work together to provide more assistance so that we can meet this very considerable unmet need for subsidized child care.

So thank you, Mr. Chairman, for holding this hearing.

Senator DODD. Thank you very much, Senator Collins. We are very grateful as well to Ms. Merkison for coming down from Maine to be with us.

I want to note that the other day, the Finance Committee held a hearing on child care from a tax perspective, and they were wonderful. I just want to make reference to Senator Baucus, who chairs the Finance Committee, who was extremely eloquent and forceful; Senator Rockefeller, who was passionate on several rounds of questioning to Secretary Thompson about child care.

And Secretary Thompson, I might point out, as former Governor of Wisconsin, was one of the leaders in support of child care, so he is in a different position today, but he was the witness before the Finance Committee. Senator Lincoln, Senator Breaux, and Senator Snowe, our colleague from the State of Maine, were also extremely forceful and articulate on the issue.

So I just want to express my gratitude to the Finance Committee for expressing their strong commitment to this issue as well.

With that, let us turn to our witnesses who have come today. Ms. Merkison, we are really grateful to you. The other witnesses that we will be hearing from are also wonderful friends, but they testify periodically, even before State legislative bodies or Congress itself in the case of Helen Blank, whom I have seen on many occasions, and Elaine Zimmerman. But for you to come down is a tougher thing to do, and I want you to know how deeply grateful we are that you have come down to talk about your own circumstances in a crowded room full of strangers, far away from your own home. It means a great deal to us, because you put a face on this, rather than just numbers. I have a lot of statistics up here about waiting lists and so forth around the country, and those numbers get written down, but when you talk about what you are going through and how difficult it is for you to make ends meet and to meet your obligations and see to it that your son is well-cared for, you give a dimension to this discussion that, with all due respect to the number-crunchers, really resonates. So we are very grateful to you and anxious to hear your comments.

STATEMENTS OF SHEILA MERKISON, PARENT, KENNEBUNK, ME; HELEN BLANK, DIRECTOR, CHILD CARE AND DEVELOPMENT, CHILDREN'S DEFENSE FUND; ELAINE ZIMMERMAN, EXECUTIVE DIRECTOR, CONNECTICUT COMMISSION ON CHILDREN; AND JANET SCHALANSKY, SECRETARY, KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Ms. MERKISON. Thank you. Thank you for inviting me this morning, and good morning.

I am excited to be here because I am very anxious to tell people what it is like to work and try to provide for your child when you do not make enough money to do it—and I would definitely de-

scribe myself as "working poor"; I think that is a good description of it.

My name is Sheila Merkison. I am 26 years old. I am from Kennebunk, ME. I have a 2-year-old son who is in day care, and I feel that I have found a good facility for him, because it has a nursery school program, and I feel he is learning. However, there are sacrifices that I feel we have made for him to be in this program.

I just want to give you a little bit of background on how I came to be where I am. I was married when my son was born, and I decided to become a homemaker. So, 1 week before he was due, I stopped working to stay at home. Eventually, my husband was verbally abusive and eventually became violent, and I decided that my son and I both deserved a better life. So in 2001, this past September, I decided to leave everything we had behind. I packed the car with clothes that would fit, and we drove to Maine, which is actually my home. I was born in Portland, but I have been in the Carolinas for the past 10 years.

We came to Kennebunk, ME to stay with my grandmother until I could get on my feet. I found full-time employment with an insurance agency in October of 2001. You have to have child care in order to work, so I found somewhere to enroll him. Like I said, it is a great place, but the problem I face, as Senator Collins mentioned, is that 48 percent of my net income goes to day care. There is not enough left over for me to pay for rent. I can provide him with food, diapers, clothing, and everything else, but it was a choice—rent or child care. But I cannot work without the child care, so this is the choice that we made.

I feel that I am perfectly capable of working, and I can provide everything for my son if it were not for the cost of child care. And I do not believe that child care deserves any less money; it is just that it is such a heavy expense for any parent when you are trying to raise a young child. When your child is sick and unable to attend, you are still required to pay for a full week. If there is a holiday, and the child care is closed, you are still required to pay for that day. Parents either have to stay home on those days, so you would lose that day's pay from your employment, or you have to make a choice such as paying a babysitter, which is an extra expense. It is a difficult situation for any parent.

I see no other way to fully provide for my son if we cannot get child care assistance. This is really our last hope. The only other Government assistance that I qualify for is the WIC program, which I do participate in. I have been to social services, and I was told that I make too much money for their programs. I make $18,000 per year. That is hardly enough to raise a child my son's age.

So I am asking for help. I am asking to be enabled to work. And in my mind, really, if you are enabling people to work, would that not cut down on women on welfare? If you allow them to go to work, if they have the means to work, we would not need so much of the food stamps and the other assistance that is out there, because we would have the money to provide those things because we would be working. If we had that assistance with child care, I believe I could do it—I could pay for an apartment. My son could

have his own home, with his own bed, toys again, with a room to put them in.

My son and I have been sleeping on a couch for 6 months because we have been on a waiting list for child care for 4 of those months. I feel that the waiting list is full of other parents like myself, and we desperately need this help; parents need the child care assistance.

Thank you.

Senator DODD. Very good. Thank you.

Ms. MERKISON. Thank you for your consideration, and I will be happy to answer any questions.

Did you hear me okay? This is the first time I have spoken on a microphone.

Senator COLLINS. I did. You did a wonderful job.

Senator DODD. You did very well, yes; very, very well. And thank you again for being with us.

What is your son's name?

Ms. MERKISON. His name is Skyler.

Senator DODD. OK. Thank you.

Helen Blank is our next witness. Helen, as I said, we have known each other for a long time, and I would be hardpressed to name anyone else in the country who is as knowledgeable about child care as Helen Blank. She has for 25 years, a quarter of a century, been involved in these issues—it is just a fact, and the audience knows it, too; you cannot hide it, Helen—and has done terrific work.

Helen is director of Child Care and Development for the Children's Defense Fund and has been a real leader on these issues for so long. I cannot think of an issue that we have dealt with over the years involving children where she has not been involved and given us wonderful advice. She is knowledgeable about almost every State in the country and what they are going through and the difficulties that States have as well as the people who live in them with making ends meet, particularly in the area of child care.

Your report, the newest one, "A Fragile Foundation: The State of Child Care Assistance Policies," has been tremendously helpful in helping us formulate ideas at the Federal level.

We thank you for your presence once again before the Congress.

Ms. BLANK. Senator Dodd, members of the committee, we cannot thank you enough for the incredible impact that your efforts have had on the lives of countless children. We still have huge gaps in child care, but there are 2 million children and families who now get child care assistance, and much of that is because of your work and the work of this committee.

As you look at child care, as you said, it is really important to remember that it helps parents work, and it helps children enter school ready to learn. We have seen an enormous increase in both the number of single mothers and welfare mothers who have entered the work force in the past 5 years. The President's welfare proposal puts even more demand on a fragile child care system, with not one new dime, while States' TANF dollars have started to dry up. So we are really at a significant impasse.

You did note that child care costs more than public college tuition, yet 39 percent of child care costs are borne by parents, and

only 23 percent of higher education costs are borne by parents. So to make this work, to improve the quality and help families pay for care, we need the Government and the private sector to step up to the plate more.

Even in a robust economy, there were huge gaps in child care assistance policies. States make three choices when they determine how they provide help to families. They decide who is eligible, how much a fee parents pay for the cost of care, and how much to pay providers. When setting eligibility, as many of you have noted, you cannot just look at welfare families, because working poor families are one unstable job away from welfare, and if we are going to make welfare reform work, we have to look differently at child care. Only a few States have done that. Rhode Island has really stepped up to the plate with a guarantee of child care assistance for all families, but we have a long way to go. In 40 percent of the States, if you earn $25,000 a year, you cannot get any help. In Iowa, if you make $20,000, a family of three cannot get any help paying for child care.

You talked about the long waiting lists. In Texas and Florida, 37,000 children are on the waiting lists. Some people say that is okay—if you are on the waiting list, like Sheila, you find child care. But studies show that families on the waiting list face incredible hardships.

In California, one wait list had one-third of the families earning $10,000 or less. About 42 percent had problems with quality. In Houston, most families were spending 25 to 30 percent of their income for child care. Families on the wait list are also very stressed. Many of them are not happy with the quality of their children's care, and they bring this stress home.

In North Carolina, the Smart Start program actually pays for subsidies as a family support, because if families know that their children are in better care, they bring home less tension.

Families who receive help still face hurdles. In about 35 States, if you earn half the poverty level, $7,000 a year, you still have to pay for child care, and in many States, you have to pay 5 percent of your income; in 46 States, at poverty level, you pay a fee.

Then we get into paying providers. The quality of care that a child gets, as well as the family's choice—we talk a lot about choice—depends on how much a provider makes. It is important to remember, as you all said, that these providers are often low-income women struggling to make a living. Many of them have to use child care subsidies themselves. But nearly half the States set rates below a current market rate. What does "below a current market rate" mean? It means—let us say you are running a program in 2002, but you have a 1996 rate. Are you supposed to pay your provider, pay the rent, pay the utilities, pay for things like books and crayons and supplies at 1996 rates in 2002?

We have seen some innovative work on rates. About half the States pay higher rates for higher-quality care, care that is hard to find; but often those rates are on top of a low base rate, so you are still not getting enough to provide for that high-quality care. These gaps are growing wider. Last year, New Mexico lowered eligibility from 200 to 100 percent of poverty. West Virginia plans to lower eligibility and also eliminate rate bonuses for infant care and

odd-hour care. Texas is going to be serving 6,000 fewer children of those working poor families. Illinois is going to serve fewer families and raise copays.

Gaps in subsidy policies are only part of the picture. You have to remember that families who use subsidies are buying into their States' child care systems because we use vouchers. You all talked about the low salaries that child care providers make. Until we do more about what providers get, we cannot expect to attract and retain trained teachers.

But what States do is, just as they make tradeoffs on their child care assistance policies, they make tradeoffs in their licensing policies in order to keep the cost of care low so women can go to work.

You need 2,000 hours of training to be a cosmetologist. In 30 States, you can work in a child care center with no training in child development; in 33 States, you can work in a family child care home with no training in child development. Ratios are very important because you want children to get enough attention from the staff. Only 10 States meet the ratios set by national experts. In Texas, one person can care for nine 18-month-olds—think about it—think about little Grace and having these little children walking around, running around, and they need a lot of attention.

Senator DODD. I need nine people to help me take care of her alone right now. It was a long night last night, I will say. [Laughter.]

Ms. BLANK. One of our young staff people had triplets, and it has been extraordinary watching them. And one-to-three is considered the best ratio for infants.

All of these are tradeoffs, because if you have better ratios, you raise the cost of care.

This year, you have a major opportunity. The Child Care Development Block Grant is only reauthorized once every 5 years. This is the time to increase the funding. We always say money, money, money—but you cannot help families like Sheila, you cannot improve ratios, you cannot raise compensation given the gaps that we currently have, given that wait list chart that sits out there.

What about other programs? Head Start only serves three out of five eligible children, and Early Head Start reaches only 5 percent of eligible children. Many States now do pre-K programs, but they are limited to low-income children, and they, like Head Start, are only part-day. So if you are running a Head Start or a pre-K program, you actually need a full child care subsidy to make that program work for working families. Nearly 7 million children come home alone, yet we could only fund 11 percent of the applications for the 21st Century Community Learning Centers program.

This is the chance to do something about the Child Care and Development Block Grant, not only to add money but to increase the money that is set aside for quality. We have fought about this year after year after year. People do not like set-asides; they want flexibility. But unless we put aside more money for quality, we cannot address the many issues that have been raised about helping children go to school ready to learn.

It is the time to address teacher compensation and quality. It is also the time to address infant and toddler care where we have our biggest gaps.

You have a big job to do, but I am confident that given the commitment of this committee and the strong interest not only in helping families work, but in helping children learn and succeed in school, we can expand investments in a program that is so critical to both of these national goals and really ensure that no children are left behind.

Thank you.

Senator DODD. Excellent testimony, Helen. Thanks very, very much.

[The prepared statement of Ms. Blank may be found in additional material.]

Senator DODD. I want to complete our panel, but I want to note the fact that we have been joined by two additional colleagues—Jeff Bingaman of New Mexico is here; and Jim Jeffords, my good friend from Vermont. Both are members who have been long involved in these issues.

Now let me turn, if I can, to complete our witnesses, if that is all right with my colleagues.

Elaine Zimmerman is again someone with whom I have worked for a long time in Connecticut. She has testified here in the past. She is the executive director of the Connecticut Commission for Children and one of the most innovative and creative people I have met in public life. Her talents have been particularly useful in working with families and children in Connecticut, and she always comes up with great, innovative ideas on how to approach these problems. We are very fortunate that she is a resident of Connecticut and spends so much time on our State issues. Her lessons have been tremendously valuable, and we have stolen a number of them and applied them to national ideas.

Elaine, we thank you for being here.

Ms. ZIMMERMAN. Thank you very much, Senator Dodd, members of the committee, and I want to thank the committee again for your leadership on children's issues.

Lack of quality early care for families is like a loose log on a trail—it can trip up what is just basic foothold to us. It trips up health, curiosity, a place of safety, readiness for school and, unexpectedly, equity.

We have very much in Connecticut taken keen interest in what you and Congress have done in education this year, and we are moving rapidly to fight social promotion. We have rigorous standards, testing, high expectations in the schools, but we have discovered something that was not part of the picture. We have discovered that the missing piece of the puzzle to educational achievement and to blocking social promotion is early care and education.

We just did a study and followed children who were in early care against those who were not, and I would like to offer the findings today, a few key findings that are changing the silhouette of this in Connecticut.

In Bridgeport, out of our poorest cities, we followed children who had early care against those who did not, and we found that children who had early care had fewer retentions, more frequent attendance, and much higher reading scores in grades K through 2. In the first grade—and this is really a shocker—47 percent, nearly half of the students, who did not have quality care were kept back.

Once you implement law to stop social promotion, once you implement law in the public school and say that children need to learn, and if they are not learning because of the schools, we are not going to falsely pass them forward, what do you do?

You need to make sure that the early care system is in place. That is the missing piece of the puzzle once you make a commitment to blocking social promotion.

And get this—of the children who had early care, only one child was held back. So almost half and only one of the children who had early care.

The reading scores were startlingly different among those who did and did not. And in terms of cost, the cost for the children who had early care compared to the cost for those who did not in terms of retention was 5.5 times more expensive for the children who did not have early care. So the cost issue as soon as you begin to cost it out in elementary school and go to your goals that are education goals that the President and you have just signed, you see that the gain is so much wiser to invest in the early care.

We similarly are very interested and committed to reducing the achievement gap in race and poverty for children educationally. Once again, I am pleased to give this information to you. We found in Connecticut that we were able to not just narrow but stop the minority achievement gap with 2 years of early care and education.

In a study that we have just released out of Middletown, CT, a working poor town, we found through the data, following children in early care and education, that low-income African American children who attended a school readiness program attained a school readiness score that was comparable to white children, they surpassed white low-income children, and they surpassed African American children who did not have early care and education. It was 2 years, not one. We needed the continuum, but we broke the race divide through quality early care.

I want to flag for you that the dollars for this and these findings came from CCDBG funds collocated with education dollars. We could not have done it without Child Care Development Block Grant dollars.

We have a former president of the most successful bank in Connecticut, People's Bank—the CEO is David Carson—when he saw this data, he stood in front of our State legislature and said, "Well, I think what you are going to start needing is two kindergartens—a kindergarten for the children who have had quality early care and a kindergarten for the children who have not—because the divide is so profound."

Then, a child care provider from Stamford, CT in Fairfield County near Manhattan, said, "I took the children to look at a swimming pool and to go by the ocean, and the children had never seen a swimming pool before. There were seniors swimming, and they thought the seniors were in their underpants. They saw seagulls, and they thought the seagulls were chicken birds. I gave a test and I asked do boats have wheels, and the children said yes—not because the children were stupid, but because the children had never seen a boat in the water; they had only seen boats connected to cars. So they thought boats did have wheels."

Then, she said, "This thinking that children will learn when they are ready in any particular setting is a bunch of lark. We will have to teach children, and if we do not teach them, they will not have the images that they need in order to get to language and print." That is what I would like to talk about next.

We brought in a fifth grade cohort of teachers in a large city, New Haven. We brought in an outside consultant out of shame, because the children were about to take the mastery test. The teachers had a secret. The secret was that they were teaching the entire fifth grade curriculum verbally. They were not teaching presuming the children could read print, because the children could not.

They were about to do a major mastery test that was going to expose this, and they brought in an outside reading consultant. Well, this is of course what President Bush and you all in education are realizing, is how important reading is. We now know that many States are building their prisons and determining how many prisons to build based on the third grade literacy rate in the State—and this is accurate—if you do not read by third grade, you are going to be in trouble, you are going to be a dropout.

What we are seeing is that teachers have a host of skills they need to have to teach reading effectively in K½, but there is a missing piece, and that is the early care and education piece. Oral language and pre-literacy are infant, toddler, and pre-K.

I have a list in my testimony which you can access—I will not take the time now—but just bare-bones, to succeed in oral language development, children need 1,000 hours of experience with books, alphabet games, storybook reading and activities before they enter school. And yet in one city alone, in Hartford, 73 percent of the adults in a sample group were functionally illiterate. What does that mean? They could not sign their name, they could not total a bank deposit ticket, and they could not locate an intersection on a map.

For us to rely on parents for the pre-literacy skills is missing that our parents are not necessarily literate. The core indicator of a child's capacity to read is the mother's literacy level. Seventy-three percent in the cohort were not functionally literate.

We need children to be in quality child care not just so that it is for babysitting. They need the sound of language, the rhyming, the holding and touching of letters. This is not rushing children to read. It is having them become facile and love the sound of words, which many children are not getting.

I am going to jump because I know my time is nearly up. The other component that we have not talked about yet is safety. Virtually any time—and I would challenge you probably in most States—if you did the horrible thing of calling the department in charge of child deaths and you asked how the children died, I can guarantee you that one-third to one-half of the children who died would have died in unlicensed, unsafe care.

What we are seeing now in many instances is that it is because the parent is working and does not have any care, needs to find fly-by-night care, and the children are inadequately protected.

I am sure many of you read that when the World Trade Center imploded, the child care workers there went barefoot, put the children in Safeway carts and started walking. They knew to do one

thing—they got every family file—because they knew that by the end of the day, the parents might be dead, and they also know that perhaps the children would not make it. So they risked their lives, got the emergency folders, put the children in Safeway carts and walked and walked and walked. They walked until it was safe, and they never looked back. And then, do you know what they did? They pretended that this had always been their intention. They took the children out, and they played games with them. The children were protected. None of them died. They were all safe, and they were not as traumatized as many. These child care providers were trained.

I hate to say this, but our world is a different world after September 11. We in our State have created a training system for all of our providers. We are teaching oral language. We are also going to require multihazard evacuation planning.

I do not want my children to be in environments where the people are not trained in case there is a danger, internal or external. The level and need to think about safety as we address child care becomes of new valance; it is just plain old different, given that the context is different.

In sum, I would say that poor-quality care or no care is the starter fuel for inequities in lifelong achievement, and now that we know that early care is the first staircase for learning patterns and early school success, we had best hammer those stairs and help children ably climb them. I think we need to expand CCDBG. I also think we need to expect more from the field. I am tired of the complaints that we do not have enough and that the people who do this are not able. We need to have as high expectations in child care as you have just had of schools, and I think you can only do that by putting in the resources.

Thank you.

Senator DODD. Thank you very much, Elaine.

[The prepared statement of Ms. Zimmerman may be found in additional material.]

Senator DODD. Janet Schalansky has already been introduced by Senator Roberts. We thank you very much for joining us and are happy to receive your testimony.

Ms. SCHALANSKY. Thank you, Senator Dodd and members of the committee. I am pleased to be here.

I am Janet Schalansky, Secretary of the Kansas Department of Social and Rehabilitation Services, and we appreciate this opportunity to come and testify on the subject of child care, no more important subject, not only as Senator Roberts said, of our mission and our agency to protect children, but also to promote adult self-sufficiency so that those families might work.

Since the passage of welfare reform in 1996, States' investments in child care have exceeded all expectations. We have seen a dramatic increase and unprecedented growth in the number of families and children served as evidenced by child care expenditures. Between 1996 and 1999, there was an 80 percent increase in the number of children receiving a monthly child care subsidy. States have programmed every dollar available, and nationally, we have doubled our spending on child care.

For example, looking at the TANF block grant, in 1997, we transferred or spent $187 million of the TANF money on child care; in the year 2000, we spent $4.3 billion—again, using those dollars where they were most needed in order to have families be self-sufficient and for children ready to learn.

I am concerned, and Senator Dodd, I think you outlined it in your opening statement, about what happens if the current economic downturn continues and the TANF money that we have been transferring is no longer available; or in addition, if the Congress mandates new welfare reform, work rates or hours of participation, then Federal child care must be increased. We will need to replace that $4 billion that has been transferred to TANF to CCDF in order just to maintain our current investment, and that does not include what would appear to be an increased investment, at least in the President's proposal.

If Congress wants States to increase quality and increase access, additional funding will be needed. And I share with Ms. Blank the concern that it sounds like we are always saying more money and more money—but the children need to be cared for, and it takes money to do that.

Let me talk for just a minute about Kansas specifically. We are a relatively small State in the scheme of things, but we have 15,313 children who are served monthly by our child care subsidy. That is up significantly from the early nineties. Our expenditure as well has almost quadrupled on what we spend in child care subsidies since 1992.

But what is more important—and I think you heard it articulated very well by Ms. Zimmerman—is the importance of the first 3 years of their lives, and even the first 5 years of their lives. We have tried to focus in our State on that quality, both through broad-based educational campaigns and also in some training.

We have a special infant and toddler project that we use through our child care resource and referral agencies to have access for child care providers all over the State to make sure they are trained in those very critical years of development for a child.

We spend almost $14 million on quality in Kansas. Governor Graves 2 years ago in his "State of the State" announced a new initiative, suggesting that we transfer $8 million of the TANF block grant to begin a Kansas Early Head Start program. It serves 825 children and families directly, but it has impacted the quality for an additional 2,000 children.

The flexibility that we have been provided in the Child Care Development Block Grant has allowed us to partner with other agencies and funding sources, and we really encourage that that be continued. These collaborations have resulted in an after-school program for inner-city children. We collaborated with the Kaufman Foundation and also with one of the 21st Century projects.

We also have a 3-year pilot project going on to define and evaluate quality child care involving Kansas, Nebraska, Iowa, and Missouri, and we think the data from that will help us focus and then advocate for the needs of children in the Midwest.

We have been able to achieve some degree of success in our child care programs, but we know there is much more work to do. Increased dollars would enable us to continue to face those needs. As

Senator Roberts said, right now, we do not have a waiting list—we do some outreach, but even with that, we only serve 16 percent of the eligible children, and I would suspect, Senator Dodd, that it would be much like you said—they know we have spent all of our available allocation, so people are not applying.

We also know that we need a significant increase in slots for infants and toddlers. Particularly in Kansas, the slots for infants are costly and very hard to find.

We need to do more outreach to low-income families to support the caseload growth.

We need to continue to work and focus on recruitment and retention of quality providers. The research has shown over and over that the quality of staff and training for them is critical to the outcome for the children in their care.

We also need to increase provider rate payments above the current percentiles. Even in our tight financial times in Kansas, the Governor did recommend a small increase in child care, knowing that we had to do that while we are cutting other significant places in our budget, because we needed to keep the provider network available.

States, including Kansas, have made a variety of investments to support working families by focusing on odd-hour and after-school care. We have got to figure out what works to get the incentives for the providers in that. Examples from other States include Maine, which provides technical to schools starting school-age programs; and Connecticut has established a child development associate credential certificate for school-age providers; Massachusetts has funded distance learning courses in infant and toddler care also through the Child Care Resource and Referral Network; in New Hampshire, family and center-based providers can participate in intensive training and services equipment.

Five years ago, this Congress made a decision to invest in child care, streamline funding, and devolve authority to the States. Unprecedented success has been achieved to date, but we know there is much more to do. We urge you to keep the promise made in 1996 and resist adding new requirements and expectations without the resources necessary to implement them.

We ask you to fully understand how critical an ample supply of quality child care is to healthy families who can remain in the work force and positively support healthy children.

Thank you for this opportunity. I will be happy to respond to questions at the appropriate time.

[The prepared statement of Ms. Schalansky may be found in additional material.]

Senator DODD. All of you have been terrific and have given excellent, excellent testimony, and I want to thank you immensely for your comments and your thoughts on this subject.

Let me turn to my colleagues. Senator Bingaman, do you have any comments or questions that you would like to raise, and then I will turn to Senator Jeffords.

Senator BINGAMAN. Thank you very much.

What strikes me in listening to the testimony and beginning to learn about what we are faced with this year in this reauthorization effort is that we have a real disconnect between what we are

saying and what we are doing. We give a lot of speeches around town here about the importance of early childhood education and development and so on, and the administration budget to us asks for level funding on child care at the same time that we are being requested to dramatically increase the requirements to work for a lot of families. So it seems to me that there is a lot of disconnect there that will be particularly adverse in my State.

Thirty percent of your TANF funds can go to child care; we have hit that cap, and we have made that transfer, but we would like the flexibility to do more if we could. We would like to see substantial increases in the amount of funding available for child care. I know that is a joint responsibility of this committee and the Finance Committee, and I am fortunate to serve on both, as is Senator Jeffords, and we look forward to working on these issues with you, Mr. Chairman. You have been a great leader on this issue for many years, ever since I have been here in the Senate, and we want to see if we can get these numbers up.

Let me ask one question. Some of the argument that I hear in discussions about this is that although we are not providing that much for child care, or not providing near what is needed, that is not a full description of the situation because we are making this up with other programs. We are making it up with Head Start; we are making it up with 21st Century.

Are those comparable? It seems to me that Head Start in my State is a pretty weak reed for a working family to depend on. I would be interested in any of your comments on that.

Ms. BLANK. You got it, Senator Bingaman; it is a weak reed for a working family to depend on. Head Start is a very important program. It is a high-quality program with Federal performance standards; it has set-asides to improve quality and to improve salaries; it has teacher credentials. It is, as the Bush Administration in their budget said, our premier early childhood program.

But it is—well, first of all, it only serves 3- and 4-year-olds, and mostly 4-year-olds. Early Head Start, which Kansas is working on, is a jewel for babies; it serves less than 5 percent of eligibles.

But both Early Head Start and Head Start and the limited number of State pre-K programs are dependent on child care block grant money to meet the needs of working parents. Some people will say we are double-counting. They will put the list, and they will say we have all this money. Well, first, just ask any provider. You are going to hear from Travis Hardmon who runs Head Start and child care if there are enough resources in early childhood. But you are not double-counting if New York City's pre-K program is 2½ hours a day, or if Head Start is 4 hours, and a parent needs 10 or 11 hours of child care; you actually have to wrap in a full child care subsidy.

So we need both. We are actually layering a child care system that includes Head Start and pre-K and child care. And 21st Century is wonderful, but as I said, only 11 percent of the programs were funded. It is an interesting program, too, because it is academically focused, which is good, because children need a lot, as Elaine said, to be able to read and to catch up—but many children need 3 or 4 hours of after-school care 5 days a week and during

the summer, and 21st Century does not do that. It can be a couple of hours a week. It is an important program.

One-third of children getting Child Care Block Grant subsidies several years ago were school-age, so CCDBG is actually an important piece of our support for school-age children. So we do have more than one program, but they all have a role, and they all together do not fill the enormous gaps for our young children or our school-age children.

Senator BINGAMAN. Thank you very much.

Senator DODD. Let me turn to Senator Jeffords. I mentioned Pat Roberts and others, both Senators Reed and Bingaman, but Senator Jeffords has cared about this subject matter for all the years that we have served together, so we are listening to colleagues here who have dedicated a good part of their public service to this issue, and Jim Jeffords certainly falls in that category.

Senator JEFFORDS. Well, thank you. I have just begun to get moving, and I have a lot of things in mind.

I would like some information from you. I have been studying the European situations and the Asian situations, and the differences are so dramatic that it gives me concern as to how we can catch up and what it will take to do that. I am actually doing the arithmetic to do that, and it is astounding.

One of the key areas is the quality of early child care and education, and I notice that the European standards are about the same for K through 12 as for the pre-school. What do we have in this country as far as being able to get those standards and get that kind of preparation? Do we have many people involved in learning how to have the quality of child care that the Europeans and Asians have?

Ms. BLANK. I have been to both France and Sweden, and it is quite an experience. What I think is really astounding is their commitment to children as nations. They differ—Sweden has sort of a community system where one caregiver has five children; in France, it is sort of extraordinary—you see 30 4-year-olds. Now, the teachers have 5 years of training. Someone once said to me the French children do not talk at table. It is a very different society, and you could not just superimpose the French system on America, just because of the way we are as a people; I think we are more gregarious. You would never see 30 American children sitting so quietly with one teacher, and I am not sure I would recommend it, but I certainly would recommend the 5 years of training.

What they do in several European countries is not just the early childhood, and I think that is an important lesson. First, they do the health care. If you look at families' and children's faces, you see less stress, because you start with paid leave, so families stay home for several months. In addition to the 3 or 4 months in France, you have family allowances that you layer on top of. They have a lot more time off, so the children get to spend more time with their families. But as nations, these countries are committed to children and family.

We could do it. It would take a while. New Jersey has a pre-K program that goes to all children in the poor school districts, and they are requiring teachers to have a 4-year degree, and they are finding it takes a while, because we do not have the work force.

Kathy Thornburg can talk more about that. We are not there yet, but if we made the commitment and we gave ourselves some time and we invested the resources, this is not rocket science. I think we know what works for young children. There is lots of research. We need to roll up our sleeves and make the commitment.

We have been taking steps. It is better than it used to be. About $2 billion is invested in State preschool programs. But we still have a lot of gaps. And it does take resources. Georgia has universal pre-K. They use their lottery, and they spend almost $300 million. Parents there see it as free child care; they love it. They still need child care to extend the day, but when we asked Georgia if they would do it for the 3-year-olds, they said, "We could never do it because we cannot get any more lottery money."

Somebody in this country has to say that children and families matter, and we now understand how important the first 5 years of life are, and we are going to do it. But in the meantime, if we do not get there right away, we have to keep taking these incremental steps, because they do add up. America is often an incremental country. But those countries are great.

Senator JEFFORDS. Ms. Zimmerman?

Ms. ZIMMERMAN. I had an opportunity to live in Sweden, and one of the things that really stood out from the quality of the care and how it was presumed was the amount of father engagement. Fathers are dramatically more involved in the raising of their children, even if the parents are divorced, than you see here. So you walk the streets there and, whether divorced or not, the fathers have the strollers and are with the children, are with the children during work breaks, are home during the infant care as much as the women are. It is dramatically different.

Also, there is a commitment actually in their law that understands that a key tenet of democracy is safety. And we might talk about diversity as a core tenet and freedom of speech, which they do too, but they put in safety and factor that into all they do in child development. So that stands out as quite different.

In Connecticut, when we put together our school readiness initiative, frankly, we had to sculpt it as if there were nothing, because as soon as we tried to put in the pieces that we knew needed to go together—the health piece, the oral language piece, the safety piece, the parent engagement piece—the pieces are like a case of pick-up sticks; it is so fragmented, there are so many shards and different funding streams, that we had to build it, and people looked awry, and different State departments looked awry. And even though it is a fine system, we are only in targeted areas where children are at risk. We have a wait list for school readiness of 15,000. It has been level-funded for 3 years. So we have a Cadillac program that has praised around the country, and it has not grown for lack of funds.

Senator JEFFORDS. Some of my staff have young children, and they are paying $5,000 a year for quality child care. Is that fairly standard across the country for quality child care?

Ms. ZIMMERMAN. It is much higher in Connecticut; it is more to the tune of $7,000 to $9,000.

Ms. BLANK. Infant care is $10,000 to $12,000, although someone here told me they were spending $10,000 in Washington, DC for a 4-year-old. It depends on your region.

We have found that if you look at rural and urban areas, the costs were still high; that in rural areas, it was not considerably lower than urban areas.

Senator JEFFORDS. Even taking the $5,000, I am trying to figure out from a national perspective if we were to spend that kind of money on every child, preschool, whatever, that is about a $50 billion per year increase in expenditures. Can we afford not to spend that?

Ms. ZIMMERMAN. This was the data that I was presenting, that as we are looking at the outcome data in K through 3, and as we align it with Congress' goals for improved education, what we are clearly seeing is that quality early care and education narrows the race divide and improves school preparedness, decreases retention, decreases school absence, and improves reading and other cognitive capacities.

When we cost it out, the savings in early child care far larger than the costs of retention. Put bluntly, we can make this investment in the early years, or we can make it later through holding children back or watching dropouts. The former is more dignified. The latter is clearly not dignified and comes with ancillary costs that are connected to self-esteem and a sense that one can have an impact on the work force and on the economy.

So I think the choice is just one or the other—either do it early, or do it later in a negative way.

Senator JEFFORDS. It is my understanding that with the 3- and 4-year-olds, if you do not get it at that time, you never get it. Is there some truth to that—if you miss that good-quality care as a 3- or 4-year-old, or earlier, you really cannot regain it.

Ms. ZIMMERMAN. Well, we know so much more now than we knew 10 years ago about the brain, and we did think that when children were born, what came out was what you got. Now we know that the brain cells actually form and are shaped like tree boughs, the way the sun helps a tree bough form, that it is not just what the child is born with but how the brain gets activated.

We also know that the most important periods of pattering for the brain actually happen before the age of 5; that actually, lifelong patterning of thinking is taking place in those very early years.

Now, I am an optimist, and I would be very disinclined to say, well, after 5 years, that is it. But what we do know now is that children can learn much more, and the patterns hold if we do it early. And if we do that well, with sensitivity, we are missing so much that those in Europe have already known to do. And the findings there are not just about learning; they also factor into things such as health and safety.

So the truth is very simple—the more we do early, the more we gain in dignity, good outcomes in health safety and learning, and also in dollars.

Ms. BLANK. I agree with Elaine. There is one caution, and this happened when we focused on the first 3 years of life. That is that it is absolutely essential that children get this strong start to start school if they are going to be strong readers. If they come into kin-

dergarten with very little verbal action and no experience with letters and language, they are far behind. But sometimes as a Nation, we tend to look in blocks, and yes, we must do much more on the first 5 years of life, and then we have to keep supporting children. We do a lot less at the adolescent end because we say it is too late. So every year of a child's life is important, and we do not do enough in the first 5 years; we actually do not do enough in the later years, either.

Senator JEFFORDS. Thank you.

Senator DODD. Thank you, Jim, very much.

Let me now turn to my colleague from Rhode Island, Senator Reed. I know many of you have to catch planes and do other things.

Senator REED. Thank you very much, Mr. Chairman, and let me thank the witnesses for extraordinarily cogent and compelling testimony today, all of you. Thank you so much.

Again, I am struck by several things. First, I took note of Ms. Zimmerman's comments about the involvement of parents in Sweden. I did not know you were Swedish, Chris, with your paternal involvement——

Senator DODD. The Irish have a long traditional. [Laughter.]

Senator REED. Which we celebrate this weekend.

Senator DODD. I want to know whether those French programs have wine at the table for those children.

Ms. BLANK. They eat on china plates.

Senator REED. All of this raises many questions, but I want to focus on the issues that you all touched upon, and Ms. Blank, you not only touched upon it but were very articulate about increasing reimbursement rates, and I know you have been working very closely with Elyse Wasch on my staff.

This seems to me to be a major issue that we have to address—and it is not just improving pay; I suggested that in my opening remarks—but with increased reimbursement rates, you can improve training, you can do many things that have to be done and also help providers to lessen the impact on parents, because if they are getting more substantial reimbursements from State and Federal programs, there is not quite the necessity to turn to parents.

Again, I think that we have to really focus on reimbursement rates in this reauthorization, and I wonder if you have any other comments you would like to make in that regard, Ms. Blank.

Ms. BLANK. We certainly commend you for your strong focus on this issue and for helping to bring it forward. You know, this is all related. Two million children are getting subsidies, so when we talk about school readiness, you cannot not talk about child care. We have millions of children in child care settings who are not getting subsidies. Rates that providers get do not even really reflect, even if you were paying the full rate, the true cost of running a program, because there are so many other costs that are not there, like facilities sometimes.

We have this odd thing where we say that we should not pay the full market rate for poor children because then they could get Cadillac care. Yet these are our poorest children. These are the children in Bridgeport who need school readiness. So we set up a bar, which is not even in law because States really have the flexibility

to pay whatever they want, that is less than the market. And even when we had a law that said you had to pay the 75th percentile, Connecticut up until this year was paying the 75th percentile of 1991 rates. States are always trying to balance. They want to keep their waiting lists small. They do not want parents to pay so much. But I believe that in Chicago, the rate for infants is something like the 18th percentile—I might be wrong, but it is very, very low. How can you do a good job? It is impossible to run a program and do well by children, and you are talking about programs in poor neighborhoods where you have less access to private resources. Sheila talked about absent days. To save money, some programs, if you are getting public money, do not want to pay for absent days, but you have got to keep your program open. A school would never say, "If a child does not come, we will not pay." But we are always trying to make it cost less, and it does not work. And we are asking providers to really pick up a huge burden, and many of them cannot do it. I just heard of a program in Westover that had been around for years that closed the other day in Massachusetts. They cannot do it if you look at the fact that 80 percent of their budget is wages. If we want to do well by children, and we want them to have good experiences, and they are in the child care line, their provider probably needs a rate that is not even built on the market, because as we all talked about, the market does not really allow you to provide the kind of care that these children need.

Senator REED. Thank you.

One of the points that you made, Ms. Merkison, is that good child care means that a parent can be in the work force and be a productive worker. Might you comment on that again, because I think that is a very important point.

There are some people who pooh-pooh all of this as just the typical fuzzy-headed thinking of people who just do not know about real life and the business world. Frankly, without good child care, you cannot have good workers in many respects, and I wonder if you might elaborate on your own experience.

Ms. MERKISON. Sure. I can just reiterate for you, if this is what you are looking for, that people who are applying for child care assistance want to work. I look at it like these are really the people who are looking for help as opposed to—and what I have gotten in my own work environment is people who are not happy with people that they feel are looking for a handout. But people who want child care assistance want to work; they want to work to provide what their children need. But without that help, they cannot work.

In my case, I felt that the quality child care was so important that I am putting him in a good facility with a nursery school program, but I am sacrificing that much money. Half of my paycheck right off the bat goes to this facility because it is important to me that he has a good, safe environment to be in. But we cannot afford a housing expense because of child care expense, and it is frustrating to me to have to make a choice like that.

So in regard to school, I feel like that is wonderful; I have him in a good place. But when we come home, my son and I sleep on a couch. I am trying to work and get on my feet. Hopefully, later in the year, I will become an insurance agent, but it is going to take time. I need to study. I need to learn the business. So I will

be able to make more income eventually, but we need the help right now.

Senator REED. Thank you so much.

Ms. Blank, you said that it is all related. Senator Dodd and I serve on the housing committee, and I am struck again by your comment, too, Ms. Merkison, that child care is one issue, but there is another set of issues—health care and affordable, decent housing for you and your child. We have lots of things to do, and they all come together, and the measure is how well our families are doing.

Ms. Zimmerman, I was particularly struck by your comments, cutting to the chase—that if we want the best-educated students in the world, we had better have the best child care in the world, and we do not. Your statistics about looking analytically at different groups of young people who have had good child care and how they do in school is terribly convincing. This is again not just some kind of altruistic, do-gooder notion. This goes right to what everyone is saying they want to do—have children be the best in school and in the world so they can be good citizens, productive members of our economy, and ensure this country remains strong.

Can you just amplify a bit?

Ms. ZIMMERMAN. Yes. There was a reference before by Senator Bingaman about the divide between wanting more TANF recipients to work more hours, but the lack of care.

I think there is another divide, Senator Reed, and that is the Nation's commitment to educational excellence beginning in kindergarten, but not paying attention to the early care piece. And what has become so evident from the latest findings that we have seen in Connecticut is that the early care piece is the missing piece; it is the connecting piece to succeeding in K through 3. It is paramount. Clearly, the literacy, the math, the language, the writing differential between those children who were in a quality early care environment for at least 2 years against those who were not—we have a new fissure of haves and have-nots.

One could say, well, maybe we just should not provide any of it, but that is ridiculous if we are committed to quality education and to global competitiveness which, since September 11, we certainly see the need for global connectedness. We need to begin much earlier.

The other item that we saw we had not paid enough attention to and that we had not seen much literature on—we asked the question whether children, if they were racially integrated earlier, would be less fearful of difference and more open and receptive to difference. And lo and behold, again, the outcome is that the understanding of difference and bias toward difference begins very early, and the outcomes are borne out much better in a joy with difference and a sort of acceptance as if this is the way it is when children are exposed to difference and live with difference.

Now, the nice thing about child care is that unlike the public school where, once your kid is in school, it is your neighborhood school, and that is that in early care, parents are willing to drive to have their children be in the best situation or to take three buses to get to the best situation, and they can do that; they can pick and choose, and they can also pick care near their work site.

So the opportunities for racial integration and helping our children learn to accept and to actually respect difference happens early.

Senator REED. Thanks so much.

Senator Dodd has been very kind, and I am going to yield back, but I just want to commend Ms. Schalansky and her colleagues, because running these programs is a challenging task with our policy, your policy, our funds, your funds, private payers—and not just to you, Ms. Schalansky, but to all of your colleagues who do this challenging job, again I want to thank you.

Thank you, Senator Dodd.

Senator DODD. Thank you, Senator Reed, very, very much.

Let me ask just a couple more questions—and obviously, we could probably keep each panel here all day.

I just want to ask Sheila to comment and respond to this. You are living with your grandmother; the couch that you and your son are sleeping on is in your grandmother's house?

Ms. MERKISON. Yes.

Senator DODD. I suppose the distinction I would make is that you have a situation that you can fall back on. The problem for thousands and thousands of people is that they do not have that grandmother around. So I think you are saying how fortunate you are, as difficult as it is, that you are able to kind of make this work because of that unique situation that you are in, whereas most people would not have that alternative available for housing.

And second, you did something that is very important. I suppose you could have chosen to have a babysitter or a neighbor provide child care, and then you might have been able to meet that housing need, which is what I think a lot of people probably do who do not have an option. I presume your grandmother is not charging anything to stay with her.

Ms. MERKISON. No, she is not.

Senator DODD. I did not know the answer to that question, and I was going to be in real trouble if she was.

Ms. MERKISON. No, no. I think you made a good point that some people do not have that to fall back on. But the concern that I have as far as the urgency of the child care assistance is that my grandmother is in her eighties, and should something happen, my son and I would essentially be homeless, to be honest. We would have nowhere to do.

It worries me—in that situation, would I take my son back to the abusive home? I hope not.

I also want to mention that with only a high school education, I am still capable of finding a job, finding employment—with child care assistance—that can give me health insurance, can give me the ability to provide the other things that will take away from my need for the other programs—for the health insurance assistance, for the food stamps. I think that if we had more child care assistance, it would cut down on the people needing these other programs.

Senator DODD. Yes. You are a great witness, and I do not know what companies are up in Maine, but if I were a small insurance company, I would hire you as an agent in a minute.

Ms. MERKISON. Thank you.

Senator DODD. If they are listening or watching, I would get hold of Sheila Merkison right away. I think you are going to do very, very well. But you are adding a voice to a lot of people who, candidly, Sheila, are not as articulate and suffer under a variety of circumstances—they do not have one child, they have three——

Ms. MERKISON. Yes, and I have friends in that situation.

Senator DODD. So you, by your own admission, as tough as it is, are pretty fortunate to be in a situation where you do have someone at this point who can help out. And you are on the brink of maybe moving into a different economic category that may make you far more independent than you otherwise would be.

Ms. MERKISON. Hopefully, yes.

Senator DODD. So we thank you again for coming down.

I wanted to make a point that I did not mention earlier. I want to commend Mrs. Bush, the First Lady. Some of us participated in a hearing where she testified about the importance of early learning and pre-literacy, and I want to endorse what she is saying and suggesting—that those are critically important issues. And if there is any disagreement at all—and I do not want to suggest that there is, because there is none over her points—and I would like to ask people to comment on this—it is that that is a very important aspect, but in order to have a good pre-literacy program, in order to have a good learning program, there are other elements that contribute other than just reading to someone; there are other elements that are critically important. And when you are talking about the numbers that I cited at the outset of this hearing, where 78 percent of women with school-age children are in the work force, 65 percent of women with children under the age of 6 are in the work force, and more than 50 percent of women with infant children are in the work force, that child care setting, the kind which you are making a sacrifice, Sheila, to get into, is critically important if in fact we are going to achieve the goals that Mrs. Bush has laid out for pre-literacy and early learning. But you have got to have a quality child care program to do that, and that is the thing that I think was missing, with all due respect to the First Lady and her testimony.

I would be interested, Ms. Schalansky, if you would comment on that point—and I hope I am saying that in the way that I mean it. I am so thrilled that she has taken this on as an important issue, but just expanding it so there is an understanding of the role that quality child care can play.

Ms. SCHALANSKY. I think you stated it very well, Senator Dodd. My understanding is that the role that Mrs. Bush is playing is trying to broaden the understanding of the American people about how important that is, and I think you heard it from Ms. Blank and Ms. Zimmerman. But also by your data, 70 percent of those women are working, so it is not a matter of our learning how to be better parents at home or picking a preschool or a nursery school two or three mornings week. It is a matter of having child care available for the 10 or 11 hours a day you need 5 days a week.

One of the things that our department does—child care is only one of them; we also run the child welfare program and others—and as you stated, Ms. Merkison's situation is such that she has something to fall back on. You might imagine that if you do not

wrap the total services around the family, you start getting families in stress, you start getting child welfare issues, you start getting marital issues, and all those sorts of things.

So I think it is really critical. We have tried to do some education as well in our State. We have borrowed a program called "Good Beginnings Last a Lifetime," and we have tried to educate businessmen and parents and caregivers and grandparents—but we have got to put that whole package together, and if the economic situation is that you have to work, or if you are in the part of our society that benefits from the Temporary Assistance for Needy Families program, then we tell you that you have to work 30 hours a week now and 40 hours if the President's proposal is passed. You have got to have that child care available.

As one of the other Senators said, there are programs available—there is Head Start, there is the 21st Century project—but the only minutely serve the programs.

I think one of the other questions is do we know what to do—yes—but we do not have the resources to have them available for every child, and in Kansas, being very urban in the eastern part of the State and very profoundly rural in the west, how we are able to deliver that service to kids wherever they are and where their parents need to work.

Senator DODD. I thank you for those comments. I think you make the case, and I saw your colleagues here nodding their heads in agreement with what you had to say.

Let me ask you as well, Ms. Schalansky, you mentioned that fewer than 20 percent of TANF leavers, as they are called here, participate in the State's child care subsidy program. Why do you think that rate is so low, and what do you think we can do to ensure that those leaving welfare for work get all the support possible and why that gap exists.

Ms. SCHALANSKY. We have tried to research that a lot over the years, even prior to the welfare reform that was passed in 1996. I think a couple of things happened. For some families in some situations, it is a cultural issue that they prefer to have a family member if available to care for their child; or the other situation that is occurring—and Ms. Merkison's example may be one—is that families have made some choices. They have made choices about rent or about child care, and they might share a home with another person in a similar situation, and they try to adjust their work schedule so they can work.

I think that folks know it is available, but we require, as many States do, a subsidy that goes up on a sliding fee scale, and I think we just have a situation that these families as they have left welfare—although we are pleased that we continue to get their wages up—many of them start at minimum wage, and with all the things that hit them, I think they make some choices. We try to educate them about making good choices about what is important for their child and about getting good child care, but I suspect many of those folks, if they have to choose between rent and child care, may oftentimes patch together child care that would probably be less than the quality that you have heard described this morning.

Senator DODD. OK. I mentioned at the outset of my remarks—and my two colleagues were not here at the very outset to hear

these comments, but I know they agree with what I am about to say, and I think others who were here do as well—we are talking about people in the work force in child care, and I mentioned the numbers. All of us here also respect and understand that there are people who make the choice—the difficult choice, economically—to stay at home. And I mentioned how we have tried to get a tax credit available for those people who make that decision to be at home and raise their children, understanding the financial difficulties involved.

What I do not want to ever see us get involved in here is pitting the person who has made that difficult choice to be at home, who does not necessarily have the income to do it but wants to try to do it, against those who have no choice because they are single parents or because the economic circumstances, like Sheila's, just demand it, or the fact that we are requiring it as a matter of Federal policy of the welfare program.

So I feel very strongly about supporting those families who make that decision to be at home and to get some help.

Elaine, I wonder if you might comment on this. We were talking earlier about child care settings and how valuable they can be in terms of learning, and you also talked about the high rate of illiteracy or difficult literacy with a lot of parents. You are not suggesting—well, let me ask you what you are suggesting in a sense, because if one were just dropping in on this conversation, it could almost sound like you are in a sense recommending an alternative, and that is if you have a choice where you can actually be a stay-at-home parent and care for your child as opposed to placing that child in a child care setting, we are recommending the latter. And I do not think that is what you necessarily believe. Obviously, parents are the best first teachers. So I wonder if you might comment on that, because I think that too often we engage in this conversation about subsidies and support and other things which are critically important, but I think that too often, we leave the audience believing somehow that we are caring only about the people in that one circumstance and are not being respectful of those in the other.

Ms. ZIMMERMAN. I think parents having the choice to be at home is paramount, and a child having a mother or father at home gives that child a sense of constancy, intimacy, and relationship that cannot be replaced by any State institution no matter how wonderful.

So I would fully support that and in no way meant to infer otherwise.

What we are trying to do in Connecticut is to address—and this is where there is another disconnect—family literacy so that parents who are not literate have access to this. One of the problems we are finding in TANF is that a mom is in TANF, reaches her limit, goes out and gets a job, and then she loses the job. We are finding that there is a cohort of parents who are losing their jobs because they are barely literate. So they get a job with UPS, but it turns out they cannot read the manual, so they lose their job. They could read a little bit, but they could not read and critically think enough to get through the manual.

So what we are doing now is we are just about to move policy this session that will help us work with the literacy level of the parents before they are expected to be in the work force.

So I think it is the adult and the child—we want to make sure that there is language and capacity to read, because frankly, health and the capacity to have language are really the boat to achievement. So it is an intergenerational strategy.

Senator DODD. I am so glad to hear you say that, and I know Helen agrees with this comment as well. Too often, people in politics like to argue against what we are suggesting here because somehow, we are not respectful or supportive of people who made the other decision. And I think that too often, we end up allowing ourselves to be drawn into that political divide, and we end up not doing much for either, as the case often results. So I appreciate your saying that.

Finally, I just want to raise this with you and ask Helen to comment as well, if I could. There is a report that you helped craft in Connecticut—and I think I sent this one around to every colleague in the Senate; if I have not, we will do so—but my colleagues should know about this. This is a masterful piece of work done by the Commission on Children in Connecticut among others, bringing together in a very bipartisan way—it was really rather remarkable—in the State legislature. They sort of cleared the decks and said we are going to do this—no one had any preconceived notions about this—and began to look at the relationship between a child's development of oral skills and reading skills. And I was stunned by the results; it was really a fascinating study that was completed, and it again goes back to a lot of what we are talking about here. We have talked about child care and safety and other things, but a child with someone else for as many hours as someone like Sheila has to work a day, and that oral relationship in terms of, ultimately that child's ability to do exactly what Mrs. Bush and all of us want to do, and that is good reading skills and pre-literacy.

I wonder if you might just take a couple of minutes and comment again. I know you did in your testimony, but I think it is such an important point, and maybe people would like to know more about it.

Ms. ZIMMERMAN. I would be glad to. We wrote legislation in Connecticut that said that we needed to find out what teachers needed to know to be able to teach reading effectively. That was it. And we brought together the best experts in our State, including teachers, psychologists, linguists, early childhood experts, kindergarten teachers. We also brought together experts from around the country who turn out to be the same experts that President Bush is utilizing for his work on reading.

We met together for a year, and we agreed to try to put aside any differences or biases we had on what this was about, and we did begin as if we were making the soup from the beginning.

We were able to get rid of some of these fights that are actually extraneous, like phonics and whole language fights; we just put it all aside. And by the end, we cobbled together the core skills and knowledge that teachers need to teach reading effectively. We delineated it out by grade and by outcome for every child.

We have since designed modules and a curriculum. We are training every teacher in the school in how to teach reading effectively beginning with kindergarten, first, and second grades. And then, what became eminently clear was that we also in the report needed to address the oral language piece.

So although this was originally intended to be an education document K through 3, it became an early childhood plus K through 3 document, and actually on to 3 through 6, because as I testified, there are plenty of children who cannot read who are in sixth grade.

But the marriage between the oral language and the pre-literacy—understanding sound, rhyming, understanding the connection between letter and book, understanding book and the value of book—all of that is in child care and early education, so that then became part of the reading panel report.

We broke through so many divides with this report that we have now revisited all of our code on reading, and we are saying that it all has to be aligned with this report. It became a sort of State-owned document, and it is actually as good, I must say, as the document that has just come out of Congress on reading from the Education Department.

Senator DODD. As my colleagues know, I have a great love of the Spanish language and culture, having served in the Peace Corps in Latin America. There is a lot of talk about bilingual education and the importance of it. One of the statistics that I found really interesting is that oral ability, regardless of the language in which you are orally capable, increases tremendously your likelihood to learn to read in English. So when people start talking about children and worrying about whether they are going to speak English well in our society—and that obviously becomes very, very important—but what is more important, based on this study, is that they be orally proficient in some language, and if they are, then the connection with their ability to learn to read in English will be dramatically improved.

Ms. ZIMMERMAN. That is exactly right.

Senator DODD. So that making it difficult for a child to learn which language they are going to be orally proficient in can actually retard that ability to learn to read.

Ms. ZIMMERMAN. That is right.

Senator DODD. That was a revelation to me in terms of how we look at language ability, and given the fact that in school systems now, it is not uncommon—I was at Stamford High School recently, and there were 150 kids in the audience, and I think there were 43 different languages being spoken by children in that school—and this is not uncommon in any of our States now, with the great richness of the country in a sense. So it is an important added statistic.

As I said, we could spend all day with all of you, but I think we should get to the second panel if we could. So we will submit some additional written questions.

Sheila, a particular thanks to you for coming down from Maine. You have been very helpful this morning.

Ms. MERKISON. Thank you for having me.

Senator DODD. Good luck to you and your son as well.

Helen, Elaine, Ms. Schalansky, thank you very much.

We will now go to our second panel. I know that some of my colleagues are going to have to head off, but I thank them immensely for their participation.

I will introduce the second panel as you are coming up. Some of you have already been introduced by members who were here earlier.

Elizabeth Bonbright Thompson—is that the correct pronunciation?

Ms. THOMPSON. Yes. It turns into "bombsight" if you do spellcheck. [Laughter.]

Senator DODD. Yes. I will tell you the word I hear about you. When I said you were going to come and testify—"You are about to hear from a firecracker." So "bombsight" may be appropriate. You have a lot of fans who think very highly of you.

Ms. THOMPSON. Thank you, Senator.

Senator DODD. Ms. Thompson is executive director of the Washington State Child Care Resource and Referral Network. We heard Senator Murray describe how effective Ms. Thompson has been on behalf of children and their families and child care issues.

We are going to hear from Dr. Kathy Thornburg. Senator Bond was very gracious in his comments about his constituent. Dr. Thornburg is a professor of human development and family studies at the Child Development Laboratory and research director at the Center for Family Policy and Research, and also is president of the National Association for the Education of Young Children, which is the largest early childhood education membership organization in America. We are very honored to have you with us.

And Travis Hardmon is also well-known to this committee and the members up here. We rely upon him a lot for his expertise and knowledge about these issues. He is executive director of the National Child Day Care Association, the Nation's largest nonprofit provider of child and family development services. Mr. Hardmon knows first-hand the struggles that families face in trying to afford child care and that providers face in trying to keep costs down while raising the quality of care. I was impressed with Mr. Hardmon's testimony, I might add, prepared for the September 11 early learning hearing which we were not able to have for all the reasons that we have heard. In fact, Mrs. Bush was here that morning and was about to testify.

I found the testimony that you were going to give that day tremendously interesting, and it is still very, very valuable.

So I thank all three of you. You have been very patient while we went through the first panel. I should have said this to the other witnesses, but we will accept all of your testimony and related documents that you would like to include as part of the record. So if you could try to keep your presentations brief, we can get to some questions.

We will begin with you, Elizabeth.

STATEMENTS OF ELIZABETH BONBRIGHT THOMPSON, EXECUTIVE DIRECTOR, WASHINGTON STATE CHILD CARE RESOURCE AND REFERRAL NETWORK; KATHY R. THORNBURG, RESEARCH DIRECTOR, CENTER FOR FAMILY POLICY AND RESEARCH, UNIVERSITY OF MISSOURI-COLUMBIA, AND PRESIDENT, NATIONAL ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN; AND TRAVIS H. HARDMON, EXECUTIVE DIRECTOR, NATIONAL CHILD DAY CARE ASSOCIATION

Ms. THOMPSON. Thank you, Mr. Chairman, members of the committee. Thanks for the opportunity to testify before you today, and as you said, I will submit my written testimony and will try to limit it and will just take excerpts.

I have been asked to focus on the role of child care resource and referral as the thread which holds the fragile early child care and out-of-school time system together, or the quilt together.

Child care resource and referral, commonly called "R and R"—which I will use to keep this shorter—is the child care system's best-kept secret. Today, children are in so many different types of early childhood settings; we need one system that can reach them through either their parents or their caregivers. Only the R and R system offers that kind of access. Only the R and R system has the capacity to integrate the wishes of the families, the skills of the caregivers, and the needs of the children.

There are four major activities that are core to R and R services, and they are in every State. The first is family services, and obviously, that is where we assist families to find care, to identify quality, and to access subsidies as appropriate.

Nationally, through NACCRRA, the National Association of Child Care Resource and Referral Agencies, we know that we are serving nearly 3 million families a year.

The second is provider services. We recruit, train and provide technical assistance and consultation support to over 2 million child care providers each year to increase the supply and improve the quality of care and early learning opportunities for children.

The third is community building, and this is really key. It is tough to get your head around it, but it is very key. Resource and referral programs regularly engage business, faith, education,l health, and philanthropic leadership in every community to help build that early learning community. Without this community building component, the whole system would fall apart.

The fourth is also really important, and it is data and research. As you know, numbers really help you make decisions about how you draft policy, and numbers in child care are very hard to come by. The resource and referral programs all collect locally-based supply and demand data around child care. In States with strong resource and referral networks like Washington State, the local R and R programs each report on a monthly basis their data to us, and we compile, analyze and disseminate that data Statewide, for use by State and local partners and policymakers.

We feel that it is a proven model and merits replication nationally, because I think it could provide you all the key information you need to make some good decisions.

I want to tell you a little bit about resource and referral in Washington State, because I think we have been a successful model.

Washington State has invested in one of the most comprehensive Statewide R and R systems in the Nation. The beauty of the R and R structure is that every R and R looks like the community it serves. So that as you can imagine, there is a diversity of organizations that run at the local level.

In Washington State, only 2 of the 18 locally-based R and R programs are stand-alone R and Rs—all they do is resource and referral. The other 16 programs are housed in parent organizations which have a wide variety of broader interests that they use, and these are just a program within it. Those include CAPs, which are Community Action Program agencies; city government; a university; educational services districts, which are school districts; a community college; and six of our resource and referral programs are housed in faith-based organizations.

A key byproduct of a strong, well-funded R and R system is the ability for the Statewide R and R network to both leverage private dollars to match State and Federal funds, which is a prerequisite for the CCDBG, and also to position the State to acquire and distribute Federal grants.

Since 1990, the Washington State Child Care Resource and Referral Network—that is my organization—has leveraged, secured, or facilitated the distribution of more than $16 million in private, Federal and State dollars for child care and out-of-school time system in Washington State, and that is above and beyond—that is not even counting—the amount of money that the State funds us to do the core services. That is for the other kinds of programs.

The R and R Network has served as a catalyst for change and a mechanism for raising resources to meet the specific community and Statewide needs.

Let us talk a little bit about parental choice; it is so key. Many families are unable to find the type of care they seek due to the lack of child care supply to meet their needs. This is especially true for infant and toddler care, care for children with special needs, school-age care, and care for children during nontraditional working hours.

During the years between 1996 and 2000, which was the beginning of welfare reform, right when we needed it—we needed a lot more care—we were losing up to 1,000 family child care providers a year in Washington State. They were closing. These were small businesses. They were making decisions for lots of reasons, because it was a hot economy in Washington, and they could get higher-paying jobs elsewhere, and there were a lot of reasons. But this had a profound impact on the availability of in particular infant and toddler care, because in our State, a lot of the youngest kids are in family child care.

In an effort to address this growing lack of supply and others in nontraditional hours and others, the State has dedicated over $15 million between 2000 and 2003 to fund creative community-based approaches to building the quality and capacity of child care.

A majority of these resources flow through the R and R system, and were we not there to do it, it would not be happening. In addition, Washington State has consistently put 100 percent of its share of its Federal CCDBG infant/toddler set-aside dollars into community-based activities. I think that is pretty impressive. You

often hear that States are taking the money and using it for other things. Washington State is putting 100 percent of its infant/toddler set-aside into the community-based programs.

We make every effort to use existing service delivery systems. Why replicate or duplicate if you do not have to? So we depend heavily upon strong partnerships between existing systems, and resource and referral and the local health jurisdictions work hand-in-hand through Health Child Care Washington, which is a byproduct of Health Child Care America, to provide unique health linkages for families and caregivers, and that has proven to be very effective as a retention tool.

I have been asked to talk a little bit about family child care providers and what we do for them. Well, the R and R programs are a primary source of support for family child care providers who are independent small businesses that are operating out of their homes.

The R and R support for family and child care providers—they support them in many, many ways, but some of them include help with becoming licensed; training and consultation on health and safety, infant, toddler, and school-age care; lending libraries, resource vans, materials—taking them out to their homes when it is harder for them to get in—and home visits. So there are many ways.

Senator Dodd, you mentioned the stay-at-home moms and the folks who care for friends, neighbors, and relatives—the informal care system. We support that as well, and as a matter of fact, I think every State could tell you that a significant number of the children on subsidy are choosing nonparental, family member, friend and neighbor care at least some part of the week. Reaching out to this population is extremely complex. They are not licensed, and it is hard to find them. Yet nationally, 82 percent of the resource and referral programs support this type of care.

Literacy is a huge component, and I want to say that a cost-effective option for enhancing early literacy through a variety of child care settings would be to capitalized on the established R and R system in each State and to provide early literacy specialists in every R and R.

This is a model which is already working in Maine through their R and R system, which is called the Research Development Centers. That is the other probably R and R—everybody calls it something different, so it is hard to know what it is in your own State.

In conclusion, because of welfare reform, Washington has committed ever increasing amounts of its Federal and State dollars to enhance the quality, affordability, and availability of child care and out-of-school time services. Over half—53 percent—of all current TANF dollars flowing into Washington State are used in child care. To me, that is an incredibly impressive number. This commitment of TANF resources is a powerful recognition of the importance of child care to working families and the success of welfare reform—but as a result, funding for child care services has become extremely vulnerable to the upward fluctuations in TANF caseloads, which we have actually just been experiencing and which is sending the child care system into a tailspin in our State.

Congress has the power to create a strong safety net for children and families through the Child Care and Development and TANF reauthorization. It is time to design those policies and dedicate the funds, and I have five recommendations for you.

One is to significantly increase funding for child care subsidies for eligible families working on low-income jobs and leaving welfare.

Two is to fund efforts to improve the recruitment and retention of qualified professional staff and provide incentives for additional training.

Three is to fund specialists for services to parents and programs on critical issues, such as inclusion of children with special needs, infant/toddler care, early literacy, health, etc.

Four is to require and fund a comprehensive system of R and R services in every State, including a Statewide network.

And five is to fund a comprehensive, accurate, and current national system of early care and education data collection, analysis, and reporting using local R and R data.

If you do these five things, and they are in place and appropriately funded, you can count on the following positive outcomes. Communities will be better poised for economic development and growth. The early childhood and out-of-school-time work force will be well-prepared and more appropriately compensated. Families will have choices of appropriate nurturing and learning environments for their children, and children will enter school ready to succeed.

Thank you.

Senator DODD. Thank you immensely for that testimony. It was very, very helpful.

[The prepared statement of Ms. Thompson may be found in additional material.]

Senator DODD. Dr. Thornburg.

Ms. THORNBURG. Thank you.

Senator Dodd and Senator Jeffords, it is my pleasure to be here and be able to talk about the CCDBG, because as you know, we need to tackle the crisis as it relates to quality, affordability, and compensation. So thank you for having me.

We must make an investment in CCDBG now. We have heard a lot already today about low-income working families and their need to be able to afford quality child care with qualified, well-compensated professionals.

As you know, there are many important components to this reauthorization, but today in the few minutes that I will be speaking with you, you will hear me talking several times about compensation, because I am really here to talk about the early childhood work force and how the work force is the group that makes the difference in the lives of the children, in addition to the school readiness for making them ready to enter school successfully.

Research tells us that high-quality child care makes a difference for young children's math and literacy skills, behavior, and over time, we have already talked about them completing school and also to lower the incidence of juvenile delinquency.

I want to mention two studies right now. One is the Cost, Quality, Outcomes Study, and then, I am sure you have both read the

Neurons to Neighborhoods research. There are many important findings in these studies, but one major finding that they share is that programs that have staff with better qualifications and better compensation experienced lower staff turnover and higher-quality programs.

So it is no surprise to anyone in this room that it is the people—it is the teachers and the other staff who are the key to high-quality early childhood programs. So that again, we have to look at the compensation issue of the teachers.

So the lesson is pretty clear. The benefits of good-quality early childhood programs will only be achieved if we invest in the child care programs and finance the full cost of providing high-quality services. Again, this means the equitable compensation of the well-qualified staff, but we must also ensure affordable access for all families to good programs.

I am honored to be President of the National Association for the Education of Young Children which, as Senator Dodd mentioned, is the world's largest organization. NAEYC supports Federal legislation introduced last year—thank you, Senator Dodd—known as the FOCUS Act. This Act would deal with the work force issue in the form of a compensation plan based on education.

You already mentioned earlier ticket-takers making more than child care professionals, and $16,000—both of you know these statistics quite well—and that the turnover rate is at least a third; so I will not repeat that.

On the earlier panel, Janet mentioned that there is a Midwest Child Care Consortium including Iowa, Kansas, Missouri and Nebraska. We just completed our first round of data, we got the data a few months ago—you will find some in the written testimony—but Gallup called 920 infant/toddler and preschool teachers through a random selection process, and from that chart, you will be able to see that 40 percent of the teachers had at least a 2-year child development degree, but in spite of that, 60 percent of the teachers earned less than $15,000 a year. This is in Region 7. Missouri was right at $15,000. Nebraska and Kansas followed, and I must say that Iowa had an even lower salary.

A recent report outlined staffing patterns in 75 relatively high-quality child care centers in California. They interviewed a lot of people in 1996. Four years later, they went back to check and see how they were doing. Seventy-five percent of the teachers were gone, and 40 percent of the directors were gone. So we know the importance of consistency for children, and we know that high turnover is not good for that.

Essentially, I like to think of the early childhood work force as a bucket with a gaping hole in the bottom of it, because we set standards, we put professional development dollars into our early childhood professionals, and it is really futile.

In one example I give in my written testimony, the example is from Michigan, and the main point in that example is that there are degreed teachers who are in the pre-K classrooms, and the second a primary classroom opens up, that person leaves—and who would not, because it is for double the pay. Other States have similar stories.

Fortunately, we do have some successful examples of how quality of children's early learning and development can be enhanced when we do pay attention to linking professional development with higher compensation. And of course, the U.S. military model is the best example today, where they have taken training, education, and compensation, linked it, and reduce turnover.

This committee heard from Sue Russell last month about some efforts in other States. I think you both know about the TEACH early childhood project now in 19 States that provides scholarships to help early childhood teachers go back to school, pay for their education, their tuition, their books, release time, and so forth. But for those who already have college degrees, there are programs like WAGES in North Carolina and CARES in California that provide a graduated wage supplement to participating teachers, again based on the level of education.

So both the scholarship as well as the retention and compensation initiatives link quality with compensation. States and communities are seeing results from these efforts in lower teacher turnover and better-educated child care teachers, but expansion of these programs must happen at a faster pace.

Many of the States using TEACH and WAGES projects are in fact using CCDBG moneys to finance them. So the FOCUS Act has been incorporated as a second title in the CCDBG reauthorization bill introduced in the House by Representative George Miller—and we of course hope that it will be part of the Senate's reauthorization legislation.

Senator DODD. It will be.

Ms. THORNBURG. Thank you. And Congress of course must make the investment today.

Ms. Thompson had five recommendations. I actually have one to conclude with, and that is straight from the wisdom of Senator Jeffords. I think I heard you ask a few minutes ago would it be helpful if we added $50 billion, and I think that would be great. I think it would be a good start. So that would be my recommendation, to look at not only serving more families, but what I am concentrating on today is really worrying about the work force and the inconsistency. And of course, we cannot expect an 18-year-old without tuberculosis, who has a child abuse screen—which is Missouri's requirement for being a head teacher in a child care program—how can we expect that person to know, understand, or worry about the literacy of young children. So the work force issue is quite serious.

I thank you for listening and for caring about young children and their teachers.

Thank you.

Senator DODD. Thank you very much, Dr. Thornburg. That was very, very helpful.

[The prepared statement of Ms. Thornburg may be found in additional material.]

Senator DODD. Mr. Hardmon?

Mr. HARDMON. Senator Dodd, Senator Jeffords, thank you for having me today. It is indeed a pleasure. I work on these issues locally here in the District of Columbia, and also serve on the USA Child Care Board of Directors, so it is a pleasure to be speaking to you from a local perspective.

The National Child Day Care Association happens to be the largest nonprofit child care provider here in the District of Columbia. We serve over 1,600 children ages 6 weeks to 12, at 25 centers, and also through a family child care satellite system. Approximately 75 percent of those children enrolled in NCDCA are beneficiaries of the subsidy program.

During my time at NCDCA, we have actually expanded by opening eight additional child development centers, and unfortunately, we are still unable to meet the growing child care needs of the District of Columbia community.

It is indeed an honor and a pleasure for me to come before you today to testify on the importance of and the need for significant additional funding for the Child Care and Development Block Grant, the major Federal support for child care assistance. Even in times of economic uncertainty and pressing international and domestic concerns, our Nation must look first at the care and education of our children.

I have been asked to focus on what is needed in terms of meeting working parents' needs and looking also at issues around school readiness. I am happy to do this from the perspective of a child care provider.

There are three things that I think are significant, one being the stability of the child care delivery system, including a trained and educated, adequately compensated child care work force, and the need to increase payment rates to providers who serve low-income families.

Second is providing services to meet the needs of families with infants and toddlers, and third is improving school readiness in the context of the child and the family.

Next, stability of the child care delivery system. Our organization, NCDCA, employs over 300 staff in 25 centers in Northeast, Northwest, and Southeast DC. Of that staff, approximately 150 are teaching staff. Annually, on average, NCDCA loses about 10 percent or more of our teaching staff to better salary offers or retirement. Recruiting approximately 15 new teachers a year places an enormous burden on the organization and jeopardizes the quality and stability of our child care services.

High staff turnover is also a burden to the children, who must deal with the change in beloved teachers and must risk developing a new relationship on a too-frequent basis.

We constantly struggle to recruit well-qualified staff and often find that we are hiring replacement teachers who have less training and education despite recognition that higher wages contribute to greater staff stability and program quality.

Compensation for the majority of teaching staff positions does not keep pace with the cost of living. Additionally, the payment rates that we receive are too low to provide families with access to a full range of quality services and directly impact the stability of the child care infrastructure.

In the District, as we look at the inadequate reimbursement rates that are outpaced by the market rate, looking at what we are paid in terms of a subsidy has a tremendous impact on our ability to provide quality services to purchase the equipment and supplies that we need, the books that were talked about earlier, as well as

the curriculum materials, and all kinds of classroom supplies that are needed. In addition, there is a tremendous impact on recruitment and retention because the agency faces this impact on a significant way as we have opened new classrooms in our efforts to expand, but we do not have the teachers to be able to operate and begin providing services. So recruitment and retention is a significant issue.

Let me put this in perspective. Without an increase for work force development and reimbursement rates, we will not be able to keep pace with inflation and the rising expenses, leaving these critical needs unaddressed—the need for increased staff training to improve quality, salary increases to avoid losing more qualified staff, and the need for additional slots to meet the growing unmet need for child care services.

My second point is around services for infants and toddlers. The District of Columbia last year had a waiting list of over 6,000 infants and toddlers District-wide; again, that is 6,000 infants and toddlers District-wide. Each week, our organization receives calls from families seeking services, and we must turn them away because we do not have the capacity to serve them. Unfortunately, this leaves low-income families in the District with choices that do not promote the optimal development of their children and may indeed place them in care settings that do not provide for basic health and safety.

Additional funding is needed to develop and equip facilities to meet this age group and to ensure that our youngest children are in safe, developmentally appropriate and enriching care while their parents are at work.

The infant care work force must also be appropriately prepared, trained, and compensated.

The third issue is school readiness. Given the recent compelling research about young children and what they need to know in order to be successful in school, I am pleased with the increased emphasis on early literacy. High-quality child care programs have traditionally emphasized pre-reading and language development; however, we need to improve training for early childhood teachers and need better materials and curricula so that children in child care will have the language-rich environment and skills they need to succeed.

However, I must share with you a concern that was articulated earlier by you, Senator Dodd. That is that we are in a situation that, as we look at this whole issue of school readiness, it is not about school, it is about school readiness. Quality early care and education providers have long recognized the importance of a holistic approach which includes comprehensive services for children and families at risk. Book learning will not be achieved isolation, especially when you are dealing with children from low-income families, where basic physical needs must be addressed if we are to create a rich learning environment. Nutrition, health screening, family support, and parental involvement are just a few of the elements which pave the road to success in school and in turn, success in life.

I cannot stress enough the critical role that the parents play, which has already been articulated here earlier.

Our program, NCDCA, just to bring this to a close in the interest of time, provides GED training, a male initiative, parent apprenticeship training programs, home ownership programs, and self-empowerment programs for families. In order to do this, we must raise money privately to supplement what we receive in the way of our reimbursement rate.

We believe it is important to provide these kinds of services to children from disadvantaged backgrounds so they can grow and learn in an effective manner.

In conclusion, I thank you for the opportunity to share my excitement about the work we do and seek your help to address the challenges faced by families and the child care providers who serve them. We know what works. When it comes down to the nuts and bolts, one message remains clear: If we are to address our infrastructure needs, expand services, and improve quality for children from birth to school age, substantial increased funding is absolutely necessary.

I was part of the panel, as you indicated earlier, that was to speak on September 11, and since that day, we have done much healing and have come together as a Nation. I want to thank you for your leadership and also say that all of our efforts as a country and as a world leader much start by looking at the well-being of our children. They are our most precious asset, and ensuring their care and well-being is our best defense.

Thank you.

[The prepared statement of Mr. Hardmon may be found in additional material.]

Senator DODD. Thank you very, very much.

Again, all three of you have given excellent, excellent testimony, and you bring such a wealth of knowledge to this discussion, with many, many years of deep involvement in these issues. There will hardly be enough time to examine all the aspects of all this, but we are very, very grateful to you.

Let me turn to my colleague from Vermont, because he may have a schedule conflict. We are going to try to get you out of here at a decent hour. So let me turn first to Senator Jeffords.

Senator JEFFORDS. Yes, I do, and I appreciate it, Mr. Chairman.

Mr. Hardmon, I am of course very interested in DC. Several years ago, I sat on DC appropriations and, I was kind of the pseudo superintendent of schools for several years, years back, and it depresses me to see that the needs of the Nation's Capital are still not being met in the area of education, and I want to do what I can to try to help rectify that. It shocks me that the Nation's Capital, which we here in Congress have made ourselves responsible for, has not been able to have the funding available to do what needs to be done. I may save that for a visit later to get more information, because it just shocks me. This Nation's Capital ought to be the example to follow, not the example of what is needed. So I appreciate your testimony.

I do have to leave, but I want to let all of you know that I am deeply concerned about this Nation and our failure to act as every other Federal government has throughout the world to fully fund early childhood especially and to make it part of the responsibility of the Federal Government.

I am going to be doing all that I can, working with my good partner here, to get this Nation to live up to its responsibilities. Senator Dodd is probably in the more unfortunate position of having to look to the appropriations. I am on the Finance Committee, and I am excited about the opportunities that I have, because I enjoy a reordering of priorities through the tax system. So I have in mind some exciting things, like, as was mentioned earlier, the $50 billion. That is an easy one. All I have to do is find a match, and I think I have found a match, so we will get moving.

Anyway, it does raise the consciousness of all of us in regard to the serious problem that we have relative to the rest of the world. We have just not recognized as a nation that the Federal Government has to provide more resources. What we provide relative to every other Nation is unbelievable. I look at Japan as the prime example of what a country can do. Their teachers, for instance, are paid within the top 10 percent of wage-earners in the country. They have demonstrated that that is a top priority and that their child care and everything all the way up and down the line is probably the top example, but the Asians and the European nations just shame us relatively to what we do, especially when we get down to the young children.

Together with my chairman over here, we are going to do all that we can—he has done remarkable things.

Mr. Chairman, I have to go to another committee meeting, but I have listened very carefully to the testimony, and I reserve the right to drill you with additional questions after you leave.

Thank you very much.

Senator DODD. Thank you very much, Senator Jeffords, for your support.

I mentioned earlier the wonderful hearing that the Finance Committee held on child care and the members, both Republican and Democrats. It was a very impressive sight to see the issue of child care raised as predominantly or as dominantly as it was in that hearing. And we have a joint hearing coming up with Senator Breaux on the Finance Committee and this committee as well, looking at the appropriations, authorization, as well as the tax code, which can play a very critical role in all of this.

So we look forward to some efforts here this spring and summer to try to improve the support for this issue.

Senator JEFFORDS. If nothing else, it will be exciting; I am not sure about the results.

Senator DODD. Well, hope springs eternal here. We have been at this for a long time.

I do not know if they can pick this up on CSPAN or not—the numbers are probably a little small—but just to lay out here what we tried to do was to compare occupations, salaries, and so forth. I always hesitate to do this to you, because it is in no way meant to denigrate the salaries that other people are paid, but just to put salaries in perspective for people. As Senator Jeffords just said, when you look at other countries, how do you value certain things.

One of my colleagues said earlier that you cannot go anywhere, and I do not care who is standing up to speak about the priorities of a Nation—if it is one of these general subject matters or speeches where education is not always listed if not the top, near the top,

of everyone's agenda of what is important. And that transcends ideology and political lines. Yet we painfully see—and this may shock people—but we spend less than one percent of the entire Federal budget on elementary and secondary education, excluding higher education, as a partner with State and local governments. Here we are in the 21st century, and we are an anemic—to put it lightly—partner on elementary and secondary education. We are even more anemic when it comes to early childhood issues.

I do not know how many articles in national magazines, programs on television—everyone seems to know these numbers rather well about the importance of zero to three, zero to five, brain development—we heard it again today. People can almost cite these numbers verbatim without relying on charts or staff memos. Yet, despite all of that awareness there is this inverse proportion to the need and the allocation of resources as opposed to the other end of the spectrum, where I do not deny there is a need, but when you start talking about the commitment of dollars at a higher education level—and someone pointed out earlier what percentage of a person's disposable income goes to the cost of higher education versus what percentage of disposable income goes to providing for the early education needs of their children.

Again, this is no longer a debate. We are not arguing—this is not the argument about global warming—not that I think there is much of an argument there, either—but a debate on whether or not it is critically important to a Nation's well-being, particularly this one that depends on the sophisticated document of a Constitution and a Bill of Rights, which I carry with me every day, to have someone understand the subtleties of the First Amendment, you need to have an educated population. If you end up with an ignorant population, you not only put our economy in jeopardy, you put this document and everything it stands for in jeopardy. An educated society, a democratic society, absolutely and totally depends upon an educated society.

So when you start looking here at comparative salaries in terms of where child care workers are down here at $7.43 an hour, $16,000 a year, and with all due respect to gaming and casino change persons and the like, who can early $2,000 and $3,000 more; desk clerks at resort hotels and so forth—God bless them for doing what they are doing, and many of them are trying to provide for the child care needs of their children—but nonetheless in terms of where we as a society allocate our resources, how our rhetoric and our actions are completely misaligned. The rhetoric is way up here, and the actions are almost at the bottom. It is frustrating to me, after 20 years here arguing on these issues, to find ourselves pretty much making the same case today as we were almost a quarter century ago. So it is frustrating, and I hope Senator Jeffords is wrong, that we will actually do better.

I am heartened by the turnout here today and the comments made by people from both political parties about the importance of greater commitment to this issue.

With that, let me ask a couple of questions if I can of our last three witnesses. I want to come back to the STEPS program, Ms. Thompson. I was interested in hearing how that works, how it provides what I think you described as a seamless transition for chil-

dren into kindergarten. I wonder if you could tell us more about how that program works?

Ms. THOMPSON. Yes. The STEPS program was actually initially begun for children with special needs. It was a way to integrate them into kindergarten through zero to three programs.

In Washington State, we have elaborated on that program and had it apply to children from all kinds of backgrounds, children who are having trouble assimilating into the kindergarten experience. What is exciting about that program is that they have teams in local communities that consist of the Child Care Resource and Referral program, the teachers, the principals, different human services supports for families, family support centers, and they all work together for the family early on, way before they even come close to kindergarten, to have an integrated program, to make sure, whether it is literacy issues or whatever is at stake for that program, we try to deal with it before they get to kindergarten. It has been wildly successful; the problem is it is woefully underfunded. As a matter of fact, we used to use Child Care and Development Block Grant funding to in part fund the piece for the child care participants, and unfortunately, because of the State budget woes, that was just cut, so we are not using CCDBG funds for that anymore.

But it is a wonderful program, and we hope that those kinds of programs can be stimulated.

Senator DODD. Yes. It is very, very innovative, and I commend you for it and hope you can get it back on track. In fact, we would like to know a little more about it; if you could send us some information on it, we might try to incorporate in some of our other ideas ways to promote this concept, because it is so important to make that transition. Too often we think of these things in boxes, and we do not understand that it is a seamless piece here and that it moves that way.

Oftentimes—I do not know if this will sound humorous to you—I will ask people if they will support me on the Child Care and Development Block Grant, and I will also ask if they will help me out on the WIC program as well, and I also need some help on nutrition.

And they will say, "Look, I will help you out on WIC, but I cannot do all three."

And I always say, "We are talking about the same child here, I want you to know. We are trying to transition this individual. So when you pick and choose on me a bit, that is okay, but understand that you are giving with one and taking away with another." This is the point the earlier panel made as well.

One thing I want to raise with you, Dr. Thornburg, is the point that Mr. Hardmon raised about the early learning preschool literacy issues. Again, none of us here argues about the value and the importance of that. I think the concern expressed is that, again, to deal with that in isolation from these other issues and that a person's ability to succeed as an early learner and in pre-literacy depends on a variety of other issues such as their ability not only to think cognitively, but also how to deal socially as well as emotionally, physically, and so forth.

I wonder if you might comment on that issue as it relates, one, to the people who are trained to work in these ares, but also the significance of that in terms of early learning and the pre-literacy programs.

Ms. THORNBURG. I have been a teacher trainer for 35 years, and we continue, as we did three decades ago, to know the kinds of things that we should be training teachers. We have added a little bit of knowledge—the brain development information has been helpful and useful—but we know, as you mentioned, that literacy and numeracy—teachers must know how to, not just that it is important. Social-emotional development is equally important. Learning to know how to have friends and play with your peers and so forth, of course, is crucial.

Physical development has been mentioned once or twice today, and I really want to reiterate that, because the exercise and the nutrition that can go on in helping families learn and understand—young children begin to develop their habits, and I am really concerned about obesity among young children today—that is something else——

Senator DODD. We are going to have a hearing on that issue.

Ms. THORNBURG [continuing]. That is good, because teachers of young children need to know and understand more about that issue as well.

So it is not only teachers needing to know and understand basic child development, but how children learn, how to set up the learning environment so children can learn, how to have curiosity come from the children—and that is really discovery learning and so forth—so how to set up an appropriate environment for these children so they can be curious and they can learn through discovery as well as learning through some intentionality, for example, with literacy and numeracy.

I like what Mr. Hardmon said about the role that early childhood teachers have in working with families and parents, because teachers cannot do it alone. We have seen today that parents cannot do it alone. So it is just one more aspect that we want early childhood teachers to be good at—working with and supporting parents on behalf of the children. And we do this in many of our States with no formal pre-service or educational requirements for our children birth to five.

So the system I think is very broken. The teachers I train—and they get 4-year degrees and master's degrees—a year later, some may be insurance agents, or they have moved to R and R where they can make a little more money. They are wonderful teachers. They love kids, and they love working with children and families, but they are no longer teachers because you do not have to pay more than, we found out in Missouri, $15,000 was average.

So we know how to do it, we know what the research says, and we just are not doing it, and I think the $50 billion truly is a good idea—then I think we would be well on our way—but it still is not the complete package.

Senator DODD. Your job is to call Senator Bond over the weekend, who sits on the Appropriations Committee.

Ms. THORNBURG. I will do it. Thank you.

Senator DODD. I also want to ask you about the universities and how they can help with the early childhood work. This has somehow created a sort of symbiotic relationship. If it is elevated at a university level as an important discipline, I think that in itself creates its own attractiveness to people, who then insist—we are going to work on all sides of this—giving the status to people who work in this particular area I think contributes as a piece of convincing others that there is a value that should be reflected in what people are paid.

Ms. THORNBURG. In many universities including my own, there are very few faculty members training early childhood teachers, so there is a limit on enrollment. So we have a lot of bright young people who want to go into early childhood and child development programs, and there are not enough slots for them to be trained. So as Helen mentioned earlier, we know how to do it, but it is going to take a little while to get there. So that is just one issue at the university level.

We in Missouri, as well as people in most States, are looking at articulation, because we have one-year child development degrees from high schools and vocational schools; we have 2-year associate degrees, and then 4-year and graduate degrees. We at the State level have to get better at figuring out how to articulate—a few States have done it, and as I mentioned, other States are working on it—because we have to value and cherish the training—any training—that all of these teachers need. So we need to be better in articulation agreements for the teachers.

Senator DODD. That could be an interesting subject matter. Again, we talked about the FOCUS bill, and I appreciate your kind comments about it. We are going to incorporate it, obviously, since I am writing the larger bill—we are going to get it in there. Senator Reed also has a separate piece of legislation in this area on reimbursement rates, and we will incorporate his ideas as well as we move forward. I think that is a very important piece, and we need to focus more attention on how we can increase the status of that particular issue.

Mr. Hardmon, your testimony almost made it sound like the rate that is established here—and by the way, it is around $10,000 for child care in the District of Columbia, is that not right; it is one of the highest in the country.

Mr. HARDMON. Right. For the infant and toddler population, that is pretty close to being accurate.

Senator DODD. It is pretty close to $10,000, which is I think among the highest in the country, but it is very, very high. But you made it sound like the rate is more about what parents can generally afford, not what it actually costs to run a quality program. I wonder if you could talk a little more about that.

Mr. HARDMON. Yes. The actual issue for us in terms of the reimbursement rate really goes back to what Helen Blank said earlier about looking at the fact that the rates have not kept pace with inflation or cost-of-living. So when you are a provider trying to provide quality service to children and families, trying to retain your staff and do things on a consistent basis and keep people, that is where the difficulty comes. With many States and the District having a tiered rate system, the base is so low that in order to move

forward on the tier, you need more at even the base rate. So that is where the challenge really comes in.

Senator DODD. Yes. That is the point that I think you were making, and it is an important distinction to make.

You said something else that is really important, and it goes back to what we have been talking about a bit today, and that is the early learning and school readiness issues. You said that when we talk about children under 5, we are talking about school readiness,not pushing school down to younger ages. I think that is a very important point.

I now have a 6-month-old daughter, and people have been teasing me, wondering if I have already gone to talk to Harvard about a possible college education for her, and how you have got to begin so early talking about schools now. And obviously, we are going to start shopping at some point for early education and so forth; it is critical. You have got to start early looking around.

But I was also looking at my daughter's face the other day thinking, she is 6 months old, and I am already talking about going to school. If we were in the position where I could spend more time with her—I want that parent-child time and so forth—and I do not want to rush her into a highly disciplined environment and not give her a chance to be a child. Maybe I was mis-hearing what you were saying in terms of not pushing school down to younger ages, but I think it is an interesting point, and I was wondering if you might further expound on it.

Mr. HARDMON. I think the key to this whole thing is the fact that there needs to be a holistic approach, and that is what I really wanted to convey to the committee. We cannot just, as was said earlier, only think about literacy and reading. We have to look at the fact that especially children from low-income families have issues around health care, as you mentioned, nutrition, and other things—we have not even talked about transportation, and housing was mentioned earlier.

So in order to be an effective child care provider and provide these services in a comprehensive way, we must look at what families need over and beyond just segmenting this issue just to deal with book-learning or reading. I did not mean to make it sound like it is not important, but we see parents who come to us with a sixth grade education and in many cases have no GED, so we are in a situation where we are having to support them in order for them to be better parents and to be their child's first teacher, as we have talked about here, which is a circumstance that you may not see as prevalent in the middle and upper-income communities. But parents do need the support in order to really make this whole thing work.

Senator DODD. I just realized that I probably said something—I have a sister who is an early childhood development specialist, and if she watches this, I suspect the phone is going to ring. She and a woman by the name of Nancy Rambush—for those of you who really follow early childhood issues, my sister was a Montessori teacher back in the mid-1950's when she started out coming out of college at the Whitby School in Greenwich, CT where a lot of this was revived—and her point to me over the years, as someone who has now spent about 30 years in early childhood develop-

ment is—and she tells me this all the time—children do not play; children work—that we see it as play, but they are working. Their ability to absorb and learn is boundless, and to the extent you can channel this to some degree where you allow children to enjoy their childhood, but in a constructive enough way that they are also learning, is the key to a lot of this. Just so I do not get that phone call, I have corrected myself about the importance of understanding what children are actually doing when we see them "playing"; they are actually engaged in very serious work, and that is critically important.

Again, I have a dozen more questions I could ask all of you, but I think what I will do is submit some of them to you in writing.

Finally, I want to go back to the numbers that I put up here when we started the hearing, because it makes the case again. We are going to be entering more difficult times now. We have budget deficits that we are going to be running this year nationally, somewhere in the neighborhood of between $80 and $120 billion plus, depending upon which numbers you accept at this juncture; but certainly, as the President has pointed out, there will be no year during his term of Presidency over the next 3 years in which we will be operating in a surplus. So the days when we could talk about having additional resources are behind us for a while, tragically, yet we also know, if there is any doubt in people's minds about the need out there, about people who still believe in a waiting list—you just need to look at some of these. As I said, some States do not even keep waiting lists anymore, because it just does not make any sense. But if you start looking at places like Alabama, which is not a huge State, with 5,000 people on the waiting list; Alaska, a smaller number; Arkansas, 8,000; California, 280,000; the District of Columbia, 91,000; North Carolina, 25,000; Texas, 36,000—you get some sense of the size and the magnitude of this issue. And we are not going to solve it all in next year's appropriation or tax bill, but if we can get people on the track to really match the rhetoric with the actions and put us on a glide-path that does prioritize these issues, not just in the speeches we give but in the actions we take here—no one is expecting to solve the problem overnight, but this problem is not becoming less of one, it is becoming more of one. The number of 78 percent of women with children under the age of 6 in the work force—that number is not less than it was a year before—it is more. And when you get to the point where 50 percent of women with infants are in the work force, that is a not a lower number—that is a growing number.

And obviously, with welfare reform issues and the numbers that have been highlighted about greater work requirements in this year's bill and flat-lining—at best, flat-lining—what we are talking about—and I know, by the way, that some think about raiding this fund, just so you will know. I will put you on notice that there are those who are going to go after the Child Care and Development Block Grant money for some other issues, and I know what they are thinking about. It is hard enough to try to get some increases here, but for those who think they are going to go after these funds in order to apply them in some other place, they have a battle on their hands on this. It is hard enough to reach the level of supporting 2 million children with so many going without their needs

being met that I am hopeful we can convince people here that, as important as some of these other issues are that people raise, if you do not have an available, affordable, and quality child care program in the country, all of the other issues that we associate with in terms of ready-to-learn and literacy are soon going to go wanting.

So I thank all of our witnesses today for their very, very supportive and helpful testimony. I thank my colleagues on a Friday for making themselves as available as they were. I thank our staffs for putting together the hearing this morning. We will have another hearing on this issue on Tuesday. We will be talking about it at the budget resolution when it comes up. We will be talking to appropriators about this. We will be talking with the tax-writing committees who have already spoken eloquently on this subject matter.

So while there is a lot of work to be done, I am more heartened this year in many ways by what I am hearing from my colleagues, Republicans and Democrats alike, on this issue than I have ever been before. So I am more optimistic in many ways that we are building a bipartisan coalition to address these issues.

This is truly, as you said, Mr. Hardmon, in your closing comments, about the defense of the country, too. America's strength is going to be measured by many factors, not only our ability to defeat an enemy militarily, but also to defeat the enemies of poverty and ignorance, which can also really threaten a great Nation. And we are determined to see to it that we are as strong in our ability to defeat those enemies as we are others.

I thank all of you for coming. This committee stands adjourned.

[Additional material follows.]

ADDITIONAL MATERIAL

PREPARED STATEMENT OF HELEN BLANK

I am Helen Blank, Director of Child Care and Development at the Children's Defense Fund. The Children's Defense Fund welcomes the opportunity to testify today on child care and looks forward to working with the Committee to improve families' access to quality child care. CDF is a privately funded public charity dedicated to providing a strong and effective voice for America's children, especially poor and minority children. We are deeply grateful for Senator Dodd's strong and lasting commitment to ensuring that families get the child care help they need to work and children need to learn, including his sponsorship of the Act to Leave No Child Behind (H.R. 1990/s. 940) and Senator Kennedy's deep interest and support for early learning. In addition, we are appreciative of the members of this Committee who have provided leadership in the area of child care and early childhood.

Child care is an issue central to the daily lives of working parents and their children. Every day, American parents go to work to support their families and must trust their children to the care of others. An estimated 13 million children younger than age six are regularly in child care and millions of school-age children are in after-school activities while their parents work. Every working parent wants to be sure that his or her children are nurtured and safe.

Child care matters not just for parents but also for their children. Quality child care is also critical to help children enter school ready to succeed. The nation cannot proceed successfully on its track towards improving educational outcomes unless it focuses on the developmental needs of young children. Research is clear about the importance of the first three years of life to brain development. The process of learning to read begins well before a child enters elementary school. Early childhood experiences that include exposure to language-rich environments are building blocks for school success.

Studies also show that when child care is available, and when families can get help paying for care, they are more likely to work. Without help, they may not be able to become and stay employed and may end up turning to welfare.

In a survey of Minnesota families with children, one out of five said that child care problems had interfered with getting or keep a job in the previous year.

In a study of families who were potential recipients of child care assistance in Illinois, nearly half said that the cost of child care had negatively impacted their opportunities for employment.

The number of low-income parents entering the workforce has risen significantly since the enactment of the welfare law. Among families receiving welfare cash assistance, the proportion participating in paid employment or work activities grew from 11 percent in 1996 to 33 percent in 1999. Overall, employment among low-income single mothers with young children grew from 44 percent in 1996 to 55 percent in 1999. These employment gains can only be sustained if families have access to dependable child care. This means help with child care costs, which can be a staggering burden for these working parents and consume a large portion of their paycheck. Child care costs can easily average $4,000 to $10,000 a year—more than the cost of college tuition at a public university. Yet, 77 percent of higher education costs are covered by public and private dollars while 23 percent are bome by parents. In contrast parents pay the bulk of child care costs. Spending by parents account for 60 percent of the cost, compared to 39 percent for government and just 1 percent for businesses.

The welfare law created a new urgency to meet families' need for child care help while offering states new opportunities and resources to accomplish this task. The number of children and families receiving assistance has increased significantly over the past five years as a result of significant increases in federal and state funding for child care. However, the goal of providing adequate supports for all children and families who need them remains far out of reach. Only one out of seven children eligible for child care assistance through the Child Care and Development Block Grant (CCDBG) program is currently receiving it.

The continuing shortcomings of our child care policies are particularly troubling given the extremely favorable conditions for states that prevailed until recently—a strong economy, shrinking welfare rolls, and growing revenues. Given the current state of the economy, families relying on child care assistance face a double-edged threat. As the economic downturn affects more families, their budgets will be squeezed even tighter while their need for help with their child care bills will intensify. States will require additional resources to meet this demand, but they may be less able to depend on the Temporary Assistance to Needy Families (TANF) block grant as one of their major sources of child care funds. States will likely need to

use an increasing proportion of their TANF funds for cash assistance, leaving fewer resources available to help families with child care costs just at the point when the need for assistance may be growing.

Just as states are attempting to maintain a precarious balance in a faltering economy, low-income families are also trying to sustain their own fragile balance. Low income working families are often one unreliable child care arrangement away from welfare. These families balance competing basic needs with very limited resources. If our country is serious about promoting work, then it must address their real needs, which includes the need for stable child care. Unstable child care arrangements that fall through can easily catapult into a lost job.

Already, there are clear indications that the economic downturn is negatively impacting state child care assistance programs, and the low-income families these programs are intended to help. In many states, surpluses have rapidly been replaced by deficits—forcing states to cut back in many areas, including child care. As of January 2002, 45 states and the District of Columbia reported revenues below forecasted levels. Nineteen states responded to the economic crisis with cuts to programs for low-income families and human services programs, including 10 states that cut income support or employment support programs such as child care and job training. Another eight states made across-the-board cuts that will affect every program.

At the same time, many states are starting to see their TANF caseloads grow. In 33 states, TANF caseloads increased between March and September 2001, and by the end of the 2001 fiscal year, state TANF outlays exceeded the amount of the basic TANF grant by more than $2 billion, a shortfall that states will have to fill.

A Fragile Foundation: State Child Care Assistance Policies, a recent report by the Children's Defense Fund covering the 50 states and the District of Columbia (and which we request be included in the hearing record), reveals that inadequate federal and state funding prevents millions of children in low-income working families from being able to get the help they need. Many hard-working low-income families are not even eligible for help due to low state income eligibility cutoffs for child care assistance. Many who are eligible cannot get it—either because they are put on waiting lists or turned away due to inadequate funds, or because no effort has been made to let them know they are eligible to get help. Those fortunate enough to actually qualify for child care assistance face additional hurdles. In some cases, the amount that state will pay for care is so low that parents cannot find good quality providers who can afford to serve their children, and in other cases parents have to pay so much in parent fees or copayments that child care expenses still are a staggering financial burden.

It is essential that additional federal investments be made to help address the continuing gaps in child care assistance policies, particularly as families grapple with the current economic situation. Without sufficient funding, state policymakers will continue to face unacceptable tradeoffs between helping families pay for child care and ensuring that they can choose good quality care.

As of March 2000, only four states I allowed families with incomes up to the maximum level allowed under federal law (85 percent of state median income) to qualify for assistance. In 40 percent of the states, a family of three earning $25,000 could not qualify for help.

Even if a family is eligible for child care help, they may not necessarily receive it.

As of December 2001, more than one-third of the states had waiting lists or frozen intake-meaning they turned families away without even taking their names because they were unable to serve all eligible families who applied.

Some of these waiting lists were extremely long: 37,000 children in Florida, nearly 37,000 children in Texas, 18,000 children in Massachusetts, and 12,000 children in Indiana.

Studies and interviews with parents highlight the challenges that families on waiting lists face—many must choose between paying the rent and affording care, go into debt, or settle for inadequate care because they cannot afford better options:

In a 1998 survey of parents on the waiting list for child care assistance in Santa Clara County, California, over one-third of parents reported earning less than $10,000 annually. About 40 percent of the families said they had given up on searching for work since they could not find affordable care for their children. Forty-two percent of families cited shortcomings in the quality of their children's care with 47 percent reporting that their child only received individual attention sporadically.

In a 1999 survey of families on the waiting list in Houston, most families reported that they spent 25 to 30 percent of their income on child care. Nearly one-third of the parents said that they had to put off paying other bills in order to pay child care expenses first, and 17 percent had to do without certain necessities. Nearly

two-fifths of the families had to work fewer hours or miss work because of inconsistent child care.

Individual stories of these families bring home the consequences of not receiving child care assistance. A mother on the waiting list in Florida has Krone's disease but no insurance, so money for tests and the $200 a month for prescriptions must come from her pocket. Her child support is paid erratically, and currently is several months behind. She works for an employer who has seen business decline because of the economy. This employer lets her live in the upstairs rooms, but if something should happen to the business, the family would be homeless. Child care costs 50 percent of the mother's salary. She wants her daughter to have good quality care that promotes her development, but wonders whether she can afford it. She says, "I have seen my daughter Katie's social skills and general knowledge increase dramatically since she has been in child care. Without help in paying for child care, however, I will have to withdraw her, and go on welfare. I can hardly say the word, welfare, but I really would have no choice."

The families on waiting lists are mainly low-income families who do not receive TANF and are not transitioning from TANF. Only a few states have acted to ensure that all eligible families who apply will have access to assistance, regardless of whether or not they are receiving welfare. Rhode Island has established a legal entitlement to child care assistance for all eligible families, and states such as Illinois, Oregon, Vermont, and Wisconsin have clearly indicated (through budget language, regulations, or public statements) their commitment to serving all eligible families who apply. These states are the exception rather than the rule.

Waiting lists tell only part of the story. They do not include families. who do not bother applying for assistance because they know it is futile to expect to get help. They also fail to include families who simply do not know that child care assistance programs exist.

The waiting lists would be even longer and many additional states would have to turn to them if more families know they could get help. States report that many eligible families are not sufficiently informed about child care assistance. Two-fifths of the states acknowledge that eligible families are often unaware that they could receive help paying for care. If more families were informed about the availability of child care assistance and applied for it, it is highly unlikely the demand could be met, even in states that currently have no waiting lists. Only four states indicate that they could serve all eligible families. Many states report that they could not meet the need without a significant increase in funds.

If a family does manage to qualify for and begin receiving child care assistance, the challenges they face hardly end there. Numerous obstacles may prevent a family from retaining eligibility for child care help. To maintain eligibility for child care help, families must verify that they continue to meet the income and other criteria for child care assistance on a regular basis. Over two-thirds of the states require families to go through a recertification process at least every six months. In most cases, families must also notify the state immediately following any changes in their job, income, or other circumstances. Requiring frequent recertification whether or not there have been any changes in the family's situation, and immediate notification when there is a change, places a tremendous burden on parents who are struggling to balance the demands of work and family.

Ten states make the process particularly difficult for low-income families by requiring in-person recertification in many or all cases, rather than allowing families to recertify by mail or phone. This creates an unreasonable burden for parents just entering the workforce and likely to be employed in low-wage jobs with inflexible schedules. They often cannot take time off from work to visit their local child care agency without jeopardizing their already fragile connection to the workforce.

If a family is unable to, comply with these requirements and loses their assistance, they may be forced to change their child care arrangement This not only jeopardizes a parent's job but also disrupts a child's relationship with their provider.

Families that are fortunate enough to receive assistance may still find child care unaffordable due to burdensome co-payment policies. All States require families receiving assistance to contribute toward the cost of care based on a sliding fee scale and many states require families at the poverty level or below to pay a fee.

A number of states charge relatively high fees to families earning half the poverty level ($7,075 a year for a family of three in 2000), even though there is scarcely room in their budgets for the most minimal charge. Thirty-five states required families at this income level to pay a fee, as of March 2000. In nine states, a family at this income level with one child in care paid fees above 5 percent of income.

Forty-six states required families at the poverty line ($14,150 for a family of three in 2000) to pay a fee. In two-fifths of the states, a family at this income level was required to pay 5 percent or more of their income in fees. Arkansas' fees were I I

percent of income for a family at the poverty line, and North Dakota's fees were 15 percent of income.

In two-thirds of the states, a family of three earning just $21,225 a year (150 percent of poverty in 2000) with one child in care was required to pay more than 7 percent of their income in fees or was not even eligible for help. In comparison, families nationwide at all income levels only pay an average of 7 percent of income for care, according to Census data. Fees were particularly high in some states. In Oregon, a family at this income level paid 16 percent of income; in Nevada, they paid 17 percent; and in South Dakota, 19 percent.

Another important component of a state's child care assistance policies are reimbursement rates for providers. Adequate reimbursement rates can ensure that parents have a real choice of providers. They make it possible for providers to accept children receiving child care subsidies and have the resources needed to support quality care. Nearly half of the states fail to give families a real choice of care. They set their rates below the 75th percentile of the market rate-the rate that gives families access to 75 percent of their community's providers—or base them on outdated market rate surveys. Rates are extremely low in some states. Missouri set its reimbursement rate below the 75th percentile of the 1996 market rate as of March 2000. The state's reimbursement rate for a four-year-old in a center was $167 a month lower than the 75h percentile of these outdated rates. Several other states also set their rates more than $100 a month below market prices.

With such low rates, providers may require parents to make up the difference between the state's rate and the provider's—on top of the parent's required fee—or may refuse to serve their children altogether. Over two-thirds of the states allow providers to ask parents to pay the difference between the state's rate and the provider's rate. This may make providers more willing to serve families receiving subsidies despite the low state rates. Yet, it also places an additional demand on low-income families already stretched to their limits.

States' reimbursement rates are deficient in other ways as well, as they often fail to reflect market realities. For example, providers generally expect private-paying parents to pay in full even if their child is absent for a few days, because the provider still has to operate their program on those days and pay their staff. The provider relies on that expected income and cannot just temporarily fill the slot with another child. While most states reimburse providers for some absent days, all but seven place some limits on the number of absent days per month or per year they will reimburse providers.

A number of states offer higher reimbursement rates to cover more expensive care, such as special needs or higher quality care, or to. give providers an incentive to offer care that is in short supply, such as odd-hour care (care during evenings, nights, or weekends). While differential rates are extremely important for encouraging providers to offer the high quality care that is essential for children's successful development and the specialized care that many children and families need, they are no substitute for adequate base rates.

In many states, the differential is relatively small and not enough to compensate for low state reimbursement rates. As a result, total rates, even with the differential, fall below market rates. For example, as of March 2000, New Jersey's reimbursement rate for accredited center-based care for a four-year-old was $504 a month, which was only slightly higher than the standard rate for non-accredited care and still lower than the 75th percentile of 1997 rates ($585 a month). Only the combined strategies of sufficient base rates and significant differential rates can produce an effective reimbursement rate structure.

Clearly, there are numerous gaps in state child care assistance policies. These gaps are growing wider in a number of states. For example:

In 2001, Louisiana lowered its eligibility cutoff from 75 percent of state median income ($31,151 for a family of three) to 60 percent ($24,921).

Also in 2001, New Mexico lowered eligibility for families not receiving TANF from 200 percent of the federal poverty level ($29,260 for a family of three) to 100 percent ($14,630).

West Virginia plans to reduce its income cutoff for child care assistance from 200 percent of poverty ($29,260 for a family of three) to 150 percent ($21,945) in 2002 as well as eliminate a planned rate bonus for infant care and odd-hour care.

The impact of inadequate investments on the number of families who can receive child care assistance is illustrated by the situation in Texas, which already has a long waiting list. In 2001, the state failed to provide a sufficient funding increase to maintain even the current level of support for low-income working families. In order to meet strict welfare work requirements, the state will devote a larger proportion of its funds to serving families trying to move from welfare to work, which will cut back help for low-income families working to stay off welfare. Approximately

6,000 fewer children in low-income (non-welfare) families are expected to receive child care assistance in 2003, as compared to 2001.

The initial signals from governors' budget proposals and legislatures' early actions in 2002 indicate that the outlook for child care and early education investments, and the children and families affected by them, continues to be bleak. While in California the governor's proposed budget for FY 2003 includes a small (4.9 percent) increase in child care funds, it also proposes substantial changes that, if enacted, will make it more difficult for low-income families to get help and lower the quality of child care available to their children. First, the budget proposes lowering the income eligibility limit for child care assistance so fewer families will be able to get help. The proposal would lower eligibility from 75 percent of state median income ($35,100 for a family of three) to between 60 ($28,080) and 66 percent ($30,888), depending on where the family lives.

Parent fees would increase for families at all income levels, and families with the lowest incomes would be required to pay a fee for child care, putting an additional financial burden on those with extremely limited resources. In addition, the budget proposes lowering reimbursement rates for providers, which would give providers a significant pay cut and wipe out their ability to make investments in quality. Parents who choose to stay with providers with higher rates would be responsible for making up the difference-forcing them to further stretch their already limited incomes.

In Illinois, the governor has proposed $63 million in cuts that will directly affect child care in the state. The governor's proposals would restrict income eligibility for child care assistance, denying help to many low-income families. For parents able to receive assistance, co-payments would increase-by as much as 20 percent for some families.

In Washington, the legislature has already enacted changes this year that will reduce the income eligibility cut off for child care assistance from 225 percent of the federal poverty level ($32,918 for a family of three) to 200 percent ($29,260). This will affect about 5 percent of all families currently receiving help paying for child care. In addition, parents' co-payments will increase by $5 per month.

Gaps exist not only in state child, care subsidy programs, but also in state efforts to help ensure that good quality care is available for all families. There has been a growing focus on improving K-12 education. and on early literacy. These issues cannot be fully addressed, however, without first ensuring that all children who need it have access to affordable, high quality child care and early education. Children's early experiences have a profound impact.on their ability to learn and succeed when they reach school, and for many children, a substantial proportion of these early experiences are in a child care setting.

Currently, many children are not receiving the experiences they need to prepare for school. Forty-six percent of kindergarten teachers report that half of their class or more have specific problems when entering kindergarten, including difficulty following directions, lack of academic skills, problems in their situations at home, and/or difficulty working independently.

Low-income children are particularly at risk. For example, a North Carolina study found that 38 percent of low-income kindergartners in North Carolina had very low scores in language skills, while only 6 percent of their higher-income peers scored this low; in measures of early math skills, 37 percent of low-income kindergartners scored very poorly compared with 9 percent of higher-income children.

In order to ensure that children receive a strong start, they must be supported by well-qualified and well-compensated child care teachers. Yet it is nearly impossible to attract and retain providers when their average salary is Just $16,350 a year with few benefits. Low wages result in extremely high turnover rates—nearly one-third of providers leave their programs each year—which deprives children of the opportunity to form close, stable relationships with their teachers. A number of states have begun to address this issue with promising initiatives that offer wage incentives to teachers who receive training, or have already receiving higher credentials, and who commit to staying with their program for a certain period of time. Yet these efforts, which are dependent on CCDBG and TANF funds, reach only a small fraction of child care providers, and typically offer only a small salary supplement.

The large majority of states do not even have basic requirements to ensure a minimal level of quality. While cosmetologists must attend as much as 2,000 hours of training before they can get a license, 30 states allow teachers in child care centers to begin working with children before receiving any training in early childhood development. Although early childhood educators recommend that a single caregiver be responsible for no more than three or four infants, four or five toddlers, or 10

preschoolage children, only 10 states require that child care centers have child-staff ratios that meet these levels.

States definitely need more resources devoted to improving the quality of child care. They are currently required to spend a minimum of 4 percent of their CCDBG funds on quality efforts. They have used these funds for vital supports and creative initiatives, ranging from hiring more inspectors to ensure facilities are safe, to housing infant and toddler, health, and early literacy specialists in resource and referral programs to work with their communities' child care providers. However, a 4 percent set-aside is not nearly enough considering the numerous components that need to be in place for children to receive the quality of care they need, including well-trained and well compensated staff, low child-staff ratios, safe, roomy facilities designed to meet the needs of young children, basic equipment such as books and toys, regular monitoring and inspection of providers, and resource and referral programs to help families find care and support providers.

It is essential that the Child Care and Development Block Grant be strengthened so that it provides the help families and children need. Other programs cannot be expected to compensate for the continuing shortcomings in states' child care assistance policies and basic gaps in quality. Over the past several years, federal and state investments in prekindergarten and after-school initiatives have expanded. Yet, access to these programs remains limited, particularly among low-income children. Head Start reaches only three out of five eligible preschool-age children, and less than 5 percent of eligible infants and toddlers. Nationwide only 44 percent of children ages three to five and not yet in kindergarten who are in families with incomes below $15,000 a year are participating in public or private prekindergarten programs, compared with 71 percent of children in families with incomes of $75,000 or more. Georgia provides prekindergarten to all four-year-olds whose families want them to participate, but Oklahoma is the only other state that has taken significant steps toward making prekindergarten universally available. Most state prekindergarten initiatives serve just a fraction of low-income children, and many are limited to four-year-olds. Prekindergarten programs also often operate on a part-day, part-year basis. As a result, low-income working families needing full-day care are still dependent on the CCDBG for child care assistance.

Similarly, many school-age children lack opportunities to participate in constructive after-school activities. Nearly seven million school-age children are home alone each week. In 2001, only 11 percent of the requests for funding through the U.S. Department of Education's 21st Century Community Learning Centers after-school program could be filled.

Additional investments in child care will help more low-income parents afford good care that enables them to work and that helps their children grow and learn. CCDBG funding should be increased so that by the end of five years, families of at least an additional two million children can receive help paying for care. Funding targeted toward improving the quality of care child should also be expanded, with special attention to the needs of infants and toddlers. Provisions should also help providers have access to additional education and training and in creased compensation. Funding should be available to ensure that children are in high quality care. We should not miss an opportunity this year with reauthorization to expand investments in a program so crucial to the success of children and families and to truly ensure that no child is left behind.

PREPARED STATEMENT OF ELAINE ZIMMERMAN

Mr. Chairman and Members of the Committee: My name is Elaine Zimmerman. I am the Executive Director of the Connecticut Commission on Children, housed in the Connecticut Legislature. The Commission is non-partisan and staffs all three branches of government on children's policy and trends in Connecticut.

I join you this morning to share brief comments on the importance of early care and education. There is truly nothing more important to the economy and our future than to help children thrive and parents work. When both are occurring smoothly, the youngest generation is usually healthy, safe and learning and the adults are, in the majority, providing the work participation our nation demands for economic growth.

It is hard to believe that lack of child care, a modest line item compared to other costs and a clear and research-based policy, can frequently be the crack in the plan. Yet fissures in our nation's child care access and sustainability can impede early learning, timely health interventions and employment opportunity for parents ready to work.

Lack of quality early care for families is like a loose log on the trail—it can trip up what is just basic foothold to us—health, curiosity, a place of safety, readiness

for school and unexpectedly, equity. Yes, the lack of access to quality early care widens the achievement gap for those who are poor and minority before they open the kindergarten door of the schoolhouse.

STOPPING SOCIAL PROMOTION

Connecticut supports Congress in the new education law, which has insisted on research-based practice and accountability in learning so that every child learns. We have in our state ensconced standards teacher training and outcome based planning. Concurrent with this, we are trying to end social promotion.

In our efforts to stop falsely passing children forward, we must look at what we need to do at the front end to help children succeed. We have learned that a key variable in the puzzle to allow children to move forward and not be held back in kindergarten, first or second grade is quality early care and education.

BRIDGEPORT FINDINGS

Findings in one of our poorest cities show steady gains from quality childcare. Bridgeport followed children who had quality early care and education programming against those that did not. Children who had quality early care had fewer retentions, more frequent attendance, and higher reading scores throughout grades K-2. In the first grade, 47 percent of students (45 out of 96 students) who did not have quality early care and education were retained, compared with only 1 percent of students (1 out of 88 students) who had quality early care and education.

Those children in the Bridgeport study who had quality early care and education had stronger reading scores than the other children. First-graders who had quality early care and education averaged a score of 11.68 on the Developmental Reading Assessment (DRA), and all of those students exceeded the "substantially deficient" level of 10. In contrast, those children who did not have quality early care and education averaged just 6.84 on the DRA.

Early care and education saved significant tax dollars in decreased retention. In the Bridgeport study, retentions in K-2 cost 5.5 times more for those children who did not have quality early care and education ($622,644) than for those who did ($113,208).

Only one child with quality early care and educator programming was held back. The costs of the program were much less than the costs of retention, which was over $10,000 a child. And these costs are just the literal costs per year. They do not measure costs to self-esteem, expectation of self as student, and eagerness to learn.

Social promotion cannot be stopped strictly through formal accountability in education policy. It needs also to have a precursor in early care and education. Early care and education is the missing piece to stopping social promotion.

CCDBG dollars that did this. Connecticut's preschool dollars are paid for by a colocation of funds from CCDBG and education funds.

THE ACHIEVEMENT GAP IN RACE

In the recently signed ESEA, reauthorization bill, the key goals include narrowing the achievement gap between those who are successful and those who are not, particularly minority students and poor students.

Although Connecticut is among the top-performing states in U.S. Department of Education exams, black and Hispanic children trail white children by large margins.

Only 25 percent of black and Hispanic children reached the state's fourth-grade reading goal, compared with over 70 percent of white students, according to Connecticut Mastery Test scores released on March 6, 2002. In the state's seven poorest school systems, one of every three eighth-graders was identified as a poor reader, compared with one of every 15 in the rest of the state.

Students from low-income families fared far worse in writing and mathematics than children fourth-graders living in poverty met the state from higher-income, families. Only 37 percent of fourth-graders living in poverty met the state goal in writing; more than two-thirds (70 percent) of those above the poverty line met the goal. A majority (61 percent) of sixth-graders overall met the state goal in mathematics, compared with only one-third (33 percent) of low-income children.

Endeavoring to address the minority achievement gap, we discovered that two years of quality early care programming for three and four-year-olds blocked the early differential. In fact, minority children did as well as low-income white children. In new data from a study conducted in Middletown, Connecticut, the availability of a school readiness program accounted for an over threefold reduction in the number of low-income African American children "not ready" for school—from 12.9 percent (of those who did not attend) to 4.0 percent (of those who did attend). Among white children in general, 3.03 percent were unprepared for school.

In the Middletown study, low-income African American children who attended a school readiness program attained an average school readiness score (55.63) that was comparable to white children in general (57.59) and surpassed both white low-income children (51.16) and those low-income African American children who did not attend a school readiness program (48.37).

Additionally, this Middletown study found that children—across racial and economic lines who attended two years of quality early care and education were significantly better prepared for kindergarten than those who attended only one year. The findings of the study, conducted by Walter Gilliam of Yale University, are consistent with an earlier Yale analysis by Edward Zigler and Walter Gilliam of all state-funded school readiness programs in the nation.

This nationwide analysis found that pre-K programs had a significant impact in increased competence, reduction in behavior problems by 4th grade, improved attendance and grades in elementary school, and improved state achievement scores. In addition, every state that looked at the impact of their program on grade retention found a significant impact.

These results provide strong evidence that quality early care and education programs can help to close the educational gap at kindergarten entry between white and low-income African American children. It is CCDBG dollars that finance this in Connecticut.

A NEW DIVIDE AMONG CHILDREN—THOSE WITH AND WITHOUT QUALITY EARLY CARE

The former CEO of our most successful bank in Connecticut spoke to the state legislature last week. He was struck by the findings I just presented to you and suggested to legislative leadership that we might need two-kindergarten classes—one for children who have had quality early care and one for children that have not.

In his travels, he is hearing from kindergarten teachers about the divide they already see in skills between the children who have had a few years of quality early care and education and the children, particularly those from low-income areas, who have had nothing.

We saw the same problems when we met with kindergarten teachers to learn their views of early care and education. After all, the kindergarten teacher is the tollbooth between early learning and formal education. They informed us methodically that children are manifesting less ability to focus, more behavioral health problems, more aggression and less fine motor skills which they attribute to more passive activity like television rather than scissors and paper cutting or drawing or writing.

LITERACY AND READING

An outside reading consultant came to one of our larger cities to meet with fifth grade teachers. They had called her in, because they were about to con-duct a state required education mastery test and they were worried.

What were they worried about? The children in the fifth grade could not read well enough to pass these tests. In fact, the children were being taught the entire fifth grade curriculum orally. They brought this reading consultant in from out of state because they were ashamed and worried. It never occurred to them that as fifth grade teachers they would need to concern themselves with reading fundamentals.

Can you imagine designing a curriculum as if you were in a country that did not have print? This is Connecticut, with the best education in the nation. Yet often our poor children and children of color are in a different story.

A STATE PLAN TO IMPROVE READING

Connecticut created a Reading Panel to look at the skills and knowledge that teachers need to teach reading effectively. We brought in the best in the country, including many who are now working in Washington under President Bush.

We have implemented teacher training in how children learn to read, and we have reading plans in virtually every school. But what is also clear is that you cannot reach this without preliteracy and oral language development. It is like learning to run or skip before learning to walk.

ORAL LANGUAGE DEVELOPMENT

Oral language development and preliteracy are the bridge and, precursors to language skills development in kindergarten and first grade.

Before entering formal education children should: Have more than 1000 hours of experiences with books, alphabet games, storybook reading and activities. Enjoy books and language and see the purpose of reading have been included in conversa-

tion and treated as successful speakers and listeners. Have engaged in playtime that employs symbols (acting out roles, designing stories and in using props. Be exposed to print and writing in their daily life. Understand how to handle books and know that print moves left to right. Have been read to by an adult who supports the child's view and creativity during the reading aloud.

PRELITERACY IN EARLY CARE AND EDUCATION

Young children in early care and education benefit significantly from:

Being read to aloud and being asked to be active participants in the reading. Understanding that print carries a message. Engaging in reading and writing attempts. Identifying labels and signs in their environment. Understanding that there is a connection between letters and sounds. Linguistic awareness games, nursery rhymes and rhythmic activity (Phonemic awareness, a powerful predictor of later reading success, is found in traditional rhyming, skipping and word games). Letter sound matches and some letter identification. Temporary invented spelling to represent written language.

Early care and education teachers can: Share books with children, including Big Books and model reading behaviors. Talk about letters by name and sounds. Establish a literacy-rich environment. Re-read favorite stories. Engage children in language games. Promote literacy-related play activities. Encourage children to experiment with writing.

Without the quality environments in child care where teachers are reading to children, helping them hold and cherish books, the divide between those who have and those that do not, increases.

Also, parents are key to ensure love of language and curiosity in daily life. Parent and family members can: Read and re-read stories with predicable text to children. Encourage children to recount experiences and describe ideas and art that are important to them. Visit the library. Talk with children and engage them in conversation, give them the names of things. Provide opportunities for children to draw and print, using marker's crayons and pencils.

This happens at home for many—but it does not happen at home enough for those children whose parents cannot read, who do not have books or who do not know to tap on words, pointing the fingers at letters, repeat rhymes, sing songs that rhyme. This is the work of both family and trained child care and early education workers.

CONNECTICUT'S COMMITMENT TO ORAL LANGUAGE DEVELOPMENT IN EARLY CARE

Clearly teaching reading does not begin in kindergarten. There are numerous activities that child care providers and early educators can perform in preschool settings to help children in preliteracy skills development.

Connecticut is now training all of our school readiness child care sites in oral language and preliteracy. For programs to receive quality early care and education dollars they must have a plan for oral language training. This comes from a combination of education dollars and CCDBG dollars. We cannot do it without CCDBG dollars.

Some states are now planning their prison construction, based on third grade reading levels. This shows with certainty that a third grader is not going to succeed in school if he cannot read is already hammered in. The kid's cell could be designed like a pair of jeans.

The choice is ours—but it is not just an elementary school choice, which you have so stunningly passed in spite of budget constraints and the disastrous backdrop of terrorism. The missing shoe is quality early care and education. If we want to break the achievement gap in learning and literacy we need to narrow the lack of skills at an earlier age.

FAMILY LITERACY

"Babies whose mothers provided them with opportunities to observe, imitate and learn, performed higher on IQ tests at age four than children who were exposed to the same teachings starting at age one. (Tamis LeMonde and M.H. Bornstien 1987)

There is a high correlation between the literacy level of the mother and the literacy level of the child. Yet we know that the literacy levels of moms coming off of TANF are very low.

Many TANF recipients are getting jobs and then being laid off, because they can read at a third grade level, but they cannot read manuals. So they get a job with the post office and then they are fired; they get a great job with U.P.S. and then they axe laid off. We are losing workers constantly due to adult literacy gaps.

Our state is going to assess literacy levels of the moms before placing them in work. We see how many low-income adults are losing jobs after TANF Not because

they have emotional problems; they were never taught to read beyond third grade level.

Their children will also have a literacy gap, if we do not intervene. The key indicator of a child's literacy level is the mother's literacy level. Where does the intervention begin in language development to remedy this profound lack in language development? In early care and education.

BEHAVIORAL HEALTH AND AGGRESSION IN CHILDREN

"Violence is learned so it can be unlearned or conditions can be changed so it ?not learned in the first place. It is never too late to change the behavior, but it is much more difficult to do it later rather than earlier—Dr. Ron Slaby, Harvard University.

Early aggressive behavior, which is learned through imitation and direct experience, is the top predictor of later aggression. Increasingly children are showing sips of behavioral health problems in the very young years. In fact, in our state, we have facts that read more like a Robin Williams routine than a social policy. In 1998-1999, Connecticut schools suspended or expelled 1,914 children in kindergarten and first grade (458 in kindergarten; 1,456 in first grade). When you study the causal factors for these suspensions and expulsions, the majority are expelled for problems with behavior.

The last decade of research on the prevention of violence led to an understanding that violence prevention needs to start early and that, acting as early as possible, in the first five years, is recommended for successful intervention. It is in the under five years that a child develops mental health problems and where the severe behavioral underpinnings can be anchored to implode later. Yet, impoverished children are less likely to receive care for a behavioral problem because they receive irregular and poorer quality health care.

If we want zero tolerance in school, we need to reach the children sooner to assess, intervene, and refer children with behavioral health difficulties. This is cost effective, as when the behavioral disorder shows up in the classroom, the entire learning process is diminished and the child is often not given mental health intervention but some form of behavioral misconduct reporting which can imprint teacher bias towards the child.

QUALITY CARE RETURNS THE DOLLARS SPENT

When we invest in the early years, we save in out-placement, special education and in mental health interventions later, which are prohibitive in cost.

In Bridgeport alone, the children who were in quality care ended up not staying back in school. The cost of retention is $9,000 and up to $10,000 when you add on the ancillary costs. The cost of child care is significantly less, between $5000-7500. Put starkly, we can keep children back later and pay more or we can provide quality early care and education and see children achieve with dignity.

Eighty percent of the learning disabled children in special education simply did not learn to read. Of our special education population, about 45% are learning disabled. This costs our state about $397,526,000 or roughly $12,951 per learning disabled student. The costs of special education are killing our towns and schools. Preliteracy skills and oral language development begins with well-trained providers in early care and education.

The costs of the racial divide in achievement manifests in poor school performance, dropouts and low expectations of performance in the workforce. The additional cost is a searing despair—Langston Hughes said, "What happens to a dream deferred—does it dry up like a raisin in the sun, or does it explode?" Either way, depression or violence, the cost is plenty.

CHANGING CONTEXT, CHANGING VALUES

There was a time when we did not want to invest in child care because we thought that women needed to stay home. Well, perhaps we should. But we have just created a welfare reform policy that says that poor women need to work and work quickly. If women are working, where is the, care for their young?

We are witnessing moms trading, babies in parking lots like bags of celery and potatoes. Other moms are taking, care of eight infants illegally to help the neighborhood work. Eight infants with one untrained provider is a recipe for illness, poor safety and learning failure.

Child care is like transportation. If you don't have it, you cannot get there. Yet, unlike transportation, there is no bus, even if you come in late. There is only sometimes a teenager down the street, a boyfriend or often the mom just lies and calls in sick.

This costs the economy. The number of sick days due to lack of child care is high. It is simply a white lie that is part of our culture because we have not yet admitted that family and work Policy must offer care while parents work.

This costs in safety. I called the Department of Children and Families to ascertain where the deaths were of children. At any given time, the majority of child deaths are from informal care often some unintentional provider who is supposed to be watching the children while the mom works. Usually, the boyfriend.

With cutbacks or level funding of CCDBG dollars, more parents will not enter the workforce. They Will stay on welfare longer or leave welfare and flounder—because people are rightly not willing to work if their children are not safe and protected. This is the heart of the matter. Lack of dignity in work choice and safety at home for children costs us, unnecessarily.

Lack of early care is packaged chaos-ready to go off.

QUALITY CARE WITH THE BEST TRAINED TEACHERS

Early care providers are with children while their learning patterns are forming. Unlike the body, which takes 20 years to mature to 95% of its full size, the brain develops to 90% of its capacity in the first five years. At birth, children's brains have almost all the brain cells or neurons, they will ever need. However, these neurons are not yet linked into the networks necessary for learning and complex functioning.

Between birth and school age a process of "sculpting" occurs: some neural connections are made or reinforced and others die away. Early childhood experiences shape these connections; helping to determine which ones are maintained and which are lost. Early care Workers need to know how to teach these young children, not just how to clean their diapers. (First Steps-Taking Action Early to Prevent Violence).

Parents want quality care with well-trained providers for these critical times in a child's early development. The majority do not seek out informal care as a matter of choice. A recent Bridgeport study of parents reflects this. Seventy percent of the parents said they would choose licensed child care when given the choice. The critical shortage of quality care, particularly for infants and toddlers, as well as the cost of care pushes many parents to choose unlicensed care because they have no real choice. In Bridgeport alone, 2,300 children are being cared for in unlicensed, unregulated care.

The early years are not simply fit for babysitting. They are in fact where language begins, where the capacity to care for others begins—or does not begin. The facts are uncontested that the underpinnings of a child's ego, self esteem, and lifelong learning patterns are sewn together before kindergarten.

CREATING A SYSTEM TO TRAIN PROVIDERS

Connecticut has created a system of training for the field called Charts-A-Course. We have designed a method whereby providers get course credit for their work. They can accrue these course credits towards diplomas in high school, community college, and four-year college. We assess every course and determine its worth, sort of like a Betty Crocker stamp of approval. We have raised scholarship money for this and now see many more providers who come from diverse backgrounds coming in for training. In fact, the field has broadened in its race and ethnic diversity? due to this programming.

The state now relies on Charts-A-Course for a host of training opportunities. For example, they will provide oral language training for the for the child care field. As we position training for homeland security, they will host the child care trainings with FEMA. An infrastructure, expectation of quality, and insistence on raising the water level is methodically working. CCDBG pays for all of this.

Yet, child care providers are bailing out. It is easier in this day to get a job cutting hedges or babysitting dogs to make a decent family, wage than child care. In fact, child care workers make less money than dog pound attendants. So we believe we should link increased dollars to increased training. Raise the water level for the children, keep the providers and elevate the field.

The turnover rate for child care is increasing. Children learn that adults are inconsistent in their lives. The child has parents in the workforce. Then the second or third adult in the child's life, the early care and education providers leave. Then the next early care and education provider leaves. The child, from a psychodynamic perspective learns not to bond, to trust or to relax into play. Object constancy, the internal learning that self is constant, which needs to be in place by the age of three, is threatened.

Constancy of child care providers and excellence in their work matters for the child, for the elementary school classroom and for savings for the nation. Yet we act as if children only start to learn when they open the kindergarten door. Actu-

ally, child learning patterns, curiosity, values, and moral development are set before they open that door.

BIOTERRORISM AND SAFETY

When the World Trade Center imploded, the child care providers at the child care facility grabbed all the emergency forms. They knew that the children might not have parents by the end of the day. They also knew there was a chance the parents might lose children. They left barefoot and told the children they were going for a walk. They put the children in grocery carts and began to walk. They walked and walked until they were safe. Then they stopped, pretended that this had always been their destination and began to design an intentional play event at a location that was safe. Every child was safe. None were lost.

These child care workers were trained in multi-hazard planning. They knew to protect the children. In our new context, we need our young to be in places where the providers understand safety, evacuation, communications and the psychological interventions necessary to calm children and facilitate their not being traumatized. Well-trained providers can do this. A babysitter down the street, a boyfriend temporarily watching, a child, is less likely to have this kind of formal training in protecting our young. It is just one fact of early care and education. But it is a new facet.

In Connecticut, we are going to require all schools and child care settings to be trained in multihazard planning. In a bill, modeled after original language introduced by Senators Dodd, DeWine and Collins, we have added components that ensure that children will not be forgotten in homeland security planning. This sort of planning lends itself to a greater respect for the formal kinds of care we have for our youngest generation.

We will train every child care provider in multi-hazard planning. With the shadow of—bioterrorism, we are working on making sure we can access everyone. Where are they? How do we reach them? How do we make sure they are immunized? How do we protect them? We will work with the child care workers to develop a system of reaching every child in a health emergency.

I can tell you that as a mother now, I am more concerned about the whereabouts of my young children after school, and I want to be sure that those who are with my children when I am not, understand evacuation planning and safety The young need this, as much as the public schools. And in both New York and the Pentagon, our children were safe in quality child care. This was not by chance. The early care and education teachers were trained in child safety.

DIVERSITY AND GLOBAL CONNECTEDNESS

Reflecting on September 11, it is clear that we want to sharpen our commitment to diversity and global connectedness. We studied the impact of difference on children, at what age children learn to notice difference and whether integrated settings make any difference on race bias for young children.

Child care and preschool can bring children together from different class and race backgrounds. Parents use the care near their worksite, are willing to travel for quality and reflect this in their choices.

A literature summary, performed by Yale University, made it quite clear that young children, by the preschool years, begin to think of their peers in racial terms. "Racial attitudes are acquired early and become harder to change as the child matures." (McConhay, 1981). By late preschool, children "evaluate [others] on the basis of racial-category membership." (Hirschfeld, 1996). The literature also shows that early integration may lead to reduced fear, mistrust and violence across racial lines. Exposing young children to multiracial peers may help reduce the likelihood of later ridicule or fear of other races (Hopson & Hopson, 1993), produce positive effects on intergroup relations (Slavin, 1995), and help "transcend some of the structural barriers that affect interracial and interethnic contact . . . (Coll & Garcia, 1995).

Simply integrating a classroom is not enough. It is important to bring together children of different races and the same economic background in order to provide equal-status contact and less likelihood of mistrust, fear or violence. (Hopson & Hopson, 1993). Having a large enough percentage of each race present in each desegregated school is important in order to have equal power and status inside the school. (McConhay, 1981). Interaction should be cooperative, involve one-on-one situations and receive institutional support. (Devine, in press).

It is CCDBG dollars that allows this racial integration to happen in Connecticut.

FALSE POLICY DIVIDE

We can pay for the lack of quality care later in poor literacy, special education, increased divides between the skilled and unskilled, poor health care—or we can do

it up-front at the beginning. As a nation committed to prevention rather that crisis, and particularly now with the budget deficit and the need to honor every dollar, early is better, younger is better, quality is always better.

BOLD SYSTEMIC REFORM

The question is not should we finance child care but what outcomes do we want for children? How can we reach these goals in the early years using research-based findings, best practices with proven outcomes and the lowest common denominator in dollars?

I believe the bold strategy here is to invest deeper and to expect more-not to invest less and expect it all to begin in kindergarten. Perhaps we need a Child Care Accountability Act to raise the overall training, expectations in outcomes with explicit requirements and stated learning transitions to early elementary school. Let's do what you have done for education in the early care and education domain. Because early care and education is the porch to the kindergarten door.

Put in a demand for excellence in health, safety and learning. Improve the field. You could demand training, standards, transition to school, health care linkages, only research-based practice. But don't harvest out the resources when this is where the seed begins to grow.

PREPARED STATEMENT OF JANET SCHALANSKY

Good morning, Mr. Chairman and members of the Committee. I am Janet Schalansky, secretary of the Kansas Department of Social and Rehabilitation Services. Thank you for the opportunity to testify on the subject of child care, helping parents work, and the wellbeing of children.

Background Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, states' investments in child care have exceeded all expectations.We have seen a dramatic increase in the number of families and children served as evidenced by the unprecedented growth in child care expenditures. Between 1996 and 1999, there was an 80 percent increase in the number of children receiving a monthly child care subsidy.

States have programmed every dollar available for child care. The child care story is a Child Care and Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) story. Nationally, we have doubled spending on child care. In FY 2000, states expended over $9 billion in combined federal and state dollars on child care. This includes $7 billion from CCDF and TANF dollars transferred, plus $2 billion in direct TANF spending. States have increased TANF spending on child care from $189 million in FY 1997 to $4.3 billion in FY 2000. TANF funds spent on child care exceeded the entire federal portion of the CCDF allocation in FY 2000.

Under CCDF, states have met or exceeded the 100 percent maintenance-of-effort requirement each year. States have matched all available federal funds. While allowed under federal law to spend up to 5 percent of CCDF on administrative costs, states, on average, spent just 2.6 percent on administrative costs in FY 2000. This represents a decrease of $3 million in administrative costs from the previous year. If TANF caseloads increase due to the current economic downturn, the amount of TANF funds available for child care may be reduced. In addition, if Congress mandates new welfare reform work rates or hours, then federal child care funding must increase as well. We need $4 billion in addition to the CCDF funding to maintain our current investment. If Congress wants states to increase quality and increase access, then additional funds will also be needed.

THE CHILD CARE STORY IN KANSAS

The child care program in the state of Kansas is administered by the Kansas Department of Social and Rehabilitation Services. Kansas ranks 15th in geographical size as compared to other states. The state population of 2,688,418 includes both urban and rural communities. In population, Kansas ranks 32nd in the nation—26.5 percent of the population is under 18 years of age; 7 percent is under the age of five. The median household income is $36,488, which is fairly consistent with the national median. In Kansas, 10.9 percent of the population and 15.4 percent of the children are living in poverty.

In federal FY 2002, Kansas received a TANF block grant of $101.9 million. Kansas has historically spent, and is projected to continue spending, the entire amount of the TANF block grant. Of the block grant, almost $17.9 million was transferred to CCDF to cover child care expenditures. Quality initiatives accounted for 19.8 percent of Kansas' total child care budget.

In Kansas, 15,313 children are served monthly, by child care subsidy. Approximately 16 percent of those eligible for subsidy payments are served. Child care subsidy payments are available to families with incomes below 185 percent of the federal poverty level (FPL). Families who receive a subsidy payment, however, may be required to contribute a copayment for their child care based on a sliding-fee scale. For example, a family of three—a mother and two children—with an income at 150 percent of FPL ($1,829 monthly/$21,948 annually), would have a total monthly copayment of $177. TANF families and those whose children are at risk of abuse and neglect have no fee. Kansas has no waiting list at this time. Kansas spends $53,206,577 annually on subsidy payments.

This year, in an attempt to promote both quality and access, child care provider rates were adjusted based on state norms. Rates were set at the 65th percentile for licensed providers and at the 60th percentile for registered providers.

Approximately $14 million is spent annually on child care quality in Kansas. Of that, $7.9 million is for Kansas Early Head Start, which serves 825 children and families and has an impact on another 2,000 children. Kansas was the first state in the nation to devote TANF funds to this comprehensive state-funded program.

Kansas supports flexibility in using CCDF funds. This allows us to partner with other agencies and funding sources, focusing on initiatives targeted as issues important to Kansas. Each state has its own unique issues and needs the flexibility to develop partnerships and programs to meet these needs. Several important state collaborations have produced the following: After-school programs developed with the Kaufman Foundation—for inner-city programs in Kansas City; An apprenticeship project designed and implemented with the Department of Labor through a federal grant—administered through a community college; Kansas Head Start and Early Head Start Programs—which bring together year round child care and Head Start services; A statewide Resource and Referral network providing core services to all 105 counties; Initiatives for programs to provide literacy, school readiness, teen parenting and fatherhood services for families—through Early Head Start centers and community services; and The Midwest Child Care Research Consortium, a three-year project to define and evaluate child care quality involving Kansas, Nebraska, Iowa, and Missouri.

Kansas also embraces the emphasis of quality, which CCDF has supported. In Kansas we consider quality to combine enhanced services delivered by well-trained professionals with the availability and access to those services. Our success in this area is demonstrated by:

Caseload and Rates. We have funded caseload growth (with no waiting list) and set eligibility for subsidy at 185 percent of FPL in order to serve the working poor and TANF recipients. We have increased rates to providers who care for children with special needs, while maintaining provider rates that sustain a competitive level with local market rates to ensure access for families receiving child care subsidies.

Professional Development. Our infant/toddler project trains and supports child care providers and families by improving the quality and supply of infant/toddler care by working directly with infant/toddler professionals. These supports include funding professional development initiatives to raise quality of care and reduce staff turnover; funding TEACH scholarships that enable providers to increase their professional knowledge of the best early child hood practices; working with community colleges and universities to coordinate early childhood curricula and credit requirements; and providing support/information on child development to nonregulated/relative care providers by direct contact and educational materials.

Access and Safety. Centers receive funding grants for expansion, start-up, and to meet licensing requirements/improving and to improve service quality. Grants are also given to family home providers to help meet licensing requirements and improve quality of care.

Public Education and Awareness. We provide education and training on early brain development and other research through open workshops in collaboration with the Kansas Departments of Education and Health and Environment. The state also sponsors a statewide public awareness campaign on quality childcare targeted at parents, businesses, and providers.

The Institute for Social and Economic Development recently completed a study of TANF leavers in Kansas. The results of this study indicate that access to high-quality child care is an important factor in families maintaining employment upon leaving TANF assistance. Fewer than 20 percent of leavers participate in the child care subsidy program and 15 percent of families who return to TANF, who originally left due to earnings, do so As a result of child care problems.

While Kansas has been able to achieve some degree of success in our child care programs, we strongly support increased funding. In Kansas these dollars would be used for the most pressing needs facing us today: Increase access for low-income

children and lower eligibility rates and copayments; Increase slots for infants and toddlers; Outreach to low-income families and funding to support caseload growth; Recruitment and retention of quality providers; and Increase provider payment rates above the current percentiles.

HELPING WORKING PARENTS

As chair of the American Public Human Services Association (APHSA) Child Care Committee, I know state investment in quality has been impressive. For example, states have made a variety of investments to support working parents by focusing on odd-hour and after school care. Maine and New Mexico have introduced rate adjustments for children served during nontraditional hours. In New Mexico, 35 percent of families with children in care are utilizing care during nontraditional hours. Maine also provides funding for the state's school-age care alliance to support efforts to provide technical assistance to schools and other entities considering starting a school-age care program. And in Connecticut, a partnership with the University of Connecticut, the state's schoolage child care alliance and the Connecticut Charts-A-Course career development systems has resulted in a project on establishing a Child Development Associate credential certificate for school-age providers.

States are also launching initiatives to increase capacity for infant and toddler care. Alabama has launched an Office of School Readiness to develop prekindergarten programs and develop Head Start Collaborations at the state and local levels. Missouri provides start up and expansion grants for programs that serve children from birth to age three. Massachusetts funds distance learning courses in infant and toddler care through the Child Care Resource and Referral network. Courses have been developed for providers of both center- and family-based care with an emphasis on including children with disabilities.

States have developed programs to focus on the special needs of.infants and toddlers. In New Hampshire, both family- and center-based providers can participate in intensive training and receive equipment grants to increase the capacity and improve the quality of infant and toddler care. North Carolina funds a quality enhancement project that seeks to expand community-based child care health consultations, provide online support for web-based training, provide support for quality enhancement grants to providers, and evaluate the impact of child care health consultations on the health status of infants and toddlers. Missouri provides start up and expansion grants for programs that serve children from birth to age three. Wyoming and Vermont provide statewide training to assist caregivers in obtaining infant care credentials.

Quality

At least half of the states are conducting activities focusing on the issue of caregiver wages and retention. For example, both Maine and Minnesota use training, minigrants, and capital improvement loans to increase retention. Maine also funds Maine Roads to Quality, a child care and early care and education career development center, responsible for developing a 180-hour Core Knowledge Training program, which also maintains registries for providers and approved trainers, and administers scholarships and an accreditation support project.

In Massachusetts, child care providers receive quality awards for achievement in quality programming, innovation in child care service delivery, and assistance for providers in achieving accreditation. Maryland has implemented a child care credential and tiered reimbursement system. The Maryland Child Care Credential is a six-level system that recognizes a provider's achievement of a specified number of training hours, years of experience and professional activities, which leads to quality care. Cash bonuses are given as incentives to move up through each level and vouchers to defray the cost of training are available. Washington has a Career and Wage Ladder Pilot Project in its third year. The state pays centers for incremental wage increases for teachers who have completed education milestones. The centers contribute additional pay based on teacher experience. North Carolina has developed a licensing system based on levels of quality.

Child care licenses now show one to five stars, reflecting the levels of standards achieved. Increased subsidy payment rates for higher star ratings have been an incentive and support for providing quality care.

States are concentrating on early learning initiatives. Arkansas has developed ELLA, the Early Learning Literacy in Arkansas initiative, a literacy training program for prekindergarten teachers. Massachusetts has funded the development of state-approved literacy standards and the establishment of a tiered rating scale that offers incentives for providing literacy activities.

Ohio has also worked on increasing collaboration between Head Start and child care. The state has formed a workgroup to identify barriers to collaboration and pro-

pose policy changes to increase opportunities to leverage resources, improve quality, and expand access. In Rhode Island, the state has certified Comprehensive Child Care Service Networks that include center-based and family child care programs that deliver comprehensive child care services at an augmented rate to disadvantaged children.

Five years ago, Congress made a decision to invest in child care, streamline funding, and devolve authority to the states. Unprecedented success has been achieved to date. We urge you to keep the promise made in 1996 and resist adding new requirements and expectations without the resources necessary to implement them.

Thank you for the opportunity to testify. I would be pleased to respond to any questions you may have.

PREPARED STATEMENT OF ELIZABETH BONBRIGHT THOMPSON

Mr. Chairman and Members of the Committee: Thank you for the opportunity to testify before you today.

I will share with you some of the impressive achievements made in improving the quality and availability of child care as well as significant improvements in consumer education and parent Choice since Congress last reauthorized the Child Care and Development Block Grant (CCDBG) and integrated it with the new Temporary Assistance for Needy Families Act in 1996.

I also want to thank you and your colleagues for consistently recognizing the critical importance of child care subsidies and the early childhood and out-of-school time infrastructure that. supports families and children. Affordable, available, quality child care is the key to the success of welfare reform and is the foundation upon which children stand, ready to enter school.

I offer you two different perspectives today. One is the broad-based national view which I share through,my role as Immediate Past President of the Board of Directors for the National Association of Child Care Resource and Referral Agencies. The other is my daily systems building and program implementation experience as Executive-Director of a statewide, private nonprofit child care resource and referral (R&R) organization which focuses on strengthening public policies to support families, their children and the individuals who dedicate their lives to caring and educating our next generation.

Each day, approximately 800 R&R programs located in all 50 states plus the District of Columbia assist working parents at all income levels grapple with the difficult task of locating and assessing appropriate child care arrangements. Each day these same R&R programs offer critical technical assistance, training and consultation to child care and school age care providers in an effort to improve the overall quality of care. The other panelists here today will speak more in-depth about the child care subsidy programs and the critical professional development components funded through the CCDBG. I have been asked to focus on the role of child care resource and referral as the "thread" which holds the fragile early childhood care and education and out-of-school time "quilt" together.

CHILD CARE RESOURCE & REFERRAL

Child care resource and referral is the child care system's best kept secret. One reason for this is due to a lack of product branding since most R&R programs do not actually use "child care resource and referral" in their agency's name. For example, the program serving Spokane, Washington is called Family Care Resources. In Maine, all the local R&R programs are actually called Resource Development Centers. Regardless of what the R&R is called, they perform basic tasks in their local community. The effectiveness of the work performed by R&R programs has not been lost on the business community. Several years ago, a group of Fortune 500 companies led by IBM joined together to form the American Business Collaborative for Quality Child Care. This group dedicated $100 million to improve the quality of child care and 98% of this money was delivered to communities through local R&R programs.

Today, children are in so many different types of early childhood settings, we need one system that can reach them all through either their parents or their caregivers. Only the R&R system offers that kind of access. Only the R&R has the capacity to integrate the wishes of the families, the skills of the caregivers and the needs of the children.

Prior to Congress passing the original CCDBG in 1990, child care resource and referral (R&R) programs did not exist in every state. As of today, R&R programs are active in every state and the District of Columbia as well as many of the territories. In addition, the U.S. Military has integrated R&R services into their model child care service delivery system. Each R&R program is as unique as the commu-

nity it serves. Thirty-four states have a structure which includes community-based R&R programs and a statewide R&R Network or association which binds them all together. Although, of these only 22 are publicly funded, fully-functioning networks. The level of funding and program sophistication varies greatly in this group as well. Eleven states have local R&R programs but no unifying network. Five other states have just one R&R program serving the entire state. The evidence points to the power of a strong statewide R&R Network in helping to shape the quality, affordability and availability of care. Research also shows a strong correlation between the existence of a statewide network and better access of families to consumer information and education.

Community-based R&R services go far beyond simply helping families find child care. They support a wide range of care and education choices in communities. Respondents to the recent national census of R&R programs provide significant information on the scope and extent of R&R in the 4 major areas of R&R activity:

(1) Family Services support families as they combine work and family responsibilities and educate their children. These services include: referrals to child care, early learning opportunities, pre-K and Head Start programs, and out-of-school time programs; consumer education on how to identify safe, high quality options; links to other relevant family resources in the community, such as health, education, mental health, literacy, employment; and information about the child care subsidies which are available to families (in 28 states, the child care subsidies are actually managed directly by the R&R system).

1. Provider Services support existing and prospective programs and individuals to increase the supply and improve the quality of early learning experiences for children. These services include: recruitment and program expansion; technical assistance and consultation (over 1.2 million consultations are provided a year); training for licensed child care providers and other early childhood and school age caregivers who may be exempt from licensing (over 1 million individuals are trained each year); training or connections to training on caring for infants and toddlers (offered by 83% of the R&Rs responding to the field census); support for accreditation and credentialing (offered by 96% of respondents); support for relatives, friends and neighbors who provide child care (offered by 82%); and informing programs/providers when policies and regulations change (offered by 95%).

(8) Community Building Services support communities in building early learning systems. These services include: keeping community partners and policy makers abreast of key child care issues; serving as the local information and service delivery hub; convening coalitions, collaborations and partnerships (73% of the respondents); leading community planning efforts (52% of the respondents); and engaging business, faith, educational and philanthropic leadership in building the early learning system (94% of the respondents).

(4) Data and Research. The R&R programs all collect data on child care supply and demand. In states with strong R&R Networks (like Washington State), each of the community-based R&R programs collects standard data elements and reports that data monthly to the statewide R&R Network, which compiles, analyzes and disseminates the data for use by state and local community partners and policy makers. The data component merits replication nationally and could be reported at the national level, which would make for more fully informed policy decisions.

NACCRRA

The National Association of Child Care Resource and Referral Agencies (NACCRRA) is the national network which provides strategic vision, policy leadership and technical assistance to R&R programs in states and local communities all across the nation. Congress currently funds NACCRRA to provide vital consumer education to families across the nation and to link them with the R&R in their local community through Child Care Aware. Child Care Aware was created by NACCRRA in 1988 with support from the Dayton Hudson Foundation and the Dayton Hudson Family of Stores. The national, toll free parent information hotline was first established in 1992. Since then, Child Care Aware has become a steady national resource, consistently used in print media, parenting books and publications, television programs, and national public awareness campaigns on child care and related early childhood services and programs. All of Child Care Aware's information distribution channels (print, phone, web, email) are bilingual in English and Spanish.

R&R IN WASHINGTON STATE

Washington State has spent 15 years building one of the most comprehensive child care resource and referral systems in the nation. This well-funded statewide R&R system includes the 18 local R&R programs which provide direct services to

families, caregivers and communities and the statewide R&R Network which is the association of all 18 community-based R&R programs and provides technical assistance to the 18 R&Rs as well as state, regional and national policy development. The 18 R&R programs are the child care infrastructure in local communities positioned to assist with implementation of various State policies or programs throughout the State. The State recognizes the value of basic community-based R&R services which, while not identical in every county, are offered in a consistent manner with uniform standards regardless of location.

The beauty of the R&R structure is that every local R&R reflects the community it serves. In Washington State, only 2 of the 18 R&R programs are "stand alone" R&Rs, meaning that the mission of the entire agency is related to R&R. The other 16 programs are housed in "parent" organizations which vary widely and include Community Action Programs (CAP agencies), city government, a university, educational services districts, a Community college, and 6 of the R&R programs are sponsored by faith-based organizations.

A key by-product of a strong, well-funded R&R system is the ability for the statewide R&R Network both to leverage private dollars to match state and federal funds and to position the state to acquire and distribute federal grants. Since 1990, the Washington State Child Care Resource & Referral Network has leveraged, secured or facilitated the distribution of more than $16 million in private, federal and state dollars for the child care and out-of-school time care system in Washington State above and beyond the funds dedicated for the delivery of core R&R services. The R&R Network has served as a catalyst for change and a mechanism for raising resources to meet specific community and statewide needs.

ECONOMIC REALITIES

WorkFirst, Washington's welfare reform program, experienced caseload declines of 44% from early 1997 to mid-2000. Until the last several months, Washington enjoyed a strong economy and a high rate of population growth over the last five years. The economic downturn and repercussions of September 11 on Boeing and other key employers have crippled the State's budget. Currently, Washington State has the second highest unemployment rate in the nation. In December 2001, the TANF caseloads increased by an alarming 1,800 families and this upward trend does not appear to be reversing. The child care subsidy caseload increased in June 2001 by 10,000 and has not yet receded.

Funding for child care services in Washington has increased by 345% between state fiscal year 1996 and state fiscal year 2001. During that same time period, the state's population of children under age 13 remained constant. Washington has committed ever increasing amounts of its federal and state dollars to enhance the quality, affordability and availability of child care and out-of-school time services. This growth in child care services and quality activities over the past five years has been directly related to Temporary Assistance for Needy Families (TANF) expenditures on child care. Over half (53%) of all current federal TANF dollars flowing into Washington State are used for child care. As a result, funding for child care services has become extremely vulnerable to upward fluctuations in TANF caseloads (as has been the case in 2001). Decreases in the availability of TANF funds for child care services could result in child care subsidy waiting lists, a reduction -in the eligibility level for subsidies and a decrease in the amount of investments in quality related services above the required minimum 4% of the federal mandatory, matching and discretionary as well as state matching funds within the Child Care and Development Fund.

QUALITY COUNTS

Washington's quality initiatives are widely viewed as very successful, innovative and encouraging signs of the ability to make progress on difficult and challenging issues within the child care system. Accomplishments include: the creation of a mandatory and annual training requirement for licensed caregivers as part of a state training and registry system (STARS); a comprehensive statewide resource and referral system serving families, providers and communities; strong systemic supports for out-of-school time providers; partnerships that help providers successfully meet health and safety standards and improve the health and well-being of the children and families they serve; additional support for families who have children with special needs; and subsidy bonuses or enhanced rates for caregivers who take infants and/or children with special needs and who provide care during nontraditional hours.

As part of the quality initiatives, Washington has taken innovative and effective steps in the last five years to support a professional development system for care-

givers that includes training and wage progression opportunities intended to improve quality and reduce high staff turnover levels. Examples include:

1. T.E.A.C.H. Early Childhood@ Washington which is administered by the Washington State Child Care Resource & Referral Network.

2. The Washington State Child Care Career and Wage Ladder Pilot Project, which requires participating child care centers to partner with the state on increasing worker wages based on time on the job, experience and education.

3. The Child Care Careers Program which increases the quality and quantity of child care available for the low income working families as well as provides viable career options for WorkFirst participants who want to work with children. This TANF program was designed to train 250 TANF recipients to become child care providers each biennium.

These successful efforts have shown that progress is possible within the existing constraints. Yet they highlight the difficulties of operating in a system that is largely underfinanced and tries to survive by patching together solutions that constantly bump up against the reality of the "true" cost of quality care. All of these accomplishments need stable, sustained funding.

MAINTAINING PARENTAL CHOICE THROUGH IMPROVING QUALITY

As more and more mothers have entered the workforce, the demand for high quality child care, pre-school programs and out-of-school time options has increased dramatically. Unfortunately, many families are unable to find the type of care they seek due to a lack of child care supply to meet their needs. Families of all income levels are patching together regulated and non-regulated care options to cover their extended work schedules. The most difficult to place are infants, toddlers, school age children, children with special needs (physical, social, emotional), children who need care during non-traditional hours or on weekends and children whose parents work irregular shifts.

In most states, there is a significantly greater number of family child care providers than center-based providers. However, the number of available child care slots is much greater in centers. The family child care providers tend to care for younger children, especially infants, toddlers and preschoolers.

During the years between 1996 and 2000, up to 1,000 family child care providers in Washington state were closing their child care businesses each year. There were numerous reasons for this mass exodus. The robust economy made it financially enticing for these providers to leave the field for higher paying jobs. In addition, the shift in federal rules and funding for the Federal Child and Adult Care Food Program meant that a large portion of the family child care market was no longer able to receive reimbursements to feed all the children in their care.

In an effort to address the growing lack of supply, Washington State dedicated over $9 million dollars from CCDF quality dollars in 2000-2001 to fund creative community-based approaches to building the quality and capacity of child care, specifically for: Infants and Toddlers; Children with Special Needs; Children needing care during non-standard hours; School-age care; and Middle School age youth (ages 12-14).

As a result of the huge success of these projects, the State has dedicated an additional $12 million over the next 2 years (2001-2003) to refine projects to focus on child care provider recruitment and retention in all categories primarily through the R&R system and on developing and maintaining quality middle school programs.

R&R SUPPORT FOR FAMILY CHILD CARE

R&R programs provide specific supports for all child care and out-of-school time providers. Traditionally, R&R programs are the primary source of support for family child care providers who are independent, small businesses operating out of their homes. R&R programs support family child care providers in many ways including: Help with becoming licensed; Business training (including how to: set fees, address taxes issues, establish policies and procedures, communicate with parents, market the business and much more); Provide training on child development, health and safety, infant/toddler care, school age care, etc.; Ongoing support and technical assistance, warm lines, etc.; Lending libraries and resource vans of materials, equipment; Help and resources to become accredited; Federal food program sponsorship; Career advancement support; Business management and practices support; Home visiting; Empowerment through establishment of neighborhood networks; and Linkages to other systems and services in the community.

FAMILY, FRIENDS AND NEIGHBOR CARE

In every state a significant number of children are in the care of non-parental family members, friends or neighbors for at least some part of each week. Many of these unregulated caregivers receive federal child care subsidies to care for children eligible under TANF or CCDBG.

Washington State fully supports parental choice in child care environments. Interestingly, each year the number of families receiving child care subsidies who choose licensed-exempt caregivers increases. Currently, over 40% of the child care subsidies are paid to these licensed-exempt caregivers. We wanted to know why. So, the State dedicated $250,000 of the CCDF quality dollars to contract with the University of Washington, Human Services Policy Center to study the issue, perform a general population survey and assess the results. The study found that family, friends and neighbor care is a major part of the child care system and is the dominant care for infants, toddlers and school age children. A full 45% of all families with children ages birth through 12 in Washington State use family, friends and neighbor care for at least part of their child care needs. The percentage is much higher: for families of infants and toddlers—58%. Another finding of the study was that family, friend and neighbor caregivers welcome training and other supports if they are offered as supports and not as mandates.[1] Eight-two percent (82%) of R&R programs nationwide provide support for quality in those settings as well.

LITERACY

All across the nation, states and local communities are creating exciting early literacy programs to support children's school readiness. Two states have been especially effective in establishing viable literacy programs linked to child care, Florida and Maine. In Florida, the R&R Network leveraged TANF dollars from the State to help 25 local R&R programs purchase and equip Caring for Kids resource vans which have already provided training, toys, books and curriculum kits to over 1,000 child care providers across the state. In Maine, local R&R programs covering four large regions received Early Learning Opportunity Act grant funds from the Department of Health and Human Services, Child Care Bureau to enhance early childhood literacy as well as to increase access to early learning for children with special needs and children from diverse cultural backgrounds. Like Florida, Maine also purchased mobile education vans. In addition, the Maine R&R programs hired Early Learning Specialists to reach out to children in child care and to train the caregivers about basic early literacy.

A cost-effective option for enhancing early literacy through child care environments would be to capitalize upon the established R&R system in each state and establish Early Literacy Specialists in every R&R. It is a model which is already working in Maine and in many states with other professional partners such as public health nurses, infant/toddler specialists, children with special needs counselors, and mental health consultants.

TRANSITIONS FROM EARLY CARE AND EDUCATION TO SCHOOL

The vision of Project STEPS (Sequenced Transition to Education into the Public Schools) is that all children in Washington experience seamless transitions from one early care and education environment to another. The mission of Project STEPS is to provide training and follow-up in every community in the state through an integrated system of collaboration among local providers. The local R&R programs are active partners in STEPS. The Washington State project, funded in part with CCDF quality dollars, expands the traditional STEPS model from children with special needs, to encompass normally developing children who might have barriers to smooth transitions into public schools. The project focuses on a wide variety of low-income families and the breadth of cultural and linguistic diversity in each community.

INFANT/TODDLER CARE

Washington State has consistently put 100% of its share of the federal CCDF Infant/Toddler earmark into community-based efforts to build capacity and quality of care available for babies and toddlers. The funds have gone to Healthy Child Care Washington to fund an public health nurse in every local health juridiction who specializes in infant/toddler care and provides on-site consultation to child care providers caring for babies and toddlers. In many other states, the Infant/Toddler earmark

[1] Brandon, Maher, Joesch and Doyle—University of Washington. Developing Training and Support for Family, Friend and Neighbor Caregivers in Washington State, December 2001.

funds public health nurses who do similar tasks but are located in local R&R programs. In Washington State, these Infant/Toddler resources have also been used to fund the community-based child care resource and referral programs to recruit child care providers to care for infants and toddlers and to provide the caregivers with mini-grants to purchase essential equipment or other necessities to enable them to meet licensing requirements for infant and toddler care.

These funds also sustain the efforts of the statewide, community-driven BRAINet efforts to take the brain development training through local volunteer "BRAIN Squads" to parents, caregivers, policy makers, social workers, health professionals and community groups in every county in the state. Over 1,000 professionals have been trained to offer the "brain training" through BRAIN Squads all across the state.

HEALTH LINKAGES AND CONSULTATION

Healthy Child Care Washington (HCCW), which is funded through a combination of federal Maternal and Child Health dollars, CCDF 4% quality dollars and CCDF Infant/Toddler earmark dollars, has built effective local partnerships between local public health jurisdictions and the local R&R programs. They provide training, technical assistance and consultation for child care providers on all health related topics, including children's mental health, baby and toddler care, brain development training, environmental health, care for children with special needs and nutrition.

The State has dedicated $5 million over the 2001-2003 biennium to support a statewide, community-based, comprehensive support system for families who have children with special needs and the child care providers who care for them. Through a partnership among local public health organizations and the local R&R programs, families receive enhanced referral assistance in identifying child care and are linked to a skilled public health nurse for consultation and other parenting resources. The child's new caregiver is often recruited by the local R&R and is also able to access training and specialized consultation services to improve the quality of care they are able to provide. Unfortunately, this program is now slated to terminate on March 29, 2002 due to a need to shift resources back to cover TANF and child care subsidy caseload increases.

In another unique project, over the past three years the State has dedicated TANF dollars to develop and implement Hand-In-Hand, a creative curriculum and training project for child care providers who have children in their care who live in families affected by substance abuse. Both the trainers' guides and participant's notebooks are translated fully into Spanish.

The philosophy of the curriculum is that the training occurs in communities jointly with R&R trainers and local chemical dependency counselors. In just 15 months, 1,026 child care providers attended 97 training sessions totaling 304 hours of instruction from 51 trainers. This training positively impacted over 8,200 children. In addition, this project offers funding to local communities for mental health consultation both for the caregiver and for the children in their care as a follow-up to the training. There is also a community level childrens mental health "systems" building component. This entire project was created, designed, developed, managed, distributed and is maintained by the Washington State Child Care Resource & Referral Network.

CONSUMER EDUCATION

The largest ongoing investment to consumer education made by Washington State each year is basic funding for outreach through the child care resource and referral system. The Washington State Child Care Resource & Referral Network has a statewide, toll-free consumer education hotline which directly links the caller with the community-based child care resource and referral program or other appropriate local resource to meet their needs. The R&R Network has an extensive website full of consumer education information for parents, caregivers, employers and community members.

In 1996, the Washington State Child Care Resource & Referral Network initiated the nationally acclaimed Child Care 2000 Campaign. Over the past 5 years, the State has dedicated approximately $500,000 of CCDBG/CCDF quality dollars to support this $1.3 million multi-media public engagement campaign about the importance of choosing quality child care and out-of-school time care.

FINANCING

Since the late 1980's, we have seen convincing evidence that the child care workforce is in crisis. Teachers ate leaving the field in droves (in 1997 the turnover rate for teachers in Seattle was 29% and for assistants was 55%; a national survey re-

ported the turnover rate in 1997 was 27% for teachers and 39% for aides) to find better paying jobs. Wages are very low. In 1998 child care teachers in Washington earned $7.73/hour and aides earned $6.34/hour. When adjusted for inflation, child care teacher salaries have not increased since 1992. The minimum wage in Washington State is $6.90/hour. Employee benefits (health care, retirement, dependent care assistance) are rarely available. Levels of education among child care workers are also low. With high staff turnover and low levels of early childhood education comes poor quality of care.

We know that the price that providers set for their services does not reflect.the true cost of care, but rather is tied to the market place, and what providers believe parents are willing and able to pay for care. These artificially low prices are, in fact, subsidized by foregone wages and benefits of the staff, and augmented by tough compromises in the quality of care that must be made to arrive at parent fees/prices that the market will bear.

We need a national focus and a statewide effort to work with providers to understand what their current costs are and what their full cost would be if they offered reasonable wages and benefits and were able to ensure more consistently quality programs.

A pilot True Cost of Care Project is underway in Seattle/King County, sponsored by the Northwest Finance CIRCLE (NWFC). The True Cost of Care Project is working with family child care homes and child care centers to develop true cost budgets and to analyze the gap in funding between what exists now and what is needed. The mission of the NWFC is to create a model financing system for early childhood care and education and out-of-school time care that will ensure a range of high quality, affordable, culturally relevant options that meet the unique needs of families, children and staff by engineering and testing system components and strategies.

The lack of funding dedicated to maintaining the provider reimbursement rate at least at the 75th percentile of the most recent market rate survey continues to be of grave concern. By January 2002, we will have slipped to somewhere between the 52nd and the 58th percentiles of the 2000 rate survey. As noted above, there is a strong grassroots movement to rethink the whole basis for establishing the reimbursement rate and to have it reflect the true cost of care rather than the depressed reality of the market rate.

The State and community stakeholders recognize that increasing child care worker salaries is tied to the larger question of how to more appropriately and adequately finance the true cost of care for the early childhood education and out-of-school time care system. Until the general populous accepts that child care is a "public good," the patchwork of current funding will be inadequate to meet the diverse needs of children, families, caregivers and communities.

CONCLUSIONS

Washington State has a long history of thinking holistically about developing quality child care and out-of-school time systems and providing services for all families in the state This includes providing a good safety net of child care subsidies for low-income families, even before welfare reform in 1996. Washington's child care system has grown and improved through collaboration, systems thinking, the existence of strong advocacy and intermediary organizations, and bipartisan legislative support.

Families and policymakers have vigorously demonstrated that affordable, quality child care is of great value to children, to working families, to our educational system, to our economy and to our communities. Welfare reform opened a window on the importance of child care during a period when new brain research, an expanding economy, changing demographics, increasing concerns over the well-being of children, and education reform shed additional spotlights on how our state and country support and care for children during some of the most important years of their social, emotional, intellectual and physical development. New awareness of the widespread benefits of quality child care and out-of-school time care led to Washington, and many other states, to improve child care systems using discretionary funds available through reduced TANF caseloads. This commitment of TANF resources is a powerful recognition of the importance of child care to working families and to the success of welfare reform.

Congress has the power to create a strong. safety net for children and families through the CCDBG and TANF reauthorization process. Now is the time to design the policies and dedicate the funds necessary and to feature the models we know make a difference, such as: 1. Ensuring adequate funding levels for CCDBG subsidies for eligible low-income working families and those leaving welfare; 2. Addressing workforce issues by funding efforts to improve the recruitment and retention of

qualified professionals in child care, early learning and out-of-school time programs/businesses and by providing incentives for additional training and education; 3. Establishing good learning opportunities for children in all settings by placing resource specialists in local R&R programs (or other community partner entities) for services to parents and providers on critical issues such as inclusion of children with special needs, infant/toddler care, early literacy, health and mental health, school age care, career counseling and other technical assistance; 4. Broadening coverage of sustained community-based support and coordination systems for early learning and out-of-school time care by mandating a comprehensive system of local R&R services with a funded statewide R&R Network in every state. Also continue to fund Child Care Aware to ensure parents access to quality R&R services in their local community; and 5. Guaranteeing that real-time data on supply, demand, gaps, cost and quality are collected at the local, state and national level by funding a comprehensive, accurate and current national system of early care and education and out-of-school time data collection, analysis and reporting using local R&R data.

If the above five policies were put into place and funded appropriately, you could count on the following positive out comes: Communities would be better poised for economic development and growth; The early childhood and out-of-school time workforce would be well prepared and more appropriately compensated; Families would have choices of appropriate nurturing and learning environments for their children; and Children would enter school ready to succeed.

PREPARED STATEMENT OF KATHY R. THORNBURG

Members of the Committee, I am pleased to have the opportunity to discuss with you today the reauthorization of the Child Care and Development Block Grant and how investments in the early childhood workforce will make a significant difference in the lives of our young children and their readiness for success in school. I speak before you as an early childhood educator, a parent, and on behalf of NAEYC, the nation's largest early childhood education organization that is engaged at all levels in ensuring that all children have access to affordable, high quality early childhood education.

Roughly 12 million children below school age are in some form of non-parental care during the week. The quality of the experiences they have in child care and other early childhood settings provides a foundation for success in school and beyond.

Research tells us that high quality child care makes a difference for young children's math and literacy skills, behavior, and over time, completion of school and lower incidence of juvenile delinquency. The Children of the Cost, Quality, Outcomes Study Go to School, a study by the National Center for Early Childhood Development and Learning at the University of North Carolina, found that programs with additional resources could devote more of their funds to hiring staff with better qualifications and to providing better compensation, and that those programs experienced lower staff turnover rates and higher quality care for the children. In addition, the study found that children with close teacher-child relationships had better social development and behavior that carried through the early school years. Likewise, the National Academy of Sciences report, Neurons to Neighborhoods: The Science of Early Childhood Development, a report synthesizing the scientific knowledge of children's development, said that providing quality would also require increases in staff compensation as well as professional development.

It should come as no surprise that the people—the teachers and other staff—are the key to quality in child care and other early childhood programs. Again, research tells us that programs that provide adequate compensation are more likely to have good teachers.

The lesson is clear: the benefits of good-quality early childhood programs will only be achieved when investments in child care and other early childhood education programs finance the full cost of providing high-quality services. The full cost must include equitable compensation of well-qualified and competent staff and must also ensure affordable access for all families to good programs. It is this aspect of what will help all children be ready for school and for lifelong success that I will speak to today.

We have a long way to go. A parking lot attendant earns more than a child care professional. The average child care teacher in a center-based program earns only $16,000 a year, often without health care or other benefits. Many child care professionals are so inadequately compensated that they themselves are eligible for child care assistance for their own children. It is no wonder then, that roughly a third of child care staff in this country leave their programs each year in pursuit of a sal-

ary that will help them feed, clothe and house their own families, even when it means leaving the work they love.

I am one of several researchers with the Midwest Child Care Consortium—we are from Iowa, Kansas, Missouri, and Nebraska. We completed the first year of data collection a few months ago and you will find some of the results on the table attached to my written testimony. Gallup called 920 infant, toddler, and preschool teachers through a random selection process. Forty percent of the teachers had at least a 2-year child development degree. Almost 60%. of the teachers earned less than $15,000 a year.

I liken the child care workforce situation to a bucket with a gaping hole. States require very little, if any, preservice training in child development or early education before an individual can work in child care. The financing of child care is largely a matter of parent fees and inadequate child care reimbursement rates. As a result, the people who care for and prepare our young children for lifelong learning bear the brunt of a poorly financed system with grossly inadequate compensation.

A recent report by Marcy Whitebook of the University of California-Berkeley studied staffing patterns in 75 relatively high quality child care centers in California. Seventy-five percent of the teachers in those centers in 1996 and 40 percent of the directors were no longer in those jobs just four years later. And the individuals who replaced them came with lower education and training. The hole in the bucket simply does not get repaired without real attention to the compensation crisis.

Child care teachers enter the field, receive training or college degrees, and then have. no incentives to stay in their programs, or in the field at large. Providing more professional development that is not tied to increased compensation is not the remedy. A child care teacher who gets her Bachelors Degree can—and often does—move to the public school system to teach kindergarten for double the pay and benefits. Quite simply, the inadequate funding for child care actually drives many better educated and qualified staff out of child care programs.

Michigan's preschool program provides a good example. The Michigan School Readiness Program is a half-day preschool program for children at risk of school failure. In 2001-2002 the program served 26,000 children across Michigan. The program requires that all lead-teachers have bachelor's degrees with an early childhood education endorsement. In programs where these teachers are not part of the collective bargaining unit, staff turnover is very high due to the attraction of higher salaries in elementary schools.

For teaching positions that required teacher certification, but where teachers were excluded from the district-wide teacher compensation package: One-third of the positions tamed-over in the 1998-1999 program year, over double the rate for on-contract preschool teachers; Only 34% of the positions had been filled by the same teacher for 5 years or more; and Compensation was about -one-half as much as positions that were covered under the districtwide contract.

A Kindergarten Readiness Program Manager in the Lansing Michigan Public School District reports that for a three county area (Ingaham, Eaton and Clinton) where none of the MSRP teachers are on contract, that 50% or more of the preschool teaching staff turn over every year.

When they leave, they nearly all go into elementary schools. The school district sees preschool as a stepping stone. They use it as a feeder program for their elementary grades. They lose almost 2 to 3 months of the program every fall as they try to fill positions, which compromises the stability and quality of the program. It also raises the cost of professional development. As qualified teachers leave, new teachers come on board who need the training that the former teachers had received.

As this example shows, the importance of compensation cannot be downplayed when setting policies to promote quality early childhood education. We are hearing from other states that this problem is not unique to Michigan.

We do have successful examples of how the quality of children's early learning and development can be enhanced when focused attention is paid to linking professional development with higher compensation. The U.S. military transformed its child care system from dismal to high quality in large measure by providing better compensation and increased training tied to compensation increases. As a result, the military child care system has experienced dramatic reduction in staff turnover, and now has much higher professionalism and staff morale.

As you heard from Sue Russell when she testified before this Committee just last month, there are successful efforts in many states to raise both the quality of the child care workforce and to provide the compensation assistance that will help them stay in their programs. The T.E.A.C.H. Early Childhood Project, now in 19 states including my own state of Missouri, provides scholarships that help pay for education, tuition, books, release time, and travel stipends. The child care program

helps support some of the costs. When the child care teacher finishes the professional development, she is eligible for a bonus or raise, so long as she commits to remaining in her program for another year. Participating teachers can renew their TEACH scholarship for a long as it takes them to earn their degrees, sometimes several years because they are simultaneously working. For those teachers who already have college degrees, there are programs to help keep them in the field. Programs like WAGE$ in North Carolina and CARES in California provide graduated wage supplements to participating teachers based on their level of education.

Both the scholarship and retention compensation initiatives link quality with compensation. States and communities are seeing results from these efforts in lower teacher turnover and better educated child care teachers. But expansion of these programs must happen at a faster pace. Many of the states using TEACH and WAGES projects, are using the Child Care and Development Block Grant as a key component of the financing.

The National Association for the Education of Young Children, the world's largest early childhood education association, supports federal legislation introduced last year, known as the FOCUS Act, that would take these TEACH and WAGES-like projects to a much larger scale across the nation. That legislation has been incorporated as a second title in the CCDBG reauthorization bill introduced by Representative George Miller. We very much hope that it will be apart of the Senate's reauthorization legislation.

Children cannot wait another five years for the next CCDBG reauthorization to provide the resources to tackle the intertwined crisis of quality, affordability, and compensation. We can make a significant investment in CCDBG now, helping to raise the amount spent on quality and particularly compensation, as well as helping more families afford good child care. Or, we can fail to make the investment today and pay the price: high educational failure, increased delinquency, lowered self-sufficiency and productivity, and fewer adults prepared to be effective, loving parents to the next generation of children. Thank you for listening—and caring about young children and their teachers.

PREPARED STATEMENT OF TRAVIS HARDMON

Good morning Chairman, distinguished members of the Committee, fellow witnesses, and honored guests. My name is Travis Hardmon. I am the Executive Director of the National Child Day Care Association, serving in this position since 1994. I am the President of the District of Columbia Child Care Providers Coalition, and I serve on the Board of Directors of the United States Association for Child Care.

The National Child Day Care Association (NCDCA) is the largest non-profit child care provider in Washington, DC. NCDCA provides comprehensive child development and family services for 1600 children, ages 6 weeks to 12 years of age, at 25 child development centers—providing full-day, year round services, and a new family child care system of 20 home providers. Approximately 75% of the children enrolled at NCDCA participate in the child care subsidy program During my time at NCDCA, we have expanded services by opening 8-child development centers, yet unfortunately, we are still unable to meet the child care needs of the community.

It is indeed an honor and a pleasure for me to come before you today to testify on the importance of and need for, significant additional funding for the Child Care and Development Block Grant, the major federal support for child care assistance. Even in times of economic uncertainty and pressing international and domestic concerns, our nation,must look first at the care and education of our children.

I have been asked to focus on what is needed to meet the needs of working parents while promoting the school readiness among our children. I am happy to do this from my perspective as an early childhood care and education provider in the District of Columbia, an interesting area and unique in many ways in providing comprehensive early childhood and family services.

I commend you, Chairman and members of the committee for demonstrating your commitment on this important topic by holding this hearing.

NEEDS

There are three areas that I believe need to be addressed in order to better serve the children, families, and community:

1. Stability of the child care delivery system: including a trained, educated and adequately compensated child care workforce—and the need to increase payment rates to providers who serve low-income families.
2. Providing services to meet the needs of families with infants and toddlers.
3. Improving school readiness in the context of the child and family.

While there are more issues I can include, Congress and the Administration have the capacity to address and improve these three now within the context of CCDBG reauthorization.

1. Stability of the child care delivery system

NCDCA employs over 3 00 staff in 25 centers in Northeast, Northwest, and Southeast D.C. Of that staff, approximately 150 are teaching staff. Child care centers, and the child care industry as a whole, are losing well-educated teaching staff and administrators at an alarming rate. Annually, on average, NCDCA loses 10 percent or more of our teaching staff to better salary offers, or retirement. Recruiting approximately 15 new teachers a year places an enormous burden on the organization and jeopardizes the quality and stability of our child,care services. High staff turnover is also a burden to the children who must deal with losing a beloved teacher and must risk developing a new relationship on a too frequent basis. We constantly struggle to recruit well-qualified staff and often find that we are hiring replacement teachers who have less training and education. Despite recognition that higher wages contribute to greater staff stability, and program quality, compensation for the majority of teaching staff positions does not keep pace with the cost of living.

Additionally, the payment rates that we receive are too low to provide families with access to the full range of quality services and directly unpacts the stability of the child care infrastructure. The monthly reimbursement rates that the District pays are inadequate and are based on outdated market rate information. Paying subsidy rates that meet the fall and current market rate would allow our organization to hire and retain staff better equip our classrooms with books and supplies, and upgrade our curriculum materials; thereby improving the quality of care available to the children we serve. Operating without adequate reimbursement rates is a recipe for failure.

Recruitment and retention is a top challenge faced by our agency. We have had new classrooms ready but were unable to open due to difficulty hiring qualified staff. With the move to improve program quality, provide professional advancement and growth opportunities, and meet the changing needs of our clients, NCDCA has undertaken significant professional development activities—activities that require new investments. Salaries and training costs for continual professional development represent 80% of NCDCA's operating budget. These costs are necessary and critical if NCDCA staff are to be qualified and trained in the latest research-based methods of teaching and delivering comprehensive services. Despite this trend, funding to help us address our retention and training needs are falling short of what is truly needed. Unfortunately, the President's budget proposes to continue mandatory CCDBG funding at the FY 2002 level for the next five years—a plan that would seriously undermine the stability of the child care delivery system.

Let me put this in perspective. Without an increase next year for workforce development and reimbursement rates, we would not be able to keep pace with inflation, and rising expenses leaving these critical needs unaddressed: The need for increased staff training to improve quality, Salary increases to avoid losing more qualified teachers and staff, The need for additional slots to meet unmet and growing need for services, The need for additional equipment, supplies, and program curriculum materials.

2. Providing Services for Infants and Toddlers

In the District of Columbia, we have other early childhood initiatives to supplement education for three-, four-, and five-year-olds: charter schools and the D.C. Public Schools' pre-kindergarten program. However, during the previous year nearly six thousand families with infants and toddlers were on the District's waiting list for child care assistance, and fin desperate need of services. Each week NCDCA receives calls from families seeking services and we must turn them away because we do not have the capacity to serve them. Unfortunately this leaves low-income families in the District with choices that do not promote the, optimal development of their children and may indeed place them in care settings that do not even provide for their basic and health and safety. Additional funding is needed to develop and equip facilities to meet this age group and to ensure that our youngest children are in safe, developmentally appropriate and enriching care while their parents are at work. The infant care workforce must be appropriately prepared, trained and compensated.

3. School Readiness

Given the recent compelling research about what young children need to know in order to succeed in public school, I am pleased with the increased emphasis on early literacy. High-quality child care programs have traditionally emphasized pre-read-

ing and language development, however, we heed to improve the training for early childhood teachers, and need better materials and curriculum so that children in child care will have the language rich environment and skiffs they need to succeed.

However, I must share my concern that much of the discussion seems to focus on the purely academic aspects of school readiness. Particularly when we're talking about our children under five years of age, we should remember that we are not talking about SCHOOL but about READINESS FOR SCHOOL. Quality early cue and education providers have long recognized the importance of a holistic—approach, which includes comprehensive services for children and families at risk. Book learning will not be achieved in isolation, especially when you're dealing with children from low-income families where basic physical needs must be addressed if we are to create a rich learning environment. Nutrition, health screening, family support and parental involvement are just a few of the elements, which pave the road to success in school and, in turn, to success in life. And I can't stress enough the critical role, which a child's parents must play, in our work.

Our program at NCDCA would not be the success it is today without our focus on the family Certainly as we help each child, we help the family. But, we are not about some sort of "trickle up" theory. In practice, our comprehensive approach to child development is a comprehensive approach to family development. With its four walls, NCDCA provides GED training, a male involvement initiative, a Parent Apprenticeship Program, a home ownership program and a parent and family self-empowerment program. NCDCA must constantly fundraise to I supplement the child care reimbursement rates that we receive. Providing services to the child within a family context is the most effective strategy for helping children to be successful and ready for school. We believe it is important to provide the kinds of services that children from disadvantaged backgrounds need. We see out children as the hub of a family Wheel. As we benefit the child, we benefit the family. And as we benefit the family we benefit the child, and in doing both, we benefit our community. Because of this comprehensive approach to human development, children leave our program stronger, more resilient, more hopeful and more "educated"—and ready for school. Yes, it may so complicated. But children, families, and the poverty from which they come are not simple concepts, easily defined.

CONCLUSION

I thank you for this opportunity to share my excitement about the work we do and seek your help to address the challenges faced by families and the child care providers who serve them. We know what works. When it comes down to the nuts and bolts, one message remains clear—if we are to address our infrastructure needs, expand services and improve quality for children from birth through school age, substantial increased funding is absolutely necessary.

I was to be part of the panel to testify at the hearing that was scheduled here on September 11, 2001. Since that day, we have done Mach healing and have come together as a nation. I want to thank you for your leadership and also to say that all our efforts as a country and as a world leader must start with looking at the well-being of our children. They are our most precious asset and ensuring their care and well-being is our best defense.

Again, I thank the Committee for the privilege and opportunity to testify today on behalf of early childhood programs and I make myself available to the Committee now and at any time in the future to answer questions on this or any other matter.

PREPARED STATEMENT OF JIM KLEIN

Mr. Chairman and Members of the Committee, Thank you for the opportunity to provide written testimony on the important topic of improving the well being of children. In low income communities across the United States, the most drastically affected by the lack of capital resources are children in the midst of crucial physical, emotional and social development. The Ohio Community Development Finance Fund believes that child care is an overlooked element of a comprehensive approach to community renewal. Likewise, the space in which care is provided is usually an afterthought at best. Its effect on the development of young children is ignored.

I am the Director of the Ohio Community Development Finance ("Finance Fund"). The Finance Fund is a non-profit community development intermediary serving local community nonprofit organizations in disadvantaged communities across Ohio, from inner city to rural communities. We offer a range of housing and economic development programs with a large part of our focus on facilities for child care and Head Start. The Finance Fund is a member of the National Children's Facilities Network (NCFN), a coalition of nonprofit financial and technical assistance commu-

nity development intermediaries involved in planning, developing, and financing home and center-based facilities for low-income early childhood programs.

On behalf of the Ohio Community Development Finance Fund and the National Communities Facilities Network, I would like to applaud Senators Mike DeWine (OH) and Christopher Dodd (CT) for introducing S. 1217, the "Child Care Facilities Financing Act', which would create a critically needed "seed money" federal investment which would leverage existing community resources to address the facilities crisis in low income neighborhoods. Having this type of funding will enable the Finance Fund to increase our private capital investment partnerships, resulting in more resources to expand child care space. In essence, the Finance Fund will be able to reach more children. I would like to offer comments on our successful community development child care model in Ohio,—as well as examples of Network member projects in Connecticut, Maine, and Illinois; and the important role that S. 1217 can play to expand this vital work.

ABOUT THE OHIO COMMUNITY DEVELOPMENT FINANCE FUND

The Finance Fund has been working on issues of children's space since 1993. Our initial involvement was with the Head Start program which provided us with a sound base of understanding in addressing the broader childcare market. We offer stable resources for planning, technical assistance and funding for the development of expanded quality space. As a statewide nonprofit intermediary, we serve locally controlled community based nonprofit organizations in low-income communities. Our clients develop and implement a variety of community revitalization projects. Ohio has been fortunate to have policy makers, such as Senator DeWine, who not only realize the value of revitalizing communities, but also investing in children. We also have had supportive partnerships with Ohio Department of Education, Ohio Department of Development, Ohio Department of Human Services and private sector investors.

The Finance Fund has had years of experience in using limited amounts of public money to bring about significant private sector capital investment. Duringthepast10 years we have used limited public funding to enable $368 million in community projects.

This ability to form public-private Partnerships and our ability to offer education and technical assistance to our clients has placed us in the unique position of addressing a wide-range of revitalization issues.

In Ohio, resources for the development of housing or economic development, though not abundant, are present. In childcare, however, resources for the development or enhancement of space are extremely scarce. The Finance Fund receives funding from the State of Ohio to provide space-planning funds and technical assistance to Head Start and Childcare. The State has also invested with the Finance Fund to entice private capital investment into the expansion and enhancement of Head Start spaces. In addition we offer training and assistance in the management of the development process. Every $1.00 of public funding has been turned into $26.11 in project funds, which have touched the lives of over 13,000 of Ohio's children.

Eight products are currently being offered to our clients:

PreDevelopment Program—Grants to start the development process in

housing/economic development. Provides community-based nonprofits funds for "soft costs" of specific projects.

PreDevelopment Section 8 Program: Provides zero-interest loans to nonprofit organizations that wish to pursue ownership and/or management of Section 8 properties.

Linked Deposit Fund: Serves as a debt enhancement tool/product that is used to reduce the interest rate on permanent financing. Provides community based nonprofit developers access to affordable financing from local lenders for housing and economic development projects.

Economic Development Grant: Grants for community revitalization projects. Provides community-based nonprofits with funds for construction/equipment for specific projects.

Head Start Facilities Planning Grant: Grants to enable the facilities predevelopment or planning process for nonprofit Head Start agencies.

Head Start Critical Repair & Safety Grant: Assists in providing better, safer and healthier space for children by providing funding to local Head Start grantees for repair of critical deferred maintenance and safety items.

Child Care Facilities Planning Grant: Grants to enable the facilities predevelopment or planning process for nonprofit Child Care agencies.

Child Care Capital Fund: Resource for the financing of real estate projects available to Head Start agencies. It can be used to reduce the interest rate on permanent financing.

These grant dollars have provided 10,662 homes for low-income or homeless families, created almost 2,238 jobs specifically ear-marked for the low-income population, and revitalized hundreds of thousands of square feet in order to rebuild communities, provide shopping, transportation, medical and social services for it's residents. Through the other four grants, specifically designed to affect Ohio's children, the Finance Fund has also made a huge impact on the state. Those grant dollars have built 1,339 classrooms in Head Start and low-income childcare centers. Based upon Ohio law, this is enough space for 20,000 low-income children to receive quality childcare, hot meals and other health or social services while their parents are at work or school. Other grant dollars have provided almost $100,000 in emergency funds for Head Start agencies.

These funds are for critical repair and safety needs and are easily accessible so Head Start agencies do not have to use their operating dollars for emergency maintenance or to ensure the safety of the children. The Child Care Capital Fund, on the other hand, has helped Head Start agencies achieve almost $700,000 in savings by leveraging (lowering) the interest on their mortgages.

INCREASING THE SUPPLY OF CHILD CARE IN OHIO'S LOW-INCOME COMMUNITIES

Planning resource, capital funding, demand, and supply issues are words, which hopefully convey some of the technicalities of the need, however, "on the street' need looks differently. Wonder World in Akron, Ohio is an example of the severity of the problem. This urban center is located in an old church. Care space is dingy and poorly light and divided into an upstairs space and a damp basement space. The care spaces have no windows and no direct access to bathrooms or kitchen space. There is no outdoor play space. Because the space is needed for church and Sunday school, the center must be "broken apart" each Friday and "reconstructed" each Monday. The environment cannot help but have an effect on children and on caregivers, no matter how dedicated, In spite of these conditions, the center has a waiting list and a dramatic need for infant care space as well as expansion of toddler, pre-school and after school care. There are no other choices. Where there is lack of access to quality space or where the space is low quality, children lose developmental opportunity.

In this case, the Finance Fund played a critical role, offering gap funding and technical assistance to help meet the needs of children and their families. The Finance Fund was also able to assist the Tri-County Community Action Agency in Athens, Ohio for the Nelsonville Head Start Project. The project used a $250,000 grant to reduce the interest rate on permanent financing to construct a new Head Start facility, which replaces a center the agency had rented from Hocking College. The financing tool, termed link deposit, made the mortgage more affordable and freed up program funds to be used for services for children and families.

In these instances, we have been successful, but looking across the State of Ohio there is enormous need for additional quality space. An essential tool necessary to help meet this need is low-cost, flexible funding of the type that would be provided by S. 1217, the Child Care Facilites Financing Act, introduced by Senators DeWine and Dodd. Having this type of funding will enable the Ohio Community Development Finance Fund to increase our private capital investment partnerships, resulting in more resources for local projects and our ability to reach more children.

S.1217, THE CHILD CARE FACILITIES FINANCING ACT

Since many low-income communities in Ohio face a severe shortage of quality child care space, the Finance Fund has been working to expand the supply of child care by providing essential resources to communities; and, as a member of NCFN, by supporting federal legislation—S. 1217, "The Child Care Facilities Financing Act" which would create small "seed money" investments to capitalize child care financing funds within existing community development intermediaries.

The Finance Fund applauds Senators Mike DeWine (OH) and Christopher Dodd for introducing S. 1217," The Child Care Facilities Financing Act" on July 20, 2001 with strong bi-partisan support from 10 additional co-sponsors: Senator Snowe (ME), Senator Kennedy (MA), Senator Roberts (KS), Senator Johnson (SID), Senator Edwards (NC), Senator Feinstein (CA), Senator Collins (ME), Senator Wellstone (MN), Senator Bingaman(NM), and Senator Murray (WA)

This legislation draws on the community development model by using small, seed money investments to leverage existing community resources to help meet the growing demand for child care in low-income communities. In addition, experienced non-

profit intermediaries will be able to enhance the ability of home- and center-based child care providers to serve their communities by providing the kind of technical assistance that is needed to help them undertake appropriate capital planning to improve and expand their programs.

S.1217 would authorize $50 million annually to fund grants to nonprofit intermediaries to help home- and center-based child care providers more effectively meet the child care needs of local communities. Funds will be used to provide: financial assistance by intermediaries, in the form of low-cost loans, grants, and interest rate subsidies, for the acquisition, construction, or improvement of facilities for home- and center-based care; and technical assistance to improve the business management and entrepreneurial skills to ensure the long-term viability of child care providers.

S. 1217 requires that the federal investment be matched, dollar for dollar, by funds from the private sector, thereby stimulating valuable public/private partnerships. Members of the National Children's Facilities Network typically raise well over this match requirement from their public and private partners for every dollar they invest in child care space.

The community development approach has proved successful in low-income neighborhoods and communities across the country in stimulating investments in affordable housing, community facilities, economic development projects, and small businesses. These investments have halted and even reversed the decline of many hard-pressed communities and provided economic opportunity to their inhabitants. There is ample evidence that the same type of economic boost can be achieved in child care.

The beauty of the community development model is that it relies on small community based efforts rather than on large-scale top-down government programs. All that is needed to strengthen the child care infrastructure in low-income communities is small seed-money investments to capitalize child care financing funds within the existing community development intermediaries. These organizations would then provide technical and financial assistance to local home-based and center-based child care programs.

NATIONAL CHILDREN'S FACILITIES NETWORK

The Finance Fund and other members of the National Children's Facilities Network (NCFN) look forward to continuing to work with members of your Committee and other members of Congress to ensure the passage of S. 1217. NCFN's purpose is to share information on child care facilities issues; initiate legislation and regulations affecting low-income early care and education facilities; and develop and support various financing strategies, initiatives and programs. (See Appendix A for Network Overview and Membership List)

Network members have become sophisticated at the art of using government and philanthropic grants to leverage significant private sector capital investments in the expansion of child care space. The examples below demonstrate a select few of these intermediaries' ability to leverage other funds from their investments, and the child care space that is produced as a result. A strategic investment by the federal government in these experienced intermediaries will dramatically expand and strengthen the child care industry in the low-income communities they serve.

Ohio Community Development Finance Agency (since 1994)

Investments in childcare space—$16.3 million Total project funds leveraged—$146.6 million $5 leveraged for every $1 invested Children served—23,171 Classrooms created—1,363 Square feet of real estate created—1,666,822

Illinois Facilities Fund (since 1999)

Investments in Child Care Space—$17.6 million Total project funds leveraged—$37.4 million $3.6 leveraged for every $1 invested Children served—2,300 Classrooms created—100 Square feet of real estate created—595,000

Local Initiatives Support Corporation (since 1994)

Investments in childcare space—$8.2 million Total project funds leveraged—$47.2 million $6 leveraged for every $1 invested Children served—3,850 Childcare centers created—50 Square feet of real estate created—356,000

Coastal Enterprises Inc., Augusta, Maine

Investments in childcare space—$13.1 million Childcare providers served—110 Children served—3,424

CONCLUSION

Looking across the state of Ohio, there is an enormous need for additional quality for child care in low-income communities. Where there is a lack of access to quality space, children lose. When children lose, we lose children, and when we lose chil-

dren, we always pay the social and economic costs later. S. 1217 is an important first step in addressing the need to build the supply of quality child care facilities to support the needs of children, families and communities nationwide.

Thank you for the opportunity to provide written testimony before your Committee today. We would be pleased to provide additional information about our work.

[Whereupon, at 12:17 p.m., the committee was adjourned.]

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