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GOOD BEGINNINGS LAST A LIFETIME: HOW THE FEDERAL GOVERNMENT CAN PROMOTE AFFORDABLE, QUALITY CHILD CARE

HEARING

BEFORE THE

OVERSIGHT OF GOVERNMENT MANAGEMENT, RESTRUCTURING, AND THE DISTRICT OF COLUMBIA SUBCOMMITTEE

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

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SECOND SESSION

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GOOD BEGINNINGS LAST A LIFETIME: HOW THE FEDERAL GOVERNMENT CAN PROMOTE AFFORDABLE, QUALITY CHILD CARE

MONDAY, JANUARY 28, 2002

U.S. SENATE,
OVERSIGHT OF GOVERNMENT MANAGEMENT, RESTRUCTURING,
AND THE DISTRICT OF COLUMBIA SUBCOMMITTEE,
OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:06 a.m., at the Childgarden Child Development Center, 4150 Laclede Avenue, St. Louis, Missouri, Hon. Richard Durbin, Chairman of the Subcommittee, presiding.

Present: Senators Durbin and Carnahan.

OPENING STATEMENT OF SENATOR DURBIN

Senator DURBIN. Good morning. I want to thank all of you for joining us today at this field hearing of the Senate Subcommittee on the Oversight of Government Management. I am particularly happy to be here in St. Louis with my good friend and fellow Subcommittee Member, Senator Jean Carnahan. Thank you for joining us today in discussing a topic of importance to families all around America.

I come across the river from Illinois. But since I grew up in East St. Louis, I know the St. Louis area a little bit. And it is great to be over here on this side of the river to meet with Jean and to talk about an issue that I think you will find, during the course of the day, is important to so many families.

Typically, we conduct our hearings on Capitol Hill, but these hearings on the road give us a chance to meet with people and face their real problems. I can not think of a more appropriate setting to have a hearing on child care issues than this facility, which is innovative and colorful. Jean and I have had a chance to walk around to some of the classrooms and see the kids, who are in good hands, and apparently still celebrating the Rams' victory.

Jean has been an enthusiastic champion in the U.S. Senate on the issue we are examining today: How are we going to be able to provide affordable, quality child care for working families across America. Primarily as a result of Senator Carnahan's leadership, Congress enacted legislation last November permanently authorizing the use of appropriated funds by executive agencies to provide child care services for Federal civilian employees. She deserves a

round of applause. I was proud to be a co-sponsor of Senator Carnahan's bill.

Parents rely on outside child care arrangements now more than ever. Whether by choice or necessity, balancing the competing demands of work and raising a family is a terrific challenge. The Children's Defense Fund reports that an estimated 13 million children under the age of six spend part of their day in the care of someone other than their parents. The U.S. Census Bureau reported for the first time in 1998 a majority, 51 percent of married couple families, had children and both parents had at least a part-time job. That is up from 33 percent in 1976. In my home State of Illinois, 61 percent of all children under the age of six have working parents.

When I grew up, of course, my mother worked. But she was home during the early years of my life. And then when my wife and I were raising our three kids, my wife stayed home and gave them special attention and care. And it was not until our first grandson came along and I started talking to my daughter about him that I realized that someone was going to have Alex all day long. And I said, "Who are these people who are going to have my grandson?" This was an important issue. Well, it is an issue that families face every single day. More and more families are turning to child care arrangements outside the home.

Working families also have to struggle to pay for it, to try to make sure that they have the very best care that they can afford. Full day care can cost $4,000 to $10,000 a year, surpassing sometimes the tuition costs of public universities. According to 2000 data, child care for a 4-year-old child in the urban area of Illinois costs an average of $5,300 a year. Average public college tuition in Illinois was $3,845 a year. At the same time, Children's Defense Fund reports that more than one of the four families with young children earn less than $25,000 a year.

The child care profession is also a demanding job. We want to make sure the very best men and women are taking care of our kids and grandkids. And a recent report by *Education Week* reveals the startling fact that a child care professional in the United States can expect to earn about as much as a parking lot attendant in the course of a year. Think about that. Someone is being paid as much or more to watch an empty car than to guard our greatest treasure: Our kids. In Illinois, child care workers fared slightly better than average, with an average annual income of $18,000 a year.

We know there is a big gap between what children need and what we are providing them. And the Federal Government has an interest in making sure that families do have the very best tools so that their kids can grow up in a very positive and learning environment.

A century ago, we learned the importance of a public investment in public education. It has paid off. It has made America a greater Nation. Now we have education reaching down to infancy, education at centers just like this one, where you have good, qualified people helping kids to learn the basics, spending an important part of each day with them.

We are going to be hearing from several panels, but first I would like to recognize and thank her for her leadership: Senator Jean Carnahan.

OPENING STATEMENT OF SENATOR CARNAHAN

Senator CARNAHAN. Thank you, Mr. Chairman, and welcome to Missouri. We share not only a common border, but we also share a common concern for our youngest and most vulnerable citizens. I am pleased that we have the opportunity today to put the spotlight on the issue of child care.

As a mother of four and a grandmother of two, I know firsthand how much children learn and develop in those early years. They are exciting times. Every day is full of new experiences, new lessons, and new accomplishments. A child's brain, as we all know, is literally like a sponge. It soaks up everything around, appreciating the small joys in life that sometimes we adults let go unnoticed.

Parents have known for a long time what research is now only proving: That development in those early years is key to a child's success. What does that mean in terms of child care? It means that quality matters. It matters not only for those early years, but for a lifetime.

This is not news to any of you in this room. You are the parents, and you are struggling to find a place that is good for your children that is within your means. And you are the child care center directors who work to create quality learning environments with insufficient resources. And you are child care workers who make a real difference in children's lives but barely make above the minimum wage. We ask a lot of each of you, and I want to recognize the outstanding contribution that you make to the lives of our children.

The problems in the current child care system are not news to you, because you strive to overcome them every day. However, I think that many Americans would be shocked to learn about the gap between what we want for our kids and what the current system is actually able to provide.

The reality is that child care is expensive, and parents can only afford to pay so much. Child care is a significant expense even for well-to-do families. It can be an insurmountable expense for low- to middle-income families. They have to make difficult choices about how to pay for child care, and all their other bills as well. Today, we will hear from Jo Ann Harris about the sacrifices that she is making for her family to pay for her child care bill.

To have a quality learning environment for children, you need a trained staff. A child care director is competing for staff just like every other business. But while the little ones needing our care are priceless, the wages of the care givers are often low and cannot compete with higher paying, less demanding jobs in other fields.

Even after a child care worker is hired, on average, 30 to 40 percent will leave in less than a year. About 70 percent of the average child care center's budget is allocated for labor costs, and parents are not likely to be able to afford to pay more.

How can this situation be improved? How can this self-perpetuating cycle be changed? These are difficult questions with no easy answers. Today we will hear from Lisa Eberle-Mayse, the director of this beautiful center, speaking about how she manages to bal-

ance the competing demands. These are real challenges even for model centers such as Childgarden.

Today we will hear from the stakeholders involved in child care in Missouri and Illinois about their experiences and concerns, and their suggestions for how to improve the current child care system. We will explore the resources that are available to parents, businesses, child care workers, and child care centers to make better, more informed decisions. And we will also identify ways the Federal Government can assist families and employers and child care providers in the search for affordable quality child care.

Last year, I introduced legislation to assist low-income Federal workers afford their care. And I am pleased to report that the proposal passed both houses of Congress, and President Bush has passed it into law.

As this hearing will highlight, there is a shortage of trained professional child care workers. I will be announcing a plan that will pull together the resources of businesses, educational institutions, and government to address this pressing need. The proposal will be a public/private partnership aimed at three goals: (1) recruiting new people to enter the child care profession, (2) upgrading the quality of child care staff, and (3) creating incentives for civic, business, and not-for-profit participation in these efforts. I will reach out to the relevant child care stakeholders in Missouri, including parents and employers, to ensure that their views are represented.

I would like to extend my thanks to all of you today, all the panelists who will be speaking, and the audience for joining us today. Mr. Chairman.

Senator DURBIN. Thank you very much, Senator. We will be hearing from two panels of witnesses, and I will call the first panel, which will describe the key challenges faced in obtaining and providing child care services, including availability, quality, and affordability. The second panel will be talking about best practices and innovative solutions which we might be able to use as national models. Let me welcome the first panel of witnesses, if they would please come forward. Lisa Eberle-Mayse, director of Childgarden, our host today. Thank you for being with us. Steve Cok is here. Jo Ann Harris from St. Louis. And Janice Muenster of Highland, Illinois. Mr. Cok, Ms. Harris, and Ms. Muenster are all working parents residing in Missouri and Illinois who depend on out-of-home child care for their kids. Thank you all for coming. We look forward to hearing your testimony.

If you could confine your spoken statements to 5 minutes, we will make sure that your written statements in their entirety are made part of the record. And then Senator Carnahan and I will ask some questions. Ms. Eberle-Mayse, would you like to kick off. And thank you again for opening up Childgarden for this meeting today.

TESTIMONY OF LISA EBERLE-MAYSE, M.A.,[1] DIRECTOR, CHILDGARDEN CHILD DEVELOPMENT CENTER

Ms. EBERLE-MAYSE. Absolutely. We are very glad to be able to host.

[1] The prepared statement of Ms. Eberle-Mayse appears in the Appendix on page 33.

My name is Lisa Eberle-Mayse, and I am the director of Childgarden Child Development Center, which is an Easter Seals and St. Louis ARC child development center. Childgarden is an accredited early childhood program committed to providing the highest quality care and education. The center serves children and families from a wide range of socio-economic levels, racial, and ethnic backgrounds. We are intentionally inclusive of children with special needs, with more than 25 percent of the children enrolled having a diagnosed disability or developmental delay. In addition to child care, we also offer therapy services for children with special needs.

Childgarden opened its doors in 1989 with this commitment to diversity and inclusion, and in specific response to the fact that it is extremely difficult for families of children with special needs to find appropriate child care. We remain committed today because this need still exists, and because of the long-term impact of this philosophy. In a world that all too often fosters separation and segregation, the children of Childgarden grow up learning and growing together, exploring and celebrating the things that make us the same and the things that make us different. It is our passionate belief that these early experiences will yield a lifetime of benefit as these children carry a greater sense of tolerance into adulthood.

Fulfilling this vision requires one thing above all others: A staff comprised of individuals who actively choose to do this work, who have the knowledge and skills to do their jobs well. At Childgarden, we are proud of our staff and the care, dedication, expertise, and love that they show to our children each and every day.

However, attracting and retaining such a staff is without question the single biggest challenge we, and other child care providers, face every single day. Unemployment remains at low levels, which has driven up wages across many industries. The impact for child care is profound. In addition to competing for qualified candidates within our own field, we find ourselves competing with fast food restaurants, retail stores, and other industries. Yet the vast majority of child care providers cannot simply increase their fees to cover the current actual cost of care, much less to cover significant raises for staff, because only a handful of families could afford such increases.

For example, at Childgarden, while our weekly infant fee is $198, the true cost of care for an infant is $324, or roughly $17,000 per year. According to the U.S. Census Bureau, the median family income for a family of four in Missouri is roughly $56,000 a year. The full cost of care in this situation would be 30 percent of the family's gross income, and that is a pretty significant figure. The impact becomes more real, however, when you consider that 50 percent of families fall below that median income.

Consider another example. In the State of Missouri, a family of four earning $22,000 per year is not eligible for any State assistance with their child care costs. For this family, paying the true cost of care for one infant would represent 77 percent of the family's income. The result? In our case, with no significant funding stream for child care scholarships, the result is fees that push the limits of families' abilities to pay, but that do not cover the true

cost of operating a center. This, in turn, leads to continued low staff wages and higher staff turnover.

The most recent statistics from the Center for the Child Care Workforce tell us that, nationally, the mean hourly wage for child care workers is $7.42. Occupations earning higher mean wages include service station attendants, tree trimmers, and food service workers. These low wages lead to turnover rates that range from a low of 25 percent annually to well over 60 percent. And the saddest truth behind these statistics is that even individuals with the education, the skills, and the desire to remain in child care must sometimes choose to leave it in order to support themselves and their families.

The impact of this cycle on our children and on our future as a Nation is enormous. We know from current research that, in order to learn and develop, children need to be actively engaged with an environment that is carefully designed. We know that children must have primary care givers with whom they can have strong relationships, and that these care givers must be knowledgeable about child development, a lot to ask of someone working for an hourly wage of $7.42.

And yet we do ask it, and we will continue to ask it, because the needs of our children and our future demand no less. For centers like Childgarden who are fortunate enough to have the financial and program support of two established parent agencies and assistance from the United Way, the St. Louis Variety Club, and other donors, the task is a little easier. We are able to be relatively competitive within our field. We are not, however, able to come close to wages paid by Head Start, early childhood programs within the public schools, or other service industries outside the field of child care.

It is sometimes said that one does not solve a problem simply by throwing money at it. While those of us in the field of child care would absolutely acknowledge the importance of good stewardship of our resources, the plain and simple fact is this: Sometimes there are problems that need money thrown at them. The care and education of our youngest children, our future, is one of them.

Thank you for the opportunity to speak this morning and for your interest in supporting our future.

Senator DURBIN. Thanks, Lisa. Steve, you will be the first of three witnesses, parents who are dealing with finding good day care. Can you tell us your experience. And with your testimony, we will make it all part of the record. Give us 5 minutes of summary.

TESTIMONY OF STEVEN J. COK,[1] A PARENT OF CHILDREN IN DAY CARE

Mr. COK. Thank you for inviting me to this panel. My name is Steven Cok. My wife and I have two children: Philip, who is 7½, and Nina, who is five. We both have full-time jobs and are highly dependent on child care outside of the home.

We have had experiences with two day cares: First, the Child Enrichment Center, or CEC, which is housed and governed by the Richmond Heights Presbyterian Church, and second, Zelda Epstein

[1] The prepared statement of Mr. Cok appears in the Appendix on page 37.

Day Care Center, which I refer to as Zelda's, which is corporate-sponsored day care.

Our experiences at the two day care centers shared similarities, but also had distinct differences. Both centers are not-for-profit, relatively small, and had warm family-like atmospheres. More importantly, these centers had a core group of teachers that were warm, loving, and had been working at the center for an extended period of time.

CEC offered services for infant and toddlers, and was able to maintain these rooms at full capacity. However, there was a large attrition rate for children greater than 2 years old. And since the payroll of the day care was funded entirely by tuition income, a large variation in children enrolled for the older-aged classrooms created a financial burden to the day care as a whole. The church lacked the financial resources to make up for budget deficits, and in some instances, the director was forced to lay off employees in order to balance the budget. When enrollment increased, they were required to search for replacement teachers to maintain the proper student-teacher ratios. These circumstances created overall instability to the day care environment, and the best-qualified and hardest-working teachers were over-tasked with filling in for teacher vacancies.

Finally, because CEC had operated with limited financial resources, they were unable to provide competitive salaries and employee benefits, which made it even harder to attract qualified child care providers.

Ultimately, fire safety regulations required the child care center undergo extensive renovations. And the inability to perform these changes resulted in closing of the day care.

Zelda's is also financed through tuition income, and fluctuations in enrollment create significant strains on balancing the budget. In contrast to the CEC, budget deficits are corrected with loans from the sponsoring business. Moreover, Zelda's is able to provide teachers with the same employee benefits as company employees. And all of these factors contribute to the ability to attract and maintain qualified teachers, which provides a strong sense of stability and security for the staff and the parents. And I believe that providing a dedicated and qualified staff is crucial to a successful day care center and, most importantly, to the well-being of the children.

During the course of our day care experience, we have been challenged with some very difficult decisions. When Philip reached 2 years of age, he was moved to a new classroom with a new day care provider. It was clear from the beginning that he was not happy and obviously not adjusting to the new situation. Additionally, we were not satisfied with the quality of the day care provider. My wife and I adjusted our normal work schedules such that Philip spent the least required time in the day care. Knowing that our son was not happy created constant strain on us as parents, and it became increasingly difficult for us to concentrate on our normal daily tasks. It is hard enough to leave your child in the care of someone other than yourself, and it becomes nearly unbearable when you know that the child is truly unhappy.

It was at this point that we chose to move Philip from CEC to Zelda's, and from the moment we enrolled Philip, we knew we had

made the right decision. He made an immediate bond to his day care provider, and responded to the secure and loving environment that permeated the entire center. Our son's happiness was also reflected in the general well-being of our home and work life.

When we joined Zelda's, the day care was made up of a diverse group of people that represented a variety of racial and social economic classes. Over time, this diversity began to disappear. The board of directors decided that the demographics of the center no longer reflected that of the community that the day care was charged to serve. It was at this point that Zelda's formed its scholarship fund. The scholarship fund provides tuition assistance based on income and family size.

Since formation of the scholarship fund, Zelda's has seen an increase in minority representation at the day care center, and the majority of these were eligible for the scholarship assistance.

My family is lucky. We were able to find quality day care for our children, and we have been able to afford it. This is not always the case for other families. As a member of the board of directors of Zelda's, I am proud that we were able to initiate a scholarship program so that lower income families can afford quality day care for their children too.

And as the number of families with two working parents increases, so does the demand for quality affordable day care. It is increasingly difficult for not-for-profit day care centers to compete for qualified, well-trained care providers. And the ability to provide a choice for a safe, loving, and stable day care environment is the minimum that this country should offer to working parents.

Thank you.

Senator DURBIN. Thank you very much, Mr. Cok. Jo Ann Harris.

TESTIMONY OF JO ANN HARRIS,[1] A PARENT OF CHILDREN IN DAY CARE

Ms. HARRIS. Good morning. My name is Jo Ann Harris, and I am 22 years old. My family consists of my husband, who is 26, my 2-year-old daughter, Aliyah, and my 4-year-old son, Keith. I am very grateful to have an opportunity to share my family's experiences with child care, because my husband and I both work full time, and we do not have a lot of help from relatives. So it is essential that we have a reliable and trustworthy environment for our children to be in 40 or more hours every week.

My children attend preschool at South Side Day Nursery, which is located on Iowa at Arsenal in South St. Louis. My children arrive at the center at 7:30 a.m. and are picked up at 5:30 p.m. Monday through Friday. Therefore, my children are in school up to 50 hours every week.

The tuition I pay at South Side Day Nursery is based on our household income, and my children's tuition is $100 per week, which averages to $400 per month. I do not like to complain about the cost of my child care, because I have checked into prices at many other centers, and we are very fortunate and blessed to have found the quality of child care that we have for the price that we pay.

[1] The prepared statement of Ms. Harris appears in the Appendix on page 39.

But still, at times, my family has found it difficult even to afford the $400 a month with other household bills. I have been working a second job one night a week as a waitress, specifically to pay for child care each week. However, income reviews at the center are coming up in a month, and I am almost positive that, with the second job, the tuition fees will increase because my income has increased.

But regardless of cost, quality child care is a necessity to working families. And I have had experiences with other centers when my children were younger that cost more than their current center, but did not have the quality of their current center. I could not afford a reputable center, so I had to take my children, who were not old enough to verbally communicate at the time, to a home-based day care center that was not very responsible or stimulating to my children's development. And as a mother, that was very unsettling for me, because I had no other alternative and no way to afford better child care for my children.

But now my children have been at their current center for 2 years, and I do not have to worry about them when I am at work, because I see their scheduled curriculum every week, and their teachers are genuinely concerned about my children's progress.

I would suggest to any parent who is looking for child care to look into a few different centers before committing to one. There are quite a few Head Start locations here in St. Louis that offer tuition fees that are based on sliding scales, as do a lot of other centers that, in my opinion, are very good quality centers.

What I hope is accomplished from this hearing is foolproof monitoring of parents' work or school attendance that do receive child care aid so that child care benefits are not abused. I think it would be fair to offer middle class families partial or temporary child care assistance based upon their income, their family size, and possible emergency situations. And as compensation for the aid, I think it would be very beneficial to families on aid and to the child care facilities if the family was required to attend monthly or weekly meetings, conferences, and support groups that many centers offer.

And that is basically it. Thank you very much for your time.

Senator DURBIN. Thank you for your testimony. Janice Moenster.

TESTIMONY OF JANICE MOENSTER,[1] A PARENT OF CHILDREN IN DAY CARE

Ms. MOENSTER. Thank you, Senator Durbin and Senator Carnahan, for the invitation to speak this morning. My name is Janice Moenster, and I represent a two-parent working family with two children.

Having two children, we have used almost every type of child care available: Relative care, family child care, center-based care, Illinois State Board of Education Pre-K at Risk, and most recently, school-age care. I am going to talk specifically about one experience that had a tremendous impact on our family.

When our son was three, we were using a family child care provider, and she recommended that we take our son to the early childhood screening offered by the school district. We took our son,

[1] The prepared statement of Ms. Moenster appears in the Appendix on page 40.

and 3 months later, we were notified that our son had some speech and auditory delays. The good news was that he qualified for the State Board of Education Pre-K at Risk program. The bad news was that the program ran from 8:30 to 11:30, Monday through Thursday, 9 months out of the year, and there was no transportation, and the program was 20 miles away from where we lived. In addition, all parents had to volunteer once a month in the classroom.

We knew our son needed the services in order to be ready to enter school ready to learn. But the challenges of how do we get him to and from the program, how do we volunteer in the program without losing our jobs, and who will care for our son when he is not in pre-K, will our current family child care provider accept our son for part-time care, or would we have to find new child care.

After several stressful months and emotional moments, we worked things out. My employer understood my situation, and I worked my flex schedule. I organized a car pool and paid someone to car pool. Our family child care provider cared for our son part time, but we paid full-time care rates.

Our family was fortunate. We found solutions to our problems. The big question is how many other families can not work through these issues, and how many children go unserved.

Every parent wants to provide the best for their children. Sometimes, our ability to provide the best is not within our reach because of a variety of challenges, including a lack of financial resources to afford the best and highest-quality child care. Our family did not qualify for any child care assistance programs, and high-quality child care is expensive. However, it is an expense we felt was well worth it. When both of our children were in child care, we spent 15 percent of our gross family income on child care. Child care was our biggest monthly expense, higher than our mortgage or even food cost.

Even when finances are not a barrier, you are presented with additional challenges, and that is a lack of accessible child care that meets your needs for an infant, a school-ager, or even a child with special needs; or finding a child care program that provides child care services on the weekend or midnight, which is very common for parents doing shift work; lack of extended family or a role model who can provide parenting support or education, information, and are resources on how to be a good parent; how to promote reading; or recognizing red flags in children's development; or even understanding developmental milestones so, as a parent, you have appropriate expectations for your children.

Another challenge is the lack of employers who recognize that balancing work and family responsibilities is extremely difficult. Employers find that employees are more committed and more loyal to their employers when they support them with flexible workplace programs and policies that show they care about their people.

How can Federal Government improve and support child care and families? First and foremost, we, as a society, must acknowledge that all families, regardless of income, should have access to the highest quality child care possible, and that child care should include all children. Recognize that one size does not fit all. Families need a variety of program options to meet their needs. Pro-

grams that provide full-day care, half-day care, full year, evening, weekend, before school, after school, and more are needed.

All families are confronted with difficult times because of unemployment, exposure to substance abuse, sexual abuse, domestic violence, and mental health issues. Comprehensive social service support should be accessible and readily available to families.

We have all heard the slogan, "Good beginnings last a lifetime." Then let us give children and families a good beginning by continuing to fund or even expanding funding to programs like Parents as First Teachers, model parental training programs, and child care resource and referral programs that provide information, education, and support to families. Through proper support, families can be the most important teacher to their children.

And support the other care givers that shape and mold our children, such as family child care providers, child care center staff, Head Start staff, early intervention, directors, and even grandparents and relatives who take on the care-giving role. This support is critical. Too many care givers leave the business of caregiving because of the lack of pay, benefits, respect, and growth opportunities. We need investments in the care giver through programs like T.E.A.C.H., Great START, credentialing, college loan forgiveness programs and other incentives, and livable wages so that people will want to enter the profession of teaching.

When both of my children finally entered school, I assumed that my child care dilemmas were over, and that assumption is incorrect. School-age care is even more difficult to find since care is needed on a sporadic basis like holidays, school closings, or teacher in-service training days. Many families resort to leaving their children at home alone, without adult supervision. Therefore, incentives for schools to provide before- and after-school care on the premises is also encouraged, as well as full-year schooling.

Curriculums for schools and child care should also focus on the whole child. A child's intellect, as well as their social and emotional capabilities, should be developed through character education programs, violence prevention, or even the peace builders program.

Last, provide more incentives or give recognition to employers who provide vouchers for child care or provide on-site child care or provide innovative workplace programs and policies.

The children are our future. Good beginnings do last a lifetime. Let us put actions to our words.

Senator DURBIN. Thank you. Thanks for your testimony.

It strikes me that, if you try to step back and look at the big picture and a little bit of history, that we are in an unusual moment. Basically, education as we view it in America was defined in the 19th Century. We decided in the 19th Century that, at the age of five, society would have an obligation to children to create public education. We also decided in the 19th Century that it was a pretty good idea for schools to be in operation only 9 months out of the year, because kids had to get back and work on the farm. And we also decided that turning loose kids at 2:30 or 3 o'clock in the afternoon was perfect, because Ozzie and Harriet were waiting at home with cookies and milk. My, how the world has changed.

Janice, your testimony here talks about how important it was for your child to get special attention and special help at an early age. Son or daughter?

Ms. MUENSTER. Son.

Senator DURBIN. Your son, so he would be ready to come into the classroom and learn. And so early intervention and early opportunity made all the difference in terms of what he needed. So his education started a lot younger than the five years of age, thank goodness.

You had a lot of help from your employer. It sounds like your employer was pretty supportive. What is your advice to us in terms of encouraging employers to be more receptive and more cooperative?

Ms. MOENSTER. Well, I think that many employers look at on-site child care as the first option. And I think typically that really should be the last option. I think employers really need to look at their policies in place. Can they take sick time for both their children as well as for yourself. Are there opportunities to really look at flexing people's starting and ending times. Or looking at 10-hour work days versus the traditional 8-hour day, or 40-hour work week. So I think employers need to be aware of options. I think they need some incentives to do that. It does not work for all employers. It depends on what kind of employer they are.

Senator DURBIN. And I think we have to share the success stories.

Ms. MOENSTER. Yes, absolutely.

Senator DURBIN. When employers cooperate, and they get a lot more productivity and morale out of their employees, that is a plus for businesses.

Ms. MOENSTER. And I think it is also economy driven. Right now, there is not this huge drive to find employees to work. And so employers do not have to offer wonderful packages to attract employees. Right now, employees are just thankful to have a job.

Senator DURBIN. Jo Ann, do you sense that this hill is getting steeper? The more you work, the more you are going to have to pay?

Ms. HARRIS. Oh, yes. Luckily, my day care center and my job has both helped me a lot in both aspects also. I am not exactly sure what type of increases are going to go as far as getting more income in per month. But we are on a sliding fee scale, so I do know I am making $400 more a month. So that could possibly put me up in a higher bracket. But hopefully, though, I will be able to just stay on my feet, keep my head up.

The day care center helps a lot as far as they even offer side scholarships of that sort to help reduce your rates even further when you do fall upon emergencies. So I was really blessed that they had those basically available to me such as scholarships and things like that, because had I been at a regular child care facility and was paying full fees, that did not offer sliding fees, my kids would have been out of day care, and I would have lost my job.

Senator DURBIN. Steve, now you found that Zelda's is a much better opportunity for your children, and you are involved in it personally. Is it a company sponsorship?

Mr. COK. Yes, INDEECO Corporation.

Senator DURBIN. And do they put a substantial subsidy into the operation of the center?

Mr. COK. Well, the center would not be operating at this point if it were not for INDEECO. The budget shortfalls always occur because you have basically a group of people that are eventually going to leave. And that is where all of your income comes from. And they all leave at the same time. But they do not all come in at the same time. And so there is a lot of balancing the books that is necessary. And without INDEECO acting, basically, as a friendly bank, I think this day care would have fallen apart, or we would have lost teachers.

Senator DURBIN. Lisa, let me ask you about the teachers. Does Childgarden offer health insurance for its employees?

Ms. EBERLE-MAYSE. Yes. We offer it currently for the individual staff member at a very low cost. The cost for staff who have children, the coverage for the dependents is not something we have been able to do much with yet, and that is pretty high.

Senator DURBIN. My experience, in looking around my State and asking people, is that a lot of day care facilities do not offer health insurance.

Ms. EBERLE-MAYSE. No. They can not afford to.

Senator DURBIN. They can not afford to because, obviously, it is expensive. And that expense has to be passed along to parents who are struggling with their own expenses.

Ms. EBERLE-MAYSE. Right.

Senator DURBIN. I have introduced legislation called care givers insurance. The State of Delaware has already done this. They have said that, if you work in a child care facility, you qualify for Medicaid in their State; you are covered. I think that ought to be extended beyond child care workers to people working in nursing homes, personal care attendants for disabled people. Why is it that we are going to trust members of our family who are disabled, our parents, and our kids, that we would not want that worker to have the peace of mind of health insurance coverage. That strikes me as something that would create an incentive for some to come to this profession and others to stay.

Ms. EBERLE-MAYSE. Absolutely. I think one of the really difficult choices that sometimes centers have to make is, do I put this—the money that I have, do I put it into making my salaries the highest they can be, so that I can be more competitive, and what has to give if I do that? Is it health insurance? Is it not as many resources for the kids? But one of the things—our highest percent should be salaries, no question. But there are lots of tough choices that end up happening for lots of centers relative to salary versus benefits. Is it money in your pocket, or is it money that is going to insure your continued health? It is a tough choice.

Senator DURBIN. Senator Carnahan.

Senator CARNAHAN. Thank you. Tell us some more, Lisa. Follow up with that line of thought some more with the costs of your center and how sometimes you maybe have to cut corners. How do other child care centers handle this balancing act that you have to go through every day?

Ms. EBERLE-MAYSE. It is a balancing act. And really the two pivots of the balance are staff salaries and fees. Every year, we have

usually a fairly minimal fee increase. But every year, we struggle over exactly how much that is going to be, because the higher our tuition gets, the less likely we are to be able—as you talked about with Zelda—to be able to really maintain that amount of diversity that we have always had at Childgarden. We also know that we have to be competitive in terms of, at least within our field, the salaries that we pay our child care staff.

We try to really minimize our non-salary expenses. We shop cheap. We are fortunate that we have two separate development departments that do lots of fund-raising for us, both for capital improvements and all the way down to art supplies from girl scout troops. So we get creative about finding ways to supply our classrooms and the things that we need.

The other thing that we have put a lot of effort into is trying to make the workplace pleasant and supportive for staff in ways other than straight salary. That needs to happen too. But in the meantime, what can we do to make this a supportive and welcome place to work? Do you have places to put your own stuff? Do you have the opportunity to take classes and somebody is going to pay for you to do that? So we try to find ways to make it a good place to be in addition to the salaries that are paid.

Senator CARNAHAN. Do you make use of volunteers? And is that an effective thing to do?

Ms. EBERLE-MAYSE. Yes, it is. For us, it is a way of getting more hands on deck. And we participate in the foster grandparents program. We currently have three foster grandparents in our building. We just had a whole batch of students from SLU High School leave. They have been with us for a month. They worked with kids, but did tons of manual labor too, I will tell you what. So yes, we really try to recruit volunteers.

The catch there is that, in our situation at least, we choose not to use volunteers to meet our State-mandated ratios, because we want to be able to have more control over the education, the training, and the performance of those individuals. So we use paid staff to meet those ratios, and our volunteers to be an extra pair of hands and to help bring the ratios down a little bit, but not officially. Did that answer your question?

Senator CARNAHAN. Yes, thank you. Steve, you mentioned Philip?

Mr. COK. Right.

Senator CARNAHAN. What did you see as the difference in a well-trained child care worker and one that was not, and how that impacted Philip, for instance?

Mr. COK. I think the ability to bond with the children. It was clear during drop-off times that he was unhappy at the CEC situation. He did not want to go to the teacher, did not want to be there at all. Transition times are always difficult for children, but this continued even on the pick-up. So it was clear that the teachers were not bonding. The way they talked about it, it was like they talked about, "Yeah, he's having a difficult time. Yeah, it's difficult. It's not working well."

What we found when we went to Zelda's was that there was an immediate welcoming bonding of the teacher to the child. When issues came up, there was more discussion about "Is there anything going on at home?" "What could explain this?" So they were obvi-

ously reaching out, trying to understand the child as well as the family situation. That kind of quality just shines through. It is training, I guess, and a desire to be there, rather than just to have a job.

Senator CARNAHAN. Miss Harris—Aliyah and Keith?

Ms. HARRIS. Yes.

Senator CARNAHAN. What other options would you have had for them if it had not been for this sliding scale arrangement? What would you have done?

Ms. HARRIS. Honestly, I have no idea what I would have done. Actually, I think the only other alternative that my husband and I would have is to find new jobs. One of us would have had to switch our job, and one of us would have had to work on a different shift, so that one of us would have been on a day shift, and someone would have been on a night shift. That would have been the only other option we had. We both have very little family here, and the little family that we do have work the same hours that we do, Monday through Friday. So there is no other help from there. And we can not just go out and find another job paying a lot more. That all depends on your qualifications and your education. So that would have probably been our only other alternative, to work around each other's schedule, because I would not have been able to afford a regular facility, and I am above the income guidelines to get aid for child care.

Senator CARNAHAN. Janice, how common would you say the experience is that you had? How common is it among your friends, for instance, having difficulty in meeting some special need? I imagine you have met others.

Ms. MOENSTER. For most families, it is extremely difficult. Our son was actually on the waiting list for services. So we were thrilled when he got in, but then juggling and trying to make the arrangements to make sure he got those services. And all I kept thinking, when he was fifteenth on the waiting list, that was 15 kids who went without services because their family could not make those arrangements. So it is very common.

Senator DURBIN. Thank you very much, Senator Carnahan. Lisa, let me ask you this question. I think, in Illinois, to be a day care worker, you have to have an associate's degree, 2 years of college. Is it the same requirement in Missouri?

Ms. EBERLE-MAYSE. No. And I am not familiar with what is required in Illinois.

Senator DURBIN. I think that is the case. Does that sound right? Some say yes and some say no. We will have to check that.

Ms. EBERLE-MAYSE. In the State of Missouri, there are requirements for college credit hours for directors. Accreditation requires a higher level of education or training for directors on down to assistants in the classroom. But what licensing requires is that——

Senator DURBIN. Ratios?

Ms. EBERLE-MAYSE. Right. But they also require that people working in child care get 12 clock hours of training every year. They are getting ready to implement a more mandatory orientation and a first round of training that providers would get. But my opinion is that the requirements are fairly minimal in terms of licensing. Programs like ours that are accredited agree to subscribe

to a higher level of training. And the baseline for that is typically a child development associate's credential or an associate's degree.

I will tell you, though, that one of the things that we do, addressing the issue of having a place to go, having a lattice or a ladder that you can go up, we have people come work in our facility that we know have good practice, have good instincts with kids, have some training and education. And then we try really hard to grow those people. We invest money in training for them or school. We try to find scholarships and other kinds of things that we can do to help move them up the ladder. And there are salary increases that are attached to those higher levels of education. It is one of the things that came about because of the joint venture between Easter Seals and ARC.

Senator DURBIN. What kind of turnover rates do you find in the industry or in your facility?

Ms. EBERLE-MAYSE. In our facility, we are fortunate. Ours are pretty low. Last year, ours was right around 18 percent, which is pretty low.

Senator CARNAHAN. What do you attribute that to?

Ms. EBERLE-MAYSE. The turnover?

Senator CARNAHAN. Is it money?

Ms. EBERLE-MAYSE. Yes, I think it is. And, actually, most of the people that we lost—that sounds like a terrible thing to say—were folks that were sort of trying out this business. And it is hard work. There are people that will come and start working as a sub or a volunteer, and they realize that they are going home exhausted every night, and they are not making much money. I think it is one of the reasons why the people that tend to stay are folks that look at what we do as a mission, quite frankly, that they see the importance of it.

What is frankly criminal, however, is that the care of kids, and especially quality care, is actually being subsidized by substandard wages and by parents struggling to pay the fees.

Senator DURBIN. Steve, what is your experience at Zelda's with the people working there, the turnover rates?

Mr. COK. Well, I think Zelda's is much like this day care here, where they have a director who is very much interested in training and promoting child care as a career. And so rarely do they lose teachers due to unhappy environments. The majority probably moved on into the public education system for higher wages. And occasionally, people—this is just too much work for this kind of money. They can find better ways to make a living.

Senator DURBIN. Do you know what your turnover rate was last year?

Mr. COK. Last year, I do not know the exact percentages. It was probably 20 percent. And I do not know how the director ever finds replacements, but she always manages to come through and find qualified people.

Senator DURBIN. Great. Thank you all very much. I want to thank the first panel: Janice, Jo Ann, Steve, and Lisa.

I invite our second panel of witnesses to please come forward: Teresa Jenkins, Director of the Office of Workforce Relations for the U.S. Office of Personnel Management in Washington, DC. Sarah Kirschner, from Missouri Childcare at Work. Penny Korte; she is

with PALS of Highland, Illinois, a child care provider. Corinne Patton, Missouri Childcare Resource & Referral Network. And Kim Hunt, Illinois Childcare Resource & Referral Network.

Well, Teresa, since you have come the furthest, you are undoubtedly the expert. We welcome you from Washington, DC, Teresa Jenkins.

TESTIMONY OF TERESA M. JENKINS,[1] DIRECTOR, OFFICE OF WORKFORCE RELATIONS, OFFICE OF PERSONNEL MANAGEMENT

Ms. JENKINS. Thank you, Mr. Chairman and Senator Carnahan. I appreciate being invited here today to discuss with you the child care subsidy program within the Federal Government.

On November 12, 2001, President George W. Bush signed the Treasury and General Government Appropriations Act of 2002, which permanently authorizes executive agencies to use appropriated funds otherwise available for salaries and expenses to provide child care in a Federal or leased facility or through contract for civilian employees. And as you mentioned, Senator Carnahan, you introduced this important legislation.

Amounts provided are to improve the affordability of child care for lower income employees. The legislation covers the children of Federal employees from birth through age 13 and disabled children through the age of 18. Congress previously provided the authorization to Federal agencies as a pilot project.

An increasing number of Federal employees are discovering that affordable child care is getting more difficult to find, even when their own agencies sponsor on- or near-site child care centers. The affordability of child care for lower income employees remains out of reach as child care costs can translate to as much as 50 percent of total family income.

Reduced child care tuition as a result of agency contributions permitted by law can have a significant impact on employees' ability to utilize safe and reliable child care. Benefits to the agencies include improved recruitment and retention of qualified personnel, lower absenteeism rates, as well as improved morale. Improved retention also results in significant recruitment and training cost savings to Federal agencies. And, of course, employee productivity is increased due to the reduced concern about child care.

The Office of Personnel Management's regulations to establish a child care subsidy program provide Federal agencies with maximum flexibility to define lower income Federal employees and determine the size of the subsidy each employee receives, as agencies have different needs.

The Office of Personnel Management provides agencies with models for determining employee eligibility and the amount of the tuition assistance subsidy. There is no cap on the percentage of child care tuition that will be subsidized.

Twenty-three agencies currently offer a child care tuition assistance program for their employees. The use of the program by Federal employees has increased significantly over the years, as has the amount of funds the agencies dedicate for this purpose. The

[1] The prepared statement of Ms. Jenkins appears in the Appendix on page 43.

number of Federal employees utilizing the child care subsidy has also risen significantly since the inception of this program. Initially, 205 lower income Federal employees received tuition assistance, supporting 253 children. During the year 2000, the number of Federal employees grew to more than 800, supporting 1,033 children.

Federal employees at pay grade levels GS–1 through GS–13 received child care tuition assistance. But the majority of Federal employees receiving child care assistance is between GS–4 and GS–7, which equates to an average salary between $20,000 and $37,000 annually.

The subsidy program allows Federal employees to use center-based child care, as well as care in family child care homes, as long as they are licensed or regulated by the State or local regulating authorities. Our studies show that the majority of children are enrolled in child care centers versus family child care homes.

The Office of Personnel Management is committed to supporting Federal programs that assist employees who are caring for children, as well as providing work and family flexibilities that help to balance these responsibilities.

Although initial numbers of Federal employees utilizing the program were low, interest and participation grew rapidly. Agencies raised the eligibility threshold to allow for maximum utilization and used multiple and continuous marketing strategies to educate and encourage employees to utilize the program.

During the pilot phase of the program, when the legislation was temporary, the Office of Personnel Management received comments from both agencies and employees stating their interest in implementing and using the program, but fearing the program would not be made permanent. Now that permanent legislation has been enacted—thanks in large part to you, Senator Carnahan—OPM expects a significant increase in agency and Federal employee utilization.

Additionally, in past years, the pilots were implemented at a time of year normally difficult for parents to change child care arrangements. With permanent legislation, employees can take the time to secure quality child care at more convenient times throughout the year.

This concludes my testimony. Thank you for inviting me here to be with you today, and I will be happy to respond to any questions.

Senator DURBIN. Thanks, Ms. Jenkins. Sarah Kirschner.

TESTIMONY OF SARAH KIRSCHNER,[1] MISSOURI CHILDCARE AT WORK

Ms. KIRSCHNER. Thank you, Mr. Chairman and Senator Carnahan, for the opportunity to discuss child care with you today. I will be focusing on what businesses do and how they are impacted by child care issues in the community and the workforces in which they operate.

Approximately 10 percent of a large, diverse workforce has children under age six. Of the St. Louis area labor force, 24.5 percent of workers have children under age 15. Employers are impacted

[1] The prepared statement of Ms. Kirschner appears in the Appendix on page 52.

every day by the children who are in unsafe or unregulated care, by the hundreds of school-age children left home alone, by the low wages paid to child care workers, and by the lack of funding for infant care.

Some companies recognize the impact, but many do not. Yet employers are the biggest indirect consumer of child care because it is working parents who require child care, and it is those children now in care who are the future labor force.

The private sector, including companies and philanthropic organizations, contributes only about 1 percent of the total spent on child care in this country. Because child care is funded primarily by parent fees, there is always a gap between what parents can afford and what it actually costs to run a program. When an employer sponsors a child care center, the company typically provides 20 to 40 percent of the annual operating budget.

Missouri Childcare at Work was a unique project undertaken by Fred Epstein, a St. Louis business owner, and operator of Zelda's that we heard about earlier, an on-site child care center at his plant, and then-Missouri First Lady Jean Carnahan. It was a project to encourage businesses to consider on-site child care for their employees. Over the course of the project, about 300 people around the State attended meetings and listened to Mrs. Carnahan and Mr. Epstein.

Two things made this project unique and valuable: The willingness of two visible people outside the child care field to speak out about the issue and capitalizing on Fred's business perspective and Mrs. Carnahan's knowledge of early childhood education, and the availability of funding to offer technical assistance to projects as they started out. Even with corporate dollars pledged to support a center, the staffs at these companies are not child care experts, and they have their own full-time job to do. Starting a project requires extensive research and legwork before anything can happen. In Missouri, there are limited start-up funds available for any child care programs, including those with employer sponsors, and few, if any, dollars for planning and community resource assessments that should also be done.

Over the past 10 or 15 years, some employers have come to realize that child care is not as far removed from their lives as they once thought, and it impacts the entire workforce, not just those with children. The benefits of offering some type of child care program to workers are many. The obvious is that stable quality child care settings translate to fewer breakdowns and emergencies, fewer frantic phone calls during the workday, and fewer last-minute absences because the sitter called in sick.

Many companies have documented other gains. At a small manufacturing company in Rolla, Missouri, there are 4 of the 25 workers who are absolutely essential to plant production. All four currently use child care. And if just one of them is out for the day, the company loss is about $5,000 for that day. That loss affects the entire workforce, and it affects the bottom line.

NationsBank estimated that, by using a child care resource and referral service, their employees save 12 to 15 work hours looking for child care.

Although on-site child care is widely publicized and visible, it is very expensive. It may only serve a portion of the workforce, and it requires a long-term financial commitment. Fortunately, there are other options available to employers. Offering information on parenting or family care during work hours is one of the easiest, cheapest things an employer can do. Resource and referral is another low-cost option. These services match parents with care that meets their needs.

There are two types of resource and referral services. There are the not-for-profit, usually State-funded, community-based agencies, and there are for-profit vendors who buy databases of child care providers and sell them to companies. Both can offer lists to parents. But what the for-profits do not do is improve and expand the supply of child care in the community by training, recruitment, and so forth. This is an important distinction not often recognized by employers.

Other options that employers consider are family leaves and other personnel policies, especially sick time and parental leaves, flexible work schedules, pre-tax savings plans, direct financial assistance to help pay for care, direct community support of scholarships, training opportunities, and other initiatives.

Each option has costs and advantages and disadvantages. For a company with a young, primarily female workforce, the cost of an on-site center may be outweighed by the reduction of turnover costs. For an older, more stable workforce, offering information and referrals may be the best approach. And for a company that values their image as a corporate citizen, contributing to local child care improvement efforts may be the right approach.

In the St. Louis area, there are many examples of companies who support child care and families. Brown Shoe Company has extensive scheduling flexibility. Washington University and Blue Cross/Blue Shield offer child and elder care resource and referral services. Twelve area hospitals or nursing homes have on-site child care centers, as do Monsanto, Ralston-Purina, and INDEECO. IBM, AT&T, Citicorp, and UAW-Ford have all directed money to the St. Louis region to improve child care and to recruit and train providers. And Bank of America provides a direct subsidy to low wage workers to help pay for care.

My recommendations for how the Federal Government can promote affordable, quality child care are to continue to offer tax credits and other direct incentives to employers who commit resources to child care in their own workforces and in the community; to continue to offer information and resources through the Department of Labor Women's Bureau and other avenues; to offer start-up, expansion, and enhancement funds so that new programs can get started and existing programs can expand and improve; to support the national system of community-based resource and referral agencies who are in the field every day, working with employers, providers, and parents to build a better child care system; and to recognize and encourage others to recognize that learning begins at birth and that child care includes everything from infant care to programs for school-age children during summers, holidays, before and after school.

Thank you again for your interest.

Senator DURBIN. Thank you very much. Penny Korte, from Highland, Illinois.

TESTIMONY OF PENNY KORTE,[1] DAYCARE OWNER/DIRECTOR, P.A.L.S., HIGHLAND, ILLINOIS

Ms. KORTE. Thank you. My name is Penny Korte, and I own and operate a small day care center in Highland, Illinois, which I started on my own 12 years ago February 27 of this year.

As most of you here are well aware that a myriad of issues face child care professionals on a constant basis, it is my belief that the lack of respect given to my colleagues sparks most of these concerns. This lack of respect is then heightened as the many programs that are continually in focus of the media are negative when it comes to day care or pertain to the public or private sector of education for grades K through 12. Before children enter what most consider their formal education settings, the voice of many consider that children only need a babysitter to tend to their needs. But anyone that is familiar with the education system now understands that this is not the case anymore.

I would be remiss to include everyone in that thought. However, those not in day care can not really ascertain what is involved. In Illinois and Missouri, day care centers are to be licensed and follow a set of guidelines that require knowledge of legal reading. We have to be educated in developmental issues, both physical and mental, be able to care for and teach at a variety of age levels, know medical symptoms, and be trained in first aid and CPR, complete a food preparation class, along with the knowledge of health safety issues in general, know how to recognize signs of abuse and report when necessary, nurture and encourage each child, yet second-guess every touch we give to protect ourselves from the many liabilities now forced on our profession.

We take care of children from 6 weeks to 12 years for sometimes 11 hours or more a day. Even though we ourselves may not work the entire time, we end up spending more awake time with many of these children than their parents. At the same time, we are expected to react, protect, and educate four, five, eight, or ten children to one worker, depending on their ages. This emotional stress in itself of reacting or trying to prevent chaotic situations is one that I am sure many of you here today would agree is not where you might want to be.

Yet my workers and those others in day care do this exact job Monday through Friday, more depending on the center hours, 52 weeks of the year. And that in itself is an issue that everyone faces: Scheduling. How long should you be open, how many hours a day, what types of care do you provide.

With a job description like that and the stress it entails, you might think the salary would be equal to that of a teacher. Wrong. In my town, employees are paid anywhere from $6 to $9 an hour, with the average being right around $7.50. This would make your annual income $15,600, and who can survive on that? Many times, these workers have children of their own too, and that cuts right into the already low figure that they are trying to live on. My cur-

[1] The prepared statement of Ms. Korte appears in the Appendix on page 56.

rent average pay is right at $6.25 an hour for my teachers. But I have other issues that I face myself.

Recommendations I come to you with today are as follows:

Make Federal money more easily accessible and acquirable to assist States for retention and continued education in day care for such programs such as Great START and T.E.A.C.H. in Illinois.

Look into ways to fund programs that would also help in attaining health care and retirement benefits for job stability and continued education, somewhat similar to what K through 12 teachers have. You choose child care for your life because you believe in what kids need and love children, not to get rich. That does not mean, however, you should remain at the poverty level all of your life. But you are pretty much guaranteed no retirement money if you can only barely survive on what you receive now.

I would also suggest offsetting what the parents pay with increased tax benefits. This would make them more willing to pay the prices that we have to ask.

When children are in school, they are being taken care of for their parents too. Yet they are being taught English, math, etc. But what we teach is how to learn, how to get along, and how to succeed. And though some would argue that teachers have a 4-year degree, I would counter with the question, how many of you would pay $6,000 to $8,000 for 4 years to enter a profession that pays back yearly less than $20,000 in most cases? Is there some way that the Federal Government could give State money back to offset real estate taxes already being paid to create some type of funding similar to that of public schooling? I am not asking for more taxes. Nobody would.

I know that I am considered a for-profit independent center, but I am not sure why. I am still regulated by a government agency, and I would like to know what kind of profit is in my $17,000-a-year salary myself.

My last request would be that the coverage given day care be more positive, or at least more in-depth. I would like to say that it is easy to get caught in the guidelines and requirements set forth by many agencies overseeing day cares. Many times, those who set up the rules have never even set foot or worked in a real center. Or maybe they have been in a pilot program, and that is great.

It is easy to see how, in meeting the requirements of hiring an education-qualified individual, you might be ignoring a more experienced candidate who would naturally have been able to recognize the needs of that infant who is now in the hospital from being shook by your newly-hired 4-year-degree employee.

I would like to congratulate Illinois on what steps they have taken to create some assistance for day care workers. I am not as familiar with that for Missouri; I am sorry. I would like to see more input from those people actually hands-on, however, versus those in offices, reading manuals and making up the rules and guidelines. Maybe more paperwork and rules are not what is necessary. Maybe just the right paperwork. Then we might all have more time to do our job better.

To briefly summarize my key points, day care workers deserve the respect and compensations due them for their job description; Federal help would best be sought through funds or more funds to

assist in retention and furthering education of workers, benefit programs for health care and retirement, bigger tax breaks for parents; and people in the field should be helping to make those guidelines.

Thank you very much.

Senator DURBIN. Thank you very much. Corinne Patton.

TESTIMONY OF CORINNE PATTON,[1] MANAGER, MISSOURI CHILD CARE RESOURCE AND REFERRAL NETWORK

Ms. PATTON. Senator Durbin, Senator Carnahan, thank you for holding these field hearings today, and thank you for choosing "Good beginnings last a lifetime" as the title of the hearing. I believe good beginnings, indeed, last a lifetime, and I am proud to be part of an organization that helps families make their own good beginnings.

I represent the Missouri Child Care Resource and Referral Network. Our agency coordinates the activities of the eight Child Care Resource and Referral Agencies that serve Missouri, CCR&R's for short. Each independent nonprofit agency serves a designated portion of Missouri's 115 counties. The Network manages contracts between the State agencies and local CCR&R's and handles several special child care related projects.

Child care resource and referral agencies provide a number of services and special activities. And we have lots of printed materials outside in the hall. I hope you and the audience will take some.

Finding, deciding on, and beginning to use child care becomes one of the earliest and least supported challenges for the working parent. CCR&R agencies support families in their search for child care. Each local agency maintains a database of child care providers and the pertinent information about their services. Referral specialists at each local CCR&R share that information with families in telephone interviews and through mail, fax, and E-mail daily.

Last year, our eight agencies served over 20,000 families who were seeking care for more than 28,000 children. This is the referral part of resource and referral. These families received a list of referrals to help them narrow their search in finding the best child care provider for their child. Each caller also received printed consumer education material that offered points to consider in making the choice and questions to pose to prospective providers.

For example, we recommend that a family consider the child's point of view and the kind of people and activities that will make the child comfortable. A child may wonder, who will care for me, are there plenty of toys that I can reach and enjoy, where will I keep my stuff, is everyone having fun, what will I do all day.

The right child care provider will develop a positive, loving relationship with the child. This is a key indicator of quality care. The right care giver will also relate well to the parent and have values and attitudes that are similar to those of the family. Parents, and especially parents who are placing an infant and toddler, should watch the provider interact with children and consider these

[1] The prepared statement of Ms. Patton appears in the Appendix on page 58.

issues. Are children happy and involved? Does the provider seem warm and friendly? Is she or he calm and patient with the children? Does the provider listen to the children? Does the provider talk to them and encourage them to express themselves? And does the care giver have special training or credentials?

Making a smart child care choice involves visits to several programs to compare and observe the program and the physical setting, as well as interviews with providers. The consumer education material that CCR&R's offer to every family puts the questions together in a concise package and details ways to continue to monitor the child's successful adjustment to child care.

Families with children with special needs receive enhanced services from Missouri CCR&R's. Each local agency has an inclusion specialist on staff that works to help families find inclusive child care. This means that children with special needs are placed in program with typically-developing children. The inclusion specialist also offers services to providers to ensure that they have the training and skills necessary to serve the children.

CCR&R's offer families help in navigating Missouri's child care regulatory system. The agencies can define terms such as licensed, license-exempt, unregulated, and accredited. The agencies refer parents to the Bureau of Child Care offices in the Department of Health and Senior Services for additional information and access to public licensing records.

Our agencies also offer services to child care providers, the community, and to employers. Last year, our agencies provided almost 36,000 technical assistance contacts to child care providers. We offered over 9,000 technical assistance contacts to parents, 1,200 technical assistance contacts to employers, and over 12,000 technical assistance contacts to other people in the community who needed information such as things related to supply and demand data. And our local agencies mailed 162,000 child care-related publications.

All the activities detailed above make up the resource part of resource and referral. The Network and the local agencies compile, analyze, and share information about child care. Our agencies develop and maintain databases by collecting detailed information about the supply of child care, the availability of subsidies, and other valuable community resources for families.

We are acutely aware of the special hardships that low income Missouri families face when they seek affordable quality child care. Missouri may not have a waiting list for subsidized child care, but that is only because the subsidy eligibility is so restricted that very few families qualify. Missouri ranks at the bottom of the 50 States in our eligibility for child care subsidy.

Child Care in the Workplace is the Missouri network's toolkit for employers interested in developing family-friendly workplace policies. This material was written so that employers can consider the full array of options available to them. As Sarah Kirschner indicated, there are many different kinds of options, such as seminars, leave policies, scheduling policies, financial assistance, support for community-based child care programs, and on-site and near-site child care centers. What our CCR&R's do not have right now are

the staffing resources to dedicate themselves to really working on employer initiatives.

We sit on many community boards, partnerships, and initiatives. We collaborate with community partners and encourage efforts to improve and shape services. Community-based CCR&R's have a big-picture perspective combined with good local information. We exam systemic problems, identify barriers, and link other partners in finding solutions. We know that these solutions require the involvement of all sectors and segments of the community if we are to be successful in offering families that good beginning.

The Network coordinates several special initiatives involving training, offering family child care providers an entrepreneurial or business aspect to their program, coordinating Heads Up reading literacy training, and offering consultation services to child care programs working toward accreditation.

You have heard about T.E.A.C.H., mentioned before. We also manage the T.E.A.C.H. Early Childhood Program in Missouri. T.E.A.C.H. stands for teacher education and compensation helps. Missouri and Illinois are two of 19 States participating in this national initiative to increase education and compensation and reduce turnover in the child care workforce. Presently in Missouri, there are almost 100 early childhood teachers taking college courses through funds provided by T.E.A.C.H.. Each teacher receives either a raise or bonus from her or his employer at the end of a 1-year contract, and in return, agrees to remain employed at their sponsoring program. We hope that eventually our child care workforce will make more than those parking lot attendants.

The Network and local CCR&R's are also members of NACCRRA, the National Association of Child Care Resource and Referral Agencies. NACCRRA represents almost 700 community-based CCR&R's from every State in the country. NACCRRA provides us with vision, leadership, and support, and promotes national policies and partnerships committed to learning and development of all children.

While the demands for services from families, providers, and communities increase every year, our funding from our State contract does not. As Missouri struggles with its budget shortfall, core service funding to the Network, and subsequently to the local CCR&R's, was cut by 15 percent in the current fiscal year. This has resulted in the inevitable decrease in availability of some services.

Funding a system of CCR&R services in each State with an entity such as the Network to coordinate and support services would ensure that child care resource and referral activities continue to reach families, child care providers, employers, and other community partners in that they collect and disseminate the data that leads to sound decision making. Language in the proposed reauthorization of the Child Care and Development Fund supports an earmarked funding for such a system, and that would help ensure that these services continue to be available for Missouri families and communities. And I ask that you support that language.

Tomorrow is Child Advocacy Day in Missouri, and I thank you for the opportunity to get a little jump on being an advocate today.

Senator DURBIN. Thank you very much. And our last witness on this panel, Kim Hunt.

TESTIMONY OF KIM E. HUNT,[1] ILLINOIS NETWORK OF CHILD CARE RESOURCE AND REFERRAL AGENCIES (INCCRRA)

Ms. HUNT. Thank you, Senator Durbin and Senator Carnahan, for the opportunity to address you this morning on behalf of child care providers. I will be addressing the services of the Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) and how the services support child care providers and quality child care in Illinois.

INCCRRA is an organization of 17 regional child care resource and referral agencies, R&R's, working together to improve access to high-quality child care in communities throughout Illinois. INCCRRA maintains the most comprehensive data on child care supply, child care program characteristics, and factors that influence a parent's choice of child care. The State network and local partners are currently involved in a number of initiatives that address the availability of quality services for children and families. One initiative is a part of First Lady Lura Lynn Ryan's Futures for Kids program, Quality Counts.

INCCRRA administers several programs that are coordinated through individual R&R's. They are:

The T.E.A.C.H. project, started in 1996 with 35 participants. The program currently serves over 1,200 recipients working in 81 counties. The program has assisted 39 current providers in completing their degree. T.E.A.C.H. has effectively reduced the turnover rate to 6 percent for participants, compared to an annual turnover rate of 15 percent for child care teachers and 24 percent for assistant teachers.

Professional development funds provide providers with the opportunity to attend activities that include college tuition, attendance in conferences, and credentialing programs. In the fiscal year 2001, providers completed 918 semester hours of college credit. An additional 4,868 providers completed training that applied towards credentialing and in-service hours.

Gov. Ryan signed Great START, a wage supplement program for early childhood providers, into law in May 2000. Implemented in March 2001, there are currently 2,500 participants receiving an average wage supplement of $1,700 per year. For participants renewing their applications, the rate of attrition from the field was 7 percent.

The Illinois Network for Educational Development is the beginning of a training tracking system. The system tracks Great START participants and their educational achievements, including credentials, degrees, and course work.

Illinois Child Care is an AmeriCorps program to enhance R&R services and build literacy skills in young children, 185 members have served within the R&R system since 1994, earning educational awards and valuable experience.

The Illinois Trainer Network is a statewide training approval program that supports and compensates skilled trainers who de-

[1] The prepared statement of Ms. Hunt appears in the Appendix on page 62.

liver high quality and accessible training to providers. Over 350 certified trainers conduct 6 to 32 hour trainings in 10 topic areas for 3,900 providers.

Quality Counts Child Care Grants were implemented in January of this year to improve and expand early care and education services, $1.5 million has been allocated, with $.5 million targeted for programs that serve infants and toddlers. Grants are awarded for equipment, materials, projects that improve quality or maintain space for infants and toddlers. These funds are also available to license-exempt or relative care providers.

The statewide R&R training activities are delivered in many forms to respond to the diverse training needs of the child care professionals. Training workshops are the most common methods, followed by conferences. The use of self-study materials has steadily increased since 1996—37,000-plus child care professionals attended 2,339 workshops statewide, while 58 conferences were sponsored and 895 child care professionals used self-study materials.

Comments that I have heard from the field:

"Through Great START, a staff person was able to increase her salary by $1.90 per hour."

"New directors receive their training on the job, and not necessarily through college courses. These funds enabled me to get additional training and support through more non-traditional methods such as conferences and intense seminars."

And you can hear them in the halls: "I got my check from Great START today."

For the past 2 years, Illinois has been recognized as one of the top 10 States to have made a difference in who is caring for kids. It is our hope that Illinois remains in the top 10 by continuing to be a role model for other States, maintaining and enhancing existing programs, and developing new and innovative initiatives.

Thank you for today and your future successes to champion the welfare of children and families.

Senator DURBIN. Thank you very much. Senator Carnahan, would you like to ask the first round of questions.

Senator CARNAHAN. Well, thank you for being a very interesting and informative panel. We will start here with Teresa. Based on the experiences that you have had at OPM in setting up the Federal Employees Child Care Assistance Program, what kind of advice would you give to employers who want to do this? Or even to State and local entities?

Ms. JENKINS. Well, to follow up on something that the previous panel member, Janice, was talking about as far as workplace flexibilities, I think that that is absolutely important. And I am sure you know the Federal Government has been a leader in the use of alternative work schedules for Federal employees for many years. That allows Federal employees to vary their work week as well as vary the time at which they report to work. And that allows them to take care of family needs.

Also, a relatively recent piece of legislation is the Family and Medical Leave Act, which also provides Federal employees with more options to take care of their child care needs. And as I am sure you know, Congressman Wolf and Congressman Hoyer are

very much pressing telework within the Federal Government. And it too, I believe, can have a benefit.

Again following up on something that Janice was saying, where Janice has a very unique and specific child care need, if employees are allowed to either work from home or from the office, it perhaps can open opportunities for selecting the appropriate child care center. So I think the workplace flexibilities are absolutely critical, the leave that employees are allowed to take, as well as part-time employment. Just a multitude of flexibilities to allow employees to balance the work and family responsibilities.

Senator CARNAHAN. Thank you.

Sarah, what would cause a business or employer to decide to have on-site care or provide care for their employees? And how can we encourage them to do this? What factors come into play here?

Ms. KIRSCHNER. That is an interesting question. I think there are two common ways. One is truly a bottom-up kind of a grass roots, where a company keeps hearing this issue over and over and over, and someone at the top is listening, and over a time of hearing that—child care, child care, child care—begins to be willing to look at some options, and in the end may decide on on-site child care or some other option.

The other way that this happens, I think, is the opposite. It is the top down, where the person at the top says, "This is important to me." And typically it is because of something that has happened to them. Senator Durbin mentioned his grandchildren, and you will often hear that the president of a company, it did not click until his daughter went to work, and suddenly, "We have to have child care."

So I think it comes from both ways.

Senator DURBIN. That sounds familiar.

Ms. KIRSCHNER. What we can do to encourage that, I think, is something that we have mentioned. And that is to continue to talk about the success stories, to continue to offer some incentives. The tax reform of last year does have a tax credit for employers that own and operate on-site child care centers or that use resource and referrals. So I think those are steps in the right direction, to continue to incent those efforts as well.

Senator CARNAHAN. Thank you.

Penny, what would you say is the single most important thing that we could do to encourage people to choose child care as a profession?

Ms. KORTE. That is an even better question. To make it more attractive. You can not make people choose. They have to have a love of working with children, because I have had people come to me that have thought that child care was an easy profession to be in. And they found out very quickly it is not an easy profession.

However, to provide more funding for the Great START program, or just in general, health benefits and those types of things. I think that, to make it more attractive, we have to be able to compensate them for what they do.

And that, I feel, is one of the biggest problems that there is, because, as many of us know, and it has been mentioned numerous times today, when you are competing with parking lots, where you do not have to think on the job and the stress is very minimal,

compared to what you have to do on a daily basis in a child care setting, you want some compensation for that. You do not want to go home and feel like you have not only spent 8 or 9 hours, whatever your daily schedule is, working and stressing and emotionally burned out, but then to come home from that and feel like you have gotten nothing for it, it is not worth people's while.

Senator CARNAHAN. How would you say, Corinne, that the T.E.A.C.H. program has benefitted the staff members that you know who have participated in it?

Ms. PATTON. Thank you. T.E.A.C.H. has had a wonderful impact, and we are in our baby steps compared with our colleagues in Illinois. T.E.A.C.H. is relatively new to Missouri. But I have had the privilege to speak with providers, early childhood teachers, who are going to school, whose tuition and books are being taken care of. And the feeling of support and professionalism, it is wonderful to hear. I think that they are feeling that this is giving them the recognition that this is a valuable profession. It is not babysitting; it is a serious and valuable profession. And supporting them in getting the opportunity to earn a decent wage and to be compensated and recognized for their learning and for the work that they put into it every day. It is such a tremendous job, and that is such a tremendous responsibility that they take on. But we have got to support these folks. And we can not do it on the backs of parents. There is no way we can charge parents the true cost of high-quality care.

Senator CARNAHAN. It is a morale booster then?

Ms. PATTON. It is. It definitely is.

Senator CARNAHAN. Kim, what would you say is the most frequently asked question by parents who seek your services?

Ms. HUNT. By parents that are seeking referral services for child care?

Senator CARNAHAN. Yes.

Ms. HUNT. They are looking for that list of people who have vacancies. When we give them a list of providers, they want to know, "Am I going to find a program that has a vacancy?"

Senator CARNAHAN. Are they thinking quality? Are they thinking cost? Or some combination?

Ms. HUNT. Right now, it is a vacancy issue. And then it is can I afford it, is it a place that I want my child to stay. It is a little bit of everything. But most cases right now in our areas, we are looking at vacancy issues, that there are not spaces available for infants and toddlers. And school-age care. There is a big demand in Illinois for school-age care. There are not enough programs to serve the needs.

Senator CARNAHAN. Thank you, Mr. Chairman.

Senator DURBIN. Thanks, Senator.

Let me give a jump-ball question here. I would like to know if any of you could comment on the impact of two things that we are facing as a country. One is the recession, with eight million people unemployed. What impact has this had on your workforce, the number of people who are using child care, and the participation of businesses in child care? And the second one is welfare-to-work. We are about to reach a limit here, 5 years, of people on welfare benefits. And I am wondering what impact this is going to have on

some of your workers and whether any of you have people who were once on welfare that you know of, working in a child care setting, and perhaps you can tell us for the sake of this hearing what your experience has been with this transition. I will leave that open to anyone who would feel comfortable with trying to answer either one of those.

Ms. KIRSCHNER. I will jump in on the recession and participation of businesses question. I do not know that we have seen yet what the recession is going to do, how that will impact employers in whether they are going to be involved in child care.

I guess what I would tell you is that good times did not cause them to just jump right in either. So I think employers are very reluctant to get involved in this issue, and with some good reasons certainly. But they, I think, mostly still see it as, "This is not my problem, and I am not going to walk into this." And so I think, as I said, we did not see everybody jumping in with both feet during good times, so I can only imagine that that would continue during bad times.

Senator DURBIN. And what has been the impact of the recession; can anybody say?

Ms. PATTON. I would say that, strangely enough, the hard economic times brings more folks into the child care workforce, because those jobs are available and people are desperate for them.

When the economy was very good, it was absolutely impossible to find a child care worker. So that is a rather bizarre turn. But because these jobs are not well paid, and there are often not many benefits, and it is difficult work, if folks can find a better-paying job somewhere else, they will take it. So that is an impact that I think we will see if this continues.

With respect to welfare-to-work, I think that one of the real tough issues are folks who have left welfare, who have gotten modest paying jobs, and who need some help. They need a transitional period when they leave subsidy. You can not go from having your child care fees fully paid, and you get a dime-an-hour raise, and you have to pay them all yourself. That just does not work. We could not do that either if it came to us.

So what we are not providing people is that gradual transition where they pay more and more, and eventually they pay it all, as their economic situation improves. We can not cut folks off, because then you have got people saying, "No, do not give me the raise; I can not afford to take that raise. I can not afford to get a promotion; I will lose everything." That is a crazy situation that we have set up.

Senator DURBIN. I wonder who dreamed this up. Could have been Congress. We had better be careful.

Any other reactions on those two issues, on the recession? Penny?

Ms. KORTE. Personally, as a day care owner, we have lost 8 percent of our enrollment.

Senator DURBIN. Eight?

Ms. KORTE. Due to the recession, because we have had local businesses that have laid off staff or switched their hours from first shift to third shift or first shift to second shift. So now there are

parents home, boyfriends at home, or whatever, that they do not need the day care during the day and that kind of thing.

The welfare has not really hit me too much other than there are a lot more people putting in applications to come and apply for jobs. It has not changed the quality or the qualifiedness of that individual per se. I have many, many of the aide applicants, but not many teacher applicants. So if I lose a teacher, I am still not gaining anything by that. But I do not have any staff that is ready to leave looking for better-paying jobs right now, because there are not many out there to find.

Senator DURBIN. I asked the question earlier. Does Illinois require an associate's degree for direct aide workers?

Ms. KORTE. For the teacher-qualified individual, you have to have 2 years of education credit. You do not have to have an actual associate's degree. You can also substance that through 1 year of work experience, full-time work experience, with 1 year of education, but you must have six semester hours directly related to early childhood education.

Senator DURBIN. Teresa, let me ask you. When it comes to the day care centers for Federal employees, what quality standards do these centers have to meet?

Ms. JENKINS. Well, regulations and the law governing the subsidy program require that the centers or the homes be licensed and/or regulated by State or local authorities. So what we require, then, is the only way that one can have a subsidy provided to them is if they choose a facility that is licensed or regulated by a State or local facility.

I can give you an example of a welfare-to-work situation that I experienced. We had an individual in one of our Federal agencies. She was a GS–1, a welfare-to-work employee. And she was absolutely thrilled to have the child care subsidy provided to her, because she was using unregulated child care. She left her office early 1 day to go to the home to pick up her child—she was using a home-based, unlicensed facility—only to find her child locked in a closet. So, I think, for the lower income employees, the subsidy is absolutely critical. And we are finding, within the Federal Government, that the lower the income, the greater the percentage of the subsidy.

Senator DURBIN. Both Illinois and Missouri must have some sort of life safety code, or they must be subject to inspection, I take it, for the facilities to meet certain qualifications. I look at this wonderful place with all of the things. That is the case in Missouri as well as Illinois, I am sure; is it not?

Ms. PATTON. It is, with the exception that there are numerous loopholes in Missouri licensing laws that exempt certain kinds of programs from being fully licensed. Church-based programs are inspected for fire safety and health, but not fully licensed. So that means staff-child ratio, director qualifications, teacher qualifications, guidance and discipline do not fall under the regulation. And there are numerous other regulatory loopholes in Missouri.

Senator DURBIN. The reason I asked that, following up on Teresa's comment, was that we may soon face the debate on the faith-based initiatives, and the question as to whether or not certain standards applied to everyone else will apply to these new initia-

tives. And, I think, in many instances, at a minimum, we need to have parents notified that different standards are going to be used, and let them know that going in. At a minimum. There could be argument made that there should not be any variance on some very basic life safety questions when it comes to schools or day care centers. But we will save that debate for another hearing. Jean, do you have any other questions?

Senator CARNAHAN. No.

Senator DURBIN. Well, I want to thank this panel very much. And I would like to thank the first panel and everyone who attended this hearing today.

I would just say in closing that it is amazing to me that an issue as broad as this, that affects so many people, has not become a major national cause. When you take a look at where our country is headed and what families want the most, the most that they want is "Take care of my kids. Help me. Give me a helping hand. Make it affordable." And time and again, I think we have all paid lip service to this at every level of government, and have not followed through on it.

I really go back to a point I made earlier. If you are talking about the well-being and education of children, stop thinking in the 19th Century. This is the 21st Century. Families have new needs. Families have new demands. Children have new needs. And we had better be responsive, or we will pay the price for it down the line.

I want to thank all of you, particularly those of you who are directly involved in day care. You do make a sacrifice to make it successful. And the parents who are struggling, we are going to try to do our best, at least, to give you a helping hand in meeting that burden so that those happy kids that I see at Childgarden I can see all across this country.

Jean, if you would like to make a closing statement?

Senator CARNAHAN. Again, thank you, Mr. Chairman, for coming over and holding this hearing and inviting me to be a part of it.

I thank both of the panels. You have given us great information and wonderful ideas. And to hear the stories of your strength and your struggles is an inspiration for us. And we will take what you have told us back to Washington.

I would also like to thank Lisa for having us here in this wonderful facility. Childgarden is a model, and it is something that we would like to have in a lot of other places around Missouri and Illinois.

We know that the quality of a child's interaction in the early years has a significant impact on their brain development and their temperament, personality, and their ability to learn. Quality is especially important in a child care setting because children spend so much of their time there, and you have heard that today already, some as many as 40 hours or more in a child care setting. So we as a community need to make it a goal that quality care be available to all of our parents. Good beginnings do last a lifetime, and we need to make a good beginning the birthright of all our children. Thanks.

Senator DURBIN. Thank you all very much.

[Whereupon, at 11:48 a.m., the Subcommittee was adjourned.]

APPENDIX

Testimony for Senate Subcommittee Hearing
Monday, January 28, 2002

Submitted by: **Lisa Eberle-Mayse**
Director, Childgarden Child Development Center
314-531-8148

Good morning. My name is Lisa Eberle-Mayse and I am the Director of Childgarden Child Development Center, an Easter Seals and St. Louis ARC Child Development Center. Childgarden is an accredited early childhood program committed to providing the highest quality developmental care and education to a diverse population of children and their families. The center serves children from a wide range of socio-economic levels, and from diverse racial and ethnic backgrounds. We are also intentionally inclusive of children with disabilities and special needs, with more than 25% of the children enrolled having a diagnosed disability or developmental delay. In addition to childcare services, Childgarden also offers a range of therapy services for children with special needs. These services are delivered at the center, or in families' homes, by our early intervention staff.

Childgarden opened its doors in 1989 with this commitment to diversity and inclusion, and in specific response to the fact that it is extremely difficult for families of children with special needs to find appropriate child care. We remain committed today because this need still exists, and because of the long-term impact we believe this philosophy has on our community. In a world that all too often fosters separation and segregation, the children of Childgarden grow up learning and growing *together*; exploring and celebrating the things that make us the same *and* the things that make us different. It is our belief, and our passionate hope, that these early experiences of acceptance will yield

of lifetime of benefits in the form of a "real-world," down-to-earth sense of tolerance that these children will carry into adulthood.

Fulfilling this vision requires one thing above all others: a staff comprised of teachers, therapists and support personnel who *actively choose* to do this work, who are committed to remaining in this field, and who have the knowledge and skills to do their jobs well. At Childgarden, we are proud of our staff and the care, attention, dedication, expertise and love they display each and every day.

However-- attracting and retaining such a staff is without question the single biggest challenge we and other childcare providers face every day, every week, every year. The realities and causes of this challenge are several:

- Low unemployment and expanded competition. Despite recent downturns in the overall economy, unemployment is still at low levels, which has driven up salaries and wages across many industries. The impact for childcare providers is profound-- in addition to competing for qualified candidates within our own field, we find ourselves competing with fast food restaurants, retail stores and other industries that have significantly increased their hourly wages.
- The true cost of care versus the ability of families to pay. Unlike these businesses, however, the vast majority of childcare providers cannot simply increase their fees to families in order to cover significant raises for staff, because only a handful of families could afford such increases. For example, at Childgarden, while our weekly infant fee is $198, the true cost of care for an infant is $324 per week, or $16,880 per year. According to the US Census Bureau, the median family income for a family of 4 in Missouri is $56,673. The full cost of care in this situation would be 30% of the family's gross income, a significant figure. The impact becomes more real, however, when you consider that 50% of families fall below that median income! Consider another example: In the state of Missouri, a family of four earning $22,000 per year ***is not eligible for any state assistance with childcare costs***. For this family, paying the true

cost of care for their infant would represent 77% of the family's income. This is clearly a burden no family could afford to bear. The result? In our case, with no significant funding stream for childcare scholarships, the result is fees that push the limits of families' abilities to pay, but that do not cover the true costs of operating a center. This in turn leads to:

- Continued low staff wages and higher staff turnover. The most recent statistics from the Center for the Child Care Workforce tell us that, nationally, the mean hourly wage for childcare workers is $7.42. Occupations earning higher mean wages include service station attendants, tree trimmers, and food service workers. Only 15 occupations, according to the Bureau of Labor Statistics, have lower mean wages than childcare workers. These low wages lead to turnover rates that range from a low of 25% annually to well over 60%. And the saddest truth behind these statistics is that even individuals with the education, skills and *desire* to remain in childcare, must sometimes choose to leave it in order to support themselves and their families.

The impact of this cycle on our children, and on our future as a nation, is enormous. Current research has taught us much about the importance of these first years in ensuring that children grow and develop to their maximum potential. We know that in order to learn and develop children need to be *actively* engaged with an environment that is carefully designed by knowledgeable professionals to provide stimulation and opportunities for learning. We know that children *must* have primary caregivers with whom they can have strong, positive relationships, and that these caregivers must be knowledgeable about child development and the best ways to foster that development. A lot to ask of someone working for an hourly wage of $7.42—or less!

And yet we DO ask it, and will continue to ask it, because the needs of our children and our future demand no less. For centers like Childgarden who are fortunate enough to have the financial and program support of two established parent agencies, as well as financial contributions from the United Way, the St. Louis Variety Club and other

corporate and individual donors, the task is a little easier—we are able to be relatively competitive *within our field* in terms of wages, and quite competitive in the area of benefits. We are NOT able, however, to come close to the wages paid by Head Start, Early Childhood Programs within the public schools, or other service industries outside the field of child care.

What do we do to try to meet this challenge? Like all centers, we work hard to minimize our non-salary expenses so that more of our resources can go where they are needed most—to our staff. We devote significant time and energy to raising funds from outside organizations, and invite our families to participate in fundraising activities. We take advantage of the government programs available to us for childcare fees, education scholarships and workforce incentives. We commit ourselves to minimizing turnover by striving to create a supportive, pleasant work environment and by investing resources into the continuing education of the staff members who choose to stay with us. We celebrate the joys, and share the challenges of the work we do with children every day, and remind one another of the importance of what we do. And we advocate, at events just like this one and in many other ways, for more public attention and resources to address the needs of the professionals in our field, and, ultimately, our nation's children who so badly need the benefits of high quality care.

It is sometimes said that one does not solve a problem simply by throwing money at it. While those of us in the field of child care would absolutely acknowledge the importance of good stewardship in the use of resources, the plain and simple fact is this: sometimes there are problems that NEED money thrown at them. The care and education of our youngest children—our future—is one of them. Thank you for the opportunity to speak this morning, and for your interest in supporting this future.

To whom it may concern,

My name is Steven J Cok and I am married to Lisa M Olson. We have two children, a son named Philip who is 7 1/2 years old and a daughter named Nina who is 5 years old. Both my wife and I have full time jobs and thus we are highly dependent on childcare services outside of our home. Throughout our child care experiences; we have always been actively involved in our children's day care centers. We have served as officers of the parents association and I am currently a member of the board of directors for my daughter's day care center. Both of our children started attending day care at the age of 11 weeks. Our son continued in day care until he was old enough to enroll in the local public school. Nina is presently in a day care center and will continue until she enters the public school in the fall of 2002. Our children have attended two different day care centers. Initially, they attended the Child Enrichment Center (CEC) which was housed in and governed by the Richmond Heights Presbyterian Church. This day care center accepted children between the ages of 6 weeks to 6 years old. Subsequently, our children were enrolled in Zelda Epstein Day Care Center (Zelda's). At that time Zelda's accepted children between the ages of 2 to 6years old.

Our experiences at the two day care centers shared similarities, but also had distinct differences. Both centers were not-for-profit organizations, were relatively small and had a warm family-like atmosphere. More importantly, these centers had a core group of teachers that were warm and loving and had been working at the center for an extended period of time. It was apparent that they truly enjoyed and were proud of their profession.

A key difference between the day care centers was that CEC offered services for infants and toddlers, while Zelda's required children to be at least 2 years old. The Saint Louis area, in general, provides many more day care opportunities for children over the age of 2 than for infants and toddlers. Thus, CEC was able to maintain the infant and toddler rooms at or near full capacity. However, there was a large attrition rate for children greater than 2 years old. Since the payroll of the day care was funded entirely by tuition income, the large variation in children enrolled for the older-aged classrooms created a financial burden on the daycare as a whole. While the church was the ultimate governing body, it lacked the financial resources to make up for budget deficits. In some instances, the director was forced to lay off employees in order to balance the budget. When enrollment increased, they were required to search for a replacement teacher to maintain proper student teacher ratios. These circumstances create an overall instability to the day care environment. Furthermore, the best-qualified and hardest working teachers are over tasked with filling-in for teacher vacancies. This makes it even harder to attract qualified childcare providers. Finally, because CEC had to operate with limited financial resources, they were unable to provide competitive salaries and employee benefits. Ultimately, fire safety regulations required that the child care center undergo extensive renovations. The inability to perform the required changes resulted in the closing of the day care.

In contrast to the situation at CEC, having a company or corporate-sponsored day care provides stability during financially difficult times. Zelda's is also financed through tuition income and fluctuations in enrollment create significant strains on balancing the budget. However, in this case, budget deficits are corrected with loans from the sponsoring business, thereby precluding the requirement to lay off employees to reduce

payroll expenditures and create a balanced budget. Moreover, linking the resources of a corporation to a day care provider allows for the teachers to receive the same employee benefits provided by the sponsoring business. All of these factors contribute to the ability to attract and maintain qualified teachers, which provides a strong sense of stability and security for both the staff and parents. I believe that providing a dedicated and qualified staff is crucial to a successful day care center and most importantly, to the well being of the children.

During the course of our day care experience we have been challenged with some very difficult decisions. When Philip reached two years of age he was moved into a new classroom with a new day care provider. It was clear from the beginning that he was not happy with this environment. He exhibited a strong reluctance to being left at the day care center and this uneasiness was carried over until the end of the day. Obviously he was not adjusting to the new situation. Additionally, we were not satisfied with the quality of the day care provider. Because of our son's unhappiness and the poor qualifications of the day care provider, my wife and I adjusted our normal work schedules such that Philip spent the least required time in day care. Knowing that our son was not happy with the day care we had provided created a constant strain on us as parents. It became increasingly difficult for us to concentrate on our normal daily tasks. It is hard enough to leave your child in the care of someone other than yourself; it becomes nearly unbearable when you know your child is truly unhappy during that time. It was at this point that we chose to move Philip from CEC to Zelda's.

From the moment we enrolled Philip into Zelda's, we knew we made the right decision. Our son's reluctance to go to a day care disappeared almost overnight. He made an immediate bond to his day care provider and responded to the secure and loving environment that permeated the entire center. Our son's happiness was also reflected in the general well being of our home and work life. It is always easier to concentrate on the tasks at hand knowing that your child is happy and well cared for.

When we joined Zelda's, the day care was made up of a diverse group of people. Families that used the day care represented a variety of racial and social economical classes. Over time the ethnic and economic diversity began to disappear. Upon further investigation, the board of directors decided that the demographics of the families in the center no longer reflected that of the community that the day care was chartered to serve. It is at this point that Zelda's formed its scholarship fund. The scholarship fund was formed to provide assistance with tuition to families based on income and family size. This program is funded through a general increase in tuition and through individual and corporate donations, the later of which are eligible for NAP state tax credits. Since the formation of the scholarship fund, Zelda's has seen an increase in minority representation in the day care center, the majority of which are eligible for scholarship assistance.

My family is lucky, we have been able to find quality day care for our children and we have been able to afford it. I know this is not always the case for other families. As a member of the board of directors of Zelda's, I am proud that we were able to initiate a scholarship program that provides assistance to lower income families so that they too can afford quality day care for their children.

As the number of families with two working parents increases so does the demand for quality affordable childcare. The ability to provide a choice for a safe, loving and stable day care environment is the minimum that this country should offer to working parents. It is increasingly difficult for not-for-profit tuition funded day care centers to compete for qualified well-trained child care providers. It is my desire that the government of the United States of America provides direct assistance and/or incentives for business and corporations to sponsor more area day cares centers and provide affordable quality day care for the community.

Child Care Hearing

TESTIMONY OF JO ANN HARRIS

My name is Jo Ann Harris and I am 22 years old. My family consists of my husband Keith who is 26, my 2-year-old daughter Aliyah, and 4-year-old son Keith Jr. My family lives in the Bevo Mill area of south St. Louis. I am very grateful to have the opportunity to share my families experience with child care, because my husband and I both work full time and do not have a lot of help from relatives, so it is essential that we have a reliable, trustworthy environment for our children to be in 40 + hours every week.

My children attend pre- school at South Side Day Nursery, which is located on Iowa at Arsenal in south St. Louis. My children arrive at the center at 7:30 am and are picked up at 5:30 pm, Monday through Friday; therefore they are at school up to 50 hours every week.

The tuition I pay at South Side Day Nursery is based on our household income. My children's tuition is $100.00 per week, which averages to $400.00 per month. I don't like to complain about the cost of my children's childcare, because I have checked prices at many other center's and I am truly blessed to have found the quality of child care I have for the price I pay. But at times my family has found it difficult to afford $400.00 per month for childcare. I have been working a second job one night a week as a waitress specifically to pay for child care each week, however income reviews are coming up in a month at the center and I am almost positive that with my second job the tuition fees will increase.

Regardless of cost, quality childcare is a necessity to working families. I have had experiences with other centers when my children were younger, that cost more than their current center, but did not have the quality of their current center. I could not afford a reputable center, so I had to take my children, who were not old enough to verbally communicate at the time, to a home based daycare center that was not very responsible or stimulating to my children's development. As a mother, that was a very unsettling time for me, because I had no other alternative and no way of affording better care for my children. But now my children have been at their current center for 2 years, and I don't worry about them when I am at work, because I see their scheduled curriculum every week, and their teacher's are genuinely concerned about my child's progress.

I would suggest to any parent's looking for childcare to look into a few different centers before committing to one. There are quite a few Head Start locations in St. Louis that offer tuition fees that are based on a sliding scale, and in my opinion are very good quality centers.

What I hope is accomplished from this hearing is full proof monitoring of parent's work or school attendance that receive childcare aid, so that childcare benefits are not abused. I think it would be fair to offer middle class families partial or temporary childcare assistance based upon their income, family size, and possible emergency situations. As compensation for the aid I think it would be very beneficial to families on aid and to the childcare facilities if the family were required to attend monthly or weekly meetings, conferences, and support groups that many centers offer.

Thank you Senator Durbin and Senator Carnahan for the invitation to speak this morning.

My name is Janice Moenster I represent a two-parent working family with two children. Having two children we have used almost every type of child care available: relative care, family child care, center based, Illinois State board of education Pre-K at Risk and most recently school-age care. I am going to talk specifically about one experience that had a tremendous impact on our family. When our son was three we were using a family child care provider she recommended to us that we take our son to the early childhood screening offered by the school district. We took our son and three months later we were notified that our son had some speech and auditory delays. The good news was that he qualified for the ISBE Pre-K at Risk program. The bad news was that the program ran from 8:30 to 11:30, Monday through Friday, nine months out of the year, there was no transportation and the program was 20 miles away from where we lived. In addition, all parents had to volunteer once a month in the classroom. We knew our son needed the services but the challenges of:
How do we get him to and from the program?
How do we work in the program once a month with out losing our jobs?
Who will care for our son when he is not at Pre-K?
Will our current family child care provider accept our son for part-time care or will we have to find new child care?

After several stressful months we worked things out. My employer understood my situation and I flexed my work schedule. We organized a car pool. Our family child care provider cared for our son part-time but we paid for full-day care. Our family was fortunate we found solutions to our problems. The big question is how many other families can't work through these issues.

Every parent wants to provide the best for their children. Sometimes your ability to provide the best is not within your reach because of a variety of challenges including:

- A lack of financial resources to afford the best and highest quality child care. Our family did not qualify for any child care assistance programs and high quality child care is expensive! However, it is an expense we think is well worth it. When both of our children were in child care we spent 15% of our gross family income on child care. Child care was our biggest monthly expense, higher than our monthly mortgage or even food costs. Even when finances are not a barrier you are presented with additional challenges.

- A lack of accessible quality child care that meets your needs for an infant, school-ager or even as in my case a child with special needs. Or finding a

child care program that provides child care services on the weekend or until midnight which is very common for parents doing shift work.

- Lack of extended family, or a role model who can provide parenting support or education, information and/or resources on how to be a good parent, how to promote reading or even recognizing red flags in your child's development or even understanding developmental milestones so as a parent you have appropriate expectations for your children.

- Another challenge is the lack of employers who recognize that balancing work and family responsibilities is difficult. Employers will find that employees are more committed and loyal to their employers when they support them with flexible workplace programs and policies that show they care about their people.

How can the federal Government improve and support child care and families?

- First and fore most we as a society must acknowledge that all families regardless of income should have access to the highest quality child care possible. And that child care should include all children.

- Recognize that ***One Size does not fit all....***families needs a variety of program options to meet their needs. Programs that provide full day, half day, full year, evening, weekend, before school, after school and more are needed.

- All families are confronted with difficult times because of unemployment, exposure to substance abuse, sexual abuse, domestic violence, and mental health issues. Comprehensive social service support should be accessible and readily available to families.

- We all have heard the slogan, *good beginnings last a lifetime*, then lets give children and families a good beginning by continuing to fund or even expanding funding to programs like parents as first teachers, model parental training programs and CCR&R's that provide information, education and support to families. Through proper supports families can be the most important teacher to their children.

- Support the other caregivers that shape and mold our children such as family child care providers, child care center staff, Head start Staff, early intervention, directors and even grandparents and relatives who take on the caregiving role. This support is critical! Too many caregivers leave the business of caregiving because of the lack of pay, benefits, respect, growth opportunities etc. We need investments in the caregiver through programs

like TEACH, Great Start, Credentialing, college loan forgiveness programs. Also offer incentives and live-able wages so people will want to enter the profession of teaching.

- When both of my children entered school I assumed that my child care dilemmas were over. That assumption is incorrect. School-age care is extremely difficult to find. Since care is needed on a sporadic basis like holidays, school closing or teacher in-service training days many families resort to leaving their children at home alone without adult supervision. Therefore incentives for schools to provide before and after school care on the premises is encouraged as well as full year schooling. Curriculums for schools and child care should focus on the whole child. A child's intellect as well as their social and emotional capabilities should be developed through character education programs, violence prevention or the peace builders program.

- Lastly provide more incentives or give recognition to employers who provide vouchers for child care or provide on-site child care or provide innovative workplace programs and policies.

The children are our future; good beginnings do last a lifetime.
Let's put actions to our words.

STATEMENT OF
TERESA M. JENKINS
DIRECTOR, OFFICE OF WORKFORCE RELATIONS

Before the
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,
RESTRUCTURING AND THE DISTRICT OF COLUMBIA
COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

On

GOOD BEGINNINGS LAST A LIFETIME: HOW THE FEDERAL GOVERNMENT
CAN PROMOTE AFFORDABLE, QUALITY CHILD CARE

January 28, 2002

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE

I APPRECIATE BEING INVITED HERE TODAY TO DISCUSS WITH YOU THE CHILD CARE SUBSIDY PROGRAM FOR FEDERAL EMPLOYEES.

ON NOVEMBER 12, 2001, PRESIDENT GEORGE W. BUSH SIGNED THE TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT 2002, INTO PUBLIC LAW 107-67 (SEC. 630), WHICH PERMANENTLY AUTHORIZES EXECUTIVE AGENCIES TO "USE APPROPRIATED FUNDS (AVAILABLE TO AGENCIES FOR SALARIES AND EXPENSES) TO PROVIDE CHILD CARE IN A FEDERAL OR LEASED FACILITY, OR THROUGH CONTRACT, FOR CIVILIAN EMPLOYEES." AMOUNTS PROVIDED TO SUCH FACILITY OR CONTRACTOR ARE TO IMPROVE THE AFFORDABILITY OF CHILD CARE FOR LOWER INCOME FEDERAL EMPLOYEES USING OR SEEKING TO USE THE CHILD CARE SERVICES OFFERED BY SUCH FACILITY OR CONTRACTOR. THE

PROGRAM COVERS THE CHILDREN OF FEDERAL EMPLOYEES FROM BIRTH THROUGH AGE 13, AND CHILDREN WITH DISABILITIES THROUGH AGE 18. CONGRESS PREVIOUSLY PROVIDED THAT AUTHORIZATION TO AGENCIES AS A PILOT PROJECT THROUGH SEPTEMBER 2001. IN ADDITION, SECTION 630 OF PUBLIC LAW 107-67, REQUIRES OPM TO PROMULGATE REGULATIONS.

AN INCREASING NUMBER OF FEDERAL FAMILIES ARE DISCOVERING THAT AFFORDABLE CHILD CARE IS GETTING MORE DIFFICULT TO FIND EVEN WHEN THEIR OWN AGENCIES SPONSOR ON OR NEAR-SITE CHILD CARE CENTERS. VACANCY RATES IN FEDERALLY SPONSORED CHILD CARE CENTERS HAVE STEADILY GROWN, DUE TO THE AFFORDABILITY PROBLEM. DESPITE EFFORTS OF NONPROFIT ORGANIZATIONS TO RAISE FUNDS THROUGH CHARITABLE DONATIONS, THE AFFORDABILITY OF CHILD CARE FOR LOWER INCOME EMPLOYEES REMAINS OUT-OF-REACH SINCE CHILD CARE COSTS CAN TRANSLATE TO AS MUCH AS 50 PERCENT OF A FEDERAL FAMILY'S TOTAL FAMILY INCOME.

REDUCED CHILD CARE TUITION, AS A RESULT OF AGENCY CONTRIBUTIONS PERMITTED BY LAW, CAN HAVE A SIGNIFICANT IMPACT ON EMPLOYEES' ABILITY TO UTILIZE SAFE AND RELIABLE CHILD CARE. THE LAW PERMITS AGENCIES TO USE THEIR APPROPRIATED FUNDS, OTHERWISE AVAILABLE TO THE AGENCIES FOR SALARIES AND EXPENSES,

TO ASSIST THEIR LOWER INCOME FEDERAL EMPLOYEES WITH THE COSTS OF CHILD CARE IN CHILD CARE CENTERS AND FAMILY CHILD CARE HOMES THAT ARE LICENSED. BENEFITS TO THE AGENCIES INCLUDE IMPROVED RECRUITMENT AND RETENTION OF QUALIFIED PERSONNEL, LOWER ABSENTEEISM, AND IMPROVED MORALE. IMPROVED RETENTION ALSO RESULTS IN SIGNIFICANT RECRUITMENT AND TRAINING COST SAVINGS TO FEDERAL AGENCIES. AN ADDED BENEFIT FOR AGENCIES THAT SPONSOR ON-SITE CHILD CARE CENTERS IS THAT THEY CAN EXPECT TO SEE IMPROVED FEDERAL EMPLOYEE PARTICIPATION IN THEIR CENTERS. FOR SMALL AGENCIES THAT HAVE BEEN UNABLE TO PROVIDE AGENCY-SPONSORED ON-SITE CHILD CARE CENTERS, THE LAW PERMITS THEM TO ASSIST THEIR EMPLOYEES WITH A VARIETY OF OTHER CHILD CARE CHOICES.

OPM'S REGULATIONS TO ESTABLISH THE CHILD CARE SUBSIDY PROGRAM PROVIDE FEDERAL AGENCIES WITH MAXIMUM FLEXIBILITY TO DEFINE LOWER INCOME FEDERAL EMPLOYEES AND TO DETERMINE THE SIZE OF THE SUBSIDY EACH EMPLOYEE RECEIVES AS AGENCIES HAVE DIFFERING NEEDS FROM ONE LOCATION TO ANOTHER. OPM PROVIDES AGENCIES WITH VARIOUS MODELS FOR DETERMINING EMPLOYEE ELIGIBILITY AND THE AMOUNT OF THE TUITION ASSISTANCE SUBSIDY. MODELS INCLUDE ESTABLISHING A TOTAL FAMILY INCOME THRESHOLD, IDENTIFYING THE RELATIONSHIP BETWEEN TOTAL FAMILY INCOME AND ACTUAL CHILD

CARE TUITION COSTS, AND IDENTIFYING AN AMOUNT OR PERCENTAGE THE AGENCY IS WILLING TO PAY. THERE IS NO CAP ON THE PERCENTAGE OF CHILD CARE TUITION THAT WILL BE SUBSIDIZED. THE AGENCY DETERMINES ELIGIBILITY USING INCOME OR TUITION CRITERIA CHOSEN BY THE AGENCY. AGENCIES CAN CHOOSE TO ADMINISTER THE PROGRAM OR CONTRACT FOR PROGRAM ADMINISTRATION, USING PROCEDURES THAT ARE IN ACCORDANCE WITH THE FEDERAL ACQUISITION REGULATIONS. THE DETERMINATION OF THE TUITION ASSISTANCE ELIGIBILITY AND THE AMOUNT OF THE SUBSIDY ARE ALWAYS DETERMINED BY THE FEDERAL AGENCY.

THE MAJORITY OF AGENCIES WITH CHILD CARE SUBSIDY PROGRAMS HAVE FOUND IT MORE COST EFFECTIVE TO CONTRACT WITH AN OUTSIDE ORGANIZATION FOR THE MANAGEMENT AND ADMINISTRATION OF THE PROGRAM. MOST AGENCIES CONTRACT WITH THE FEDERAL EMPLOYEE AND EDUCATION ASSISTANCE FUND (FEEA) TO ADMINISTER THEIR PROGRAM. OPM HAS WORKED CLOSELY WITH FEEA TO ENSURE A CLEAR UNDERSTANDING OF APPLICATION AND REPORTING PROCEDURES. THE ADMINISTRATION OF THE PROGRAMS INCLUDES REVIEWING APPLICATIONS FOR FEDERAL EMPLOYEES AND ADMINISTERING PAYMENT TO THE CHILD CARE FACILITIES. AN IMPORTANT ADDITION TO THE 2001 LEGISLATION ALLOWED AMOUNTS PAID TO LICENSED OR REGULATED

CHILD CARE PROVIDERS TO BE PAID IN ADVANCE OF SERVICES RENDERED, COVERING AGREED UPON PERIODS, AS APPROPRIATE.

OPM WORKED WITH THE INTERNAL REVENUE SERVICE (IRS) TO PROVIDE AGENCIES WITH GUIDANCE REGARDING TAX ISSUES RELATED TO THE PROGRAM. THE IRS ADVISED THAT IF AN AGENCY IMPLEMENTS THE CHILD CARE SUBSIDY PROGRAM AS A DEPENDENT CARE ASSISTANCE PROGRAM, DESCRIBED IN SECTION 129 OF THE INTERNAL REVENUE CODE, AMOUNTS UP TO EITHER $2,500 (FOR MARRIED INDIVIDUALS FILING SEPARATELY) OR $5,000 (FOR MARRIED COUPLES FILING JOINTLY OR SINGLE HEADS OF HOUSEHOLD) MAY BE EXCLUDED FROM GROSS INCOME. TO QUALIFY FOR THE EXEMPTION, THE AGENCY MUST SET UP A DEPENDENT CARE ASSISTANCE PROGRAM (DCAP) AND AN EMPLOYEE MUST CLAIM THE CHILD AS A DEPENDENT ON THEIR FEDERAL INCOME TAX RETURN. A CHILD WITH DISABILITIES MUST MEET THE DEFINITION LOCATED IN 26 CFR 1.44A-1(B)(4) TO QUALIFY FOR THE EXEMPTION.

TO ASSIST AGENCIES IN IMPLEMENTING THE OPTION OF A CHILD CARE SUBSIDY, OPM DEFINED "CHILD" TO INCLUDE CHILDREN WHO ARE SUPPORTED BY LEGAL GUARDIANS AS WELL AS CHILDREN WITH DISABILITIES THROUGH AGE 18. OPM HAS IDENTIFIED SEVERAL CHILD CARE RESOURCES INCLUDING LOCAL CHILD CARE REFERRAL AGENCIES; FEDERALLY SPONSORED CHILD CARE CENTERS; FINANCIAL ASSISTANCE

FOR LOW-INCOME PARENTS; STATE RESOURCE AND REFERRAL NETWORK CONTACTS; AND FEDERAL AND NATIONAL ORGANIZATIONS. WE PROVIDED SAMPLE MARKETING TOOLS, AND SAMPLE TUITION ASSISTANCE APPLICATIONS TO ASSIST THE AGENCIES WITH ADMINISTERING THE PROGRAM.

TWENTY-THREE AGENCIES CURRENTLY OFFER A CHILD CARE TUITION ASSISTANCE PROGRAM FOR THEIR EMPLOYEES. SINCE THE TIME THE INITIAL PILOT FOR CHILD CARE TUITION ASSISTANCE WAS IMPLEMENTED, THE USE OF THE PROGRAM BY FEDERAL EMPLOYEES HAS INCREASED SIGNIFICANTLY, AS HAS THE AMOUNT OF FUNDS THE AGENCIES DEDICATE FOR THIS PURPOSE. DURING 1999, NINE AGENCIES IMPLEMENTED A CHILD CARE SUBSIDY PROGRAM WITH THAT NUMBER INCREASING TO 20 THE FOLLOWING YEAR. THE TOTAL AMOUNT OF FUNDS DISBURSED IN FY 2000 WAS $282,329, WHICH NEARLY DOUBLED BY FEBRUARY 2001 TO $553,720, WITH PROJECTIONS OF MORE THAN $4.2 MILLION DOLLARS BEING ALLOCATED BY THE END OF FY 2001.
THE NUMBER OF FEDERAL EMPLOYEES UTILIZING THE CHILD CARE SUBSIDY HAS ALSO RISEN SIGNIFICANTLY SINCE THE INCEPTION OF THIS PROGRAM. IN THE INITIAL PILOT, 205 LOWER INCOME FEDERAL EMPLOYEES, SUPPORTING 263 CHILDREN, RECEIVED TUITION ASSISTANCE. DURING 2000, THE NUMBER OF FEDERAL EMPLOYEES GREW TO MORE THAN 800 SUPPORTING 1,033 CHILDREN. FEDERAL EMPLOYEES AT PAY

GRADE LEVELS FROM GS-1 THROUGH GS-13 RECEIVE CHILD CARE TUITION ASSISTANCE. THE MAJORITY OF FEDERAL EMPLOYEES RECEIVING CHILD CARE ASSISTANCE IS BETWEEN GS-4 AND GS-7. THAT PLACES THE AVERAGE SALARY BETWEEN $20,000 AND $37,000 ANNUALLY.
THE SUBSIDY PROGRAM ALLOWS FEDERAL EMPLOYEES TO USE NON-FEDERAL CENTER-BASED CHILD CARE AS WELL AS CARE IN FAMILY CHILD CARE HOMES, AS LONG AS THEY ARE LICENSED OR REGULATED BY THE STATE OR LOCAL REGULATING AUTHORITIES. OUR STUDIES SHOW THAT THE MAJORITY OF CHILDREN ARE ENROLLED IN CHILD CARE CENTERS VERSUS FAMILY CHILD CARE HOMES.

THE TUITION ASSISTANCE, IN THE FORM OF A REDUCED TUITION RATE, WILL BE IN EFFECT FROM THE TIME THE DECISION FOR A PARTICULAR FEDERAL EMPLOYEE IS MADE AND THE CHILD IS ENROLLED IN THE PROGRAM UNTIL THE CHILD IS NO LONGER ENROLLED OR THE EMPLOYEE NO LONGER MEETS THE INDIVIDUAL FEDERAL AGENCY ELIGIBILITY CRITERIA.

ALL AGENCIES PROVIDING A CHILD CARE SUBSIDY FOR THEIR EMPLOYEES MUST PROVIDE NOTICE TO THE HOUSE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT, THE SENATE SUBCOMMITTEE ON TREASURY AND GENERAL GOVERNMENT, AND THE AGENCY'S APPROPRIATIONS SUBCOMMITTEES PRIOR TO OBLIGATING

FUNDS. AGENCIES MUST ALSO NOTIFY OPM OF THEIR INTENTION. FUNDS CAN BE OBLIGATED IMMEDIATELY AFTER NOTIFICATIONS HAVE OCCURRED. NOTIFICATIONS MUST OCCUR ANNUALLY REGARDLESS OF ANY PROGRAM OR BUDGET CHANGES.

OPM IS COMMITTED TO SUPPORTING FEDERAL PROGRAMS THAT ASSIST EMPLOYEES WHO ARE CARING FOR CHILDREN, AS WELL AS PROVIDING WORK AND FAMILY FLEXIBILITIES THAT HELP BALANCE THESE RESPONSIBILITIES. THE PILOT PROJECTS, CONDUCTED DURING 1999 THROUGH 2001 ALLOWED OPM TO GAIN A BETTER UNDERSTANDING OF HOW TO ENSURE SUCCESS OF THE PROGRAM. ALTHOUGH INITIAL NUMBERS OF FEDERAL EMPLOYEES UTILIZING THE PROGRAM WERE LOW, INTEREST AND PARTICIPATION GREW RAPIDLY. AGENCIES RAISED THE ELIGIBILITY THRESHOLD TO ALLOW FOR MAXIMUM UTILIZATION AND USED MULTIPLE AND CONTINUOUS MARKETING STRATEGIES TO EDUCATE AND ENCOURAGE EMPLOYEES TO UTILIZE THE PROGRAM. DURING THE PILOT PHASE OF THE PROGRAM, WHEN THE LEGISLATION WAS TEMPORARY, OPM RECEIVED COMMENTS FROM BOTH AGENCIES AND INDIVIDUAL FEDERAL EMPLOYEES STATING THEIR INTEREST IN IMPLEMENTING AND USING THE PROGRAM, BUT FEARING THE PROGRAM WOULD NOT BE MADE PERMANENT. NOW THAT PERMANENT LEGISLATION HAS BEEN ENACTED, OPM EXPECTS A SIGNIFICANT INCREASE IN AGENCY AND FEDERAL EMPLOYEE UTILIZATION.

ADDITIONALLY, IN PAST YEARS, THE PILOTS WERE IMPLEMENTED AT A TIME OF YEAR NORMALLY DIFFICULT FOR PARENTS TO CHANGE CHILD CARE ARRANGEMENTS. WITH PERMANENT LEGISLATION, EMPLOYEES CAN TAKE THE TIME TO SECURE QUALITY CHILD CARE AT MORE CONVENIENT TIMES THROUGHOUT THE YEAR, AND WE WILL BE GATHERING DATA, IN THE NEAR FUTURE, TO DETERMINE THE RATE OF AGENCY PARTICIPATION IN THE PROGRAM.

THIS CONCLUDES MY TESTIMONY. THANK YOU FOR INVITING ME TO BE HERE WITH YOU TODAY TO TALK ABOUT THE CHILD CARE SUBSIDY PROGRAM. I WOULD BE HAPPY TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.

"GOOD BEGINNINGS LAST A LIFETIME: HOW THE FEDERAL GOVERNMENT CAN PROMOTE AFFORDABLE, QUALITY CHILD CARE"

Testimony Before the Senate Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia

Testimony Submitted by Sarah Kirschner
January 28, 2002

Thank you Senators Carnahan and Durbin for the opportunity to discuss the critical issue of child care with you today. I will be focussing on how businesses are impacted by child care concerns and what they are doing to help improve child care in for their workforces and the communities in which they operate.

Approximately 10% of a large, diverse workforce will have children under age 6 who need full time child care. Of the St. Louis area labor force, 24.5% of workers have children under age 15. (Source: 2000 U.S. Census Estimates). Workers with older children will need care during the early morning or afternoon hours and during summers and school holidays.

The issues facing employers regarding child care are the same as those facing the community as a whole: how to find high quality, affordable child care for the times and locations needed. The "twist" for employers is whether or not they want to try to address this issue in some way for their workforce. You could call employers the biggest indirect consumer of child care because it is primarily working parents who require child care and it is the children currently in care who will be the future workforce.

Without going too deeply into the funding issues of child care, the current breakdown of the funding of care is as follows: parent fees pay about 60% of the total spent on child care in this country, the federal and state governments spend another 39%, mostly in the form of subsidies for low-income families. The remaining 1% is financed by the private sector; businesses and philanthropic organizations. (Source: "Financing Child Care in the United States", the Ewing Marion Kauffman Foundation and the Pew Charitable Trusts, 1997.)

Because child care receives little tax support and is funded primarily by parent fees, there is always a gap between what parents can afford and what it actually costs to run a program. Because of this gap, almost all child care is subsidized in one way or another whether through low wages to workers, fundraising efforts, corporate, or community support. When an employer sponsors a child care center, the company typically provides 20 to 40% of the annual operating budget.

Missouri Child Care at Work was a unique project undertaken by Fred Epstein, a St. Louis business owner and then Missouri First Lady, Jean Carnahan, to encourage businesses to consider on-site child care for their employees. Mr. Epstein and Mrs. Carnahan spoke to about 300 business and community leaders in meetings around the state in 1999 and 2000. After the initial meetings, several child care projects were initiated by groups in Cuba, Rolla, Kansas City, and Milan Missouri. Some of these have since disbanded, all due to lack of funding, but the groups in Cuba and Rolla continue to make progress, finding corporate sponsors, community leaders, civic support, and funding to get their projects off the ground.

What made this project work was the willingness of Fred Epstein and Jean Carnahan to go on the road and challenge businesses to look at this possibility. As a business owner with an on-site child care center at his plant in St. Louis, Mr. Epstein could talk to his peers in their own language. As First Lady Mrs. Carnahan could, not only draw a crowd, but could also speak quite knowledgeably about the importance of early childhood care and education. It is rare to have people outside the child care profession available to tackle this issue. As the project went forward the emphasis shifted from raising awareness at Chamber of Commerce meetings, business associations, and other events, to one-on-one technical assistance to the projects trying to get off the ground. We found that large, well funded companies did not usually need our help, they were able to devote staff and hire a management company to analyze the need, develop the project, even run the finished center. However, smaller projects, rural projects, and projects involving a coalition needed help to understand the needs, design a project, survey employees, assess the community supply and gaps, and attract funding to build and then run a child care program.

With volunteer support from Mr. Epstein and Mrs. Carnahan and funding from the Ewing Marion Kauffman Foundation, The Danforth Foundation, the Mildred Simon Foundation, Millbank Manufacturing, and others we were able to fill the gap between the project idea and actually getting something off the ground. Even with corporate dollars pledged to support a center, the staff at the sponsoring organizations are not child care experts and have their own full time jobs to do. There is still a huge amount of research, time, and expertise needed to create a community child care center.

Like those employers reached by Missouri Child Care at Work, over the past 10 or 15 years many employers have come to realize that child care is not as far removed from their lives as they once thought and it does not impact just their workers with children. The executive vice president at a small manufacturing company in Rolla told me that of his 25 employees, there are 4 who are absolutely critical to plant production. All 4 of those employees currently use child care and if just one of them is out because their child care breaks down, he loses $5,000 for that one day. When workers are absent or distracted by child care concerns it spills onto their co-workers and teammates who have to take up the slack and it spills back onto society because children begin learning at birth. We can not wait until kindergarten for our children to receive quality care and learning experiences.

The benefits of offering some type of child care program to workers are many. The obvious is that stable, quality child care settings translate to fewer breakdowns and emergencies causing fewer frantic phone calls during work hours and fewer last minute absences because "the sitter called in sick". Many companies have also documented other gains. NationsBank (now Bank of America) estimated that by using a child care resource and referral service, their employees saved 12 to 15 work hours looking for child care. On-site child care centers have created millions of dollars of free publicity and consumer goodwill for companies like Stride Rite in Massachusetts and Abbott Labs in suburban Chicago while ensuring that parents feel safe knowing their children are in good care. Parents will often mention the child care center as the main reason they stay with their employer.

Although on-site child care is widely publicized and very visible it is an expensive option for employers. It requires a large up-front investment and a long-term commitment both philosophical and financial. It can be beset by problems, in particular finding and retaining quality staff, and will only serve a small portion of the workforce. Fortunately there are other options available to employers that are not as costly and require less commitment.

- Offering information is one of the easiest, cheapest things an employer can do for their employees. Few working parents have time or energy to attend parenting workshops at night or on the weekend. Offering these types of programs during work hours or lunch time can help parents do a better job—at both their jobs.

- Resource and referral is another information option that is relatively low cost. Resource and referral agencies help parents find care that meets their needs. I want to mention that there are two types of resource and referral services. There are the not-for-profit, usually state funded, community based agencies and there are for-profit providers who accumulate databases of child care providers and sell them to companies. Both can offer lists of names of child care providers but what the for-profits do not do is improve and expand the supply of child care in the community. This is an important distinction not often recognized by employers.

  The community-based resource and referral agencies not only help families find care but they work directly with caregivers offering training, scholarships, and networking. They recruit child care providers to work nights and weekends when families need care but little is available, and they teach parents how to make smart child care choices so the care they chose is safe for their child and stable for their job. When an employer purchases resource and referral as an employee benefit through a community based agency they not only help their employees find care but they help support child care in their community.

Other options that employers consider when addressing child care needs are:
- family leaves and other personnel policies
- flexible work schedules
- pre-tax savings plans
- direct financial assistance to help pay for child care
- direct community support of scholarships, training opportunities, and other programs

Each option has costs and advantages and disadvantages but I always encourage employers to explore all the options and find one, or more, that fits their workforce and culture. For a company with a young, primarily female workforce, the cost of a child care center may be outweighed by the reduction in turnover costs. For an older more stable workforce offering information and referrals may be the best approach, and for a company that values their image as a corporate citizen, contributing to local child care improvement efforts may be appropriate.

In the St. Louis area there are many examples of companies who support child care and families. Some examples:

- Brown Shoe Company has extensive scheduling flexibility for their employees.
- Washington University offers child and elder care resource and referral for all employees as does BlueCross BlueShield.
- Twelve area hospitals or nursing homes have on-site child care centers as do Monsanto, Ralston Purina, and INDEECO.
- IBM, AT&T, Citicorp, and UAW-Ford have all directed money to the St. Louis region to improve child care, and recruit and train providers.
- Bank of America provides a direct subsidy to their low wage workers to help pay for child care.

Of course, other things help too. Missouri has long had a Neighborhood Assistance Program tax credit which can be obtained by not-for-profit child care centers and given to businesses who contribute to their programs. In last year's tax reform, the federal government created a tax credit for companies who support on-site child care or resource and referral programs. These are useful incentives to employers offering child care benefits but there is still very little start-up funding available for any child care programs including those with employer sponsors.

Employers are impacted every day by the children who are in unsafe or unregulated care, by the hundreds of school age children left home alone, by the low wages paid to child care workers, and by the lack of funding for infant care. Some companies realize the impact but most do not. My recommendations for how the federal government can promote affordable, quality child care by encouraging employer involvement in this issue are:

- Continue to offer tax credits and other direct incentives to employers who commit resources to child care in their own workplaces and the community.
- Continue to offer information and resources through the Department of Labor Women's Bureau and other avenues.
- Offer start-up, expansion, and enhancement funds so that new programs can get started and existing programs can improve.
- Support the national system of community based resource and referral agencies who are in the field every day working with employers, providers, and their communities to build a better child care system.
- Recognize and encourage others to recognize that learning begins at birth and that child care also includes programs for school-age children during summers, holidays, and before and after school.

Thank you again for your interest in this issue.

TESTIMONY OF PENNY KORTE
PAL'S OF HIGHLAND, ILLINOIS

tinguished Constituents and Guests;

As most of us here are well aware that a myriad of issues face childcare professionals on a constant basis, it is my belief that the lack of respect given to my colleagues sparks most of these concerns. This lack of respect is then heightened as the many programs that are continually in focus of the media are negative when it comes to daycare or pertain to the public or private sector of education for grades K – 12. Before children enter what most consider their "formal" education settings, the voice of many consider that children only need a "babysitter" to tend to their needs. But anyone that is familiar with the education system now understands that this is not the case anymore.

I would be remiss to include everyone in that thought, however, those not in the Daycare profession can't really ascertain what is involved. In IL & MO, daycare centers are to be licensed and follow a set of guidelines that require knowledge of "legal reading". We have to be educated in developmental issues both physical and mental, be able to care for and teach at a variety of age levels, know medical symptoms and be trained in first-aid and CPR, complete a food preparation class along with knowledge of health safety issues in general, know how to recognize signs of abuse and report when necessary, nurture and encourage each child, yet second guess every touch we give to protect ourselves from the many liabilities now forced on our profession.

We take care of children from 6wks – 12 years for sometimes 11 hours or more a day. Even thought we ourselves may not work the entire time, we end up spending more awake time with many of these children than their parents. At the same time, we are expected to react, protect, and educate 4,5,8,or 10 children to one worker depending on their ages. This emotional stress in itself of reacting or trying to prevent chaotic situations is one t I'm sure many of you here today would agree is not where you would want to be. Yet my workers and those ers in daycare do this exact job M – F, more depending on the centers hours, 52 weeks of the year.

With a job description like that and the stress it entails you might think a salary would be equal to that of a teacher. WRONG!!! In my town employees are paid anywhere from $6.00/hr. to $9.00/hr., with the average being right around $7.50/hr. This would make your annual income $15,600. Who can survive on that? Many times these workers have children of their own too, and that cuts right into that already low figure they are trying to live on.

Recommendations I come to you with today are as follows:

1) Make federal money more easily accessible and acquirable to assist states for retention and continued education in daycare. Such programs as Great Start & T.E.A.C.H. in IL.
2) Look into ways to fund programs that would also help in attaining healthcare and retirement benefits for job stability & continued education such as K – 12 teachers have available. You choose childcare for your life because you believe in what kids need and love children, not to get rich. That doesn't mean you should remain at the poverty level all of your life. But you are pretty much guaranteed NO retirement money if you can only barely survive now on what you receive.
3) I would also suggest offsetting what the parent's pay in with increased tax break benefits. This would make them more willing to pay the prices being asked.
4) When children are in school they are being taken care of for their parents too. Yes, they are being taught English, Math, etc. What we teach is how to learn, how to get along, and how to succeed. And

though some would argue that teachers there have a four year degree, I would counter with the question: How many of you would pay $6,000 - $8,000 per semester for four years to enter a profession that pays back yearly less than $20,000 in most cases? Is there some way the Federal gov't could give states some money to offset real estate taxes already paid to create funding similar to that of public schooling? I know that I'm considered a for-profit independent center, but I'm not sure why. I'm still regulated by a government agency and I'd like to know what kind of profit is in my $17,000 salary as an owner/director?

5) My last request would be that the coverage given daycare be more positive or at least more in-depth. I would like to say that it is easy to get caught up in the guidelines and requirements set forth by the many agencies overseeing daycares. Many times, those who set up the rules have never even stepped foot in a center. Or maybe have been in a "pilot" program that is an "ideal" setting we'd all like to have. It is easy to see how in meeting the requirements of hiring an education qualified individual, you might be ignoring a more experienced candidate who would naturally have been able to recognize the needs of that infant whom is now in the hospital from being shook by your newly hired educated employee.

would like to congratulate IL on what steps they have taken to create some assistance for daycare . I would like to see more input from those people actually hands-on, however, vs. those sitting in offices manuals making up the rules and guidelines. Maybe more paperwork and rules aren't necessary, maybe RIGHT paperwork. Then we might all have more time to do our job better.

To briefly summarize my key points:

1) Daycare workers deserve the respect and compensations due them for their job description.
2) Federal help would best be sought through:
   A) Funds or more funds to assist in retention and furthering education of workers
   B) Benefit programs for healthcare and retirement
   C) Bigger tax breaks for parents
3) People in the field should be helping to make the guidelines.

Thank-you for your time.

Penny E. Korte
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Testimony before the Senate Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia
St. Louis Field Hearing
January 28, 2002

Testimony from Corinne Patton, Manager
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Senators Carnahan and Durbin, thank you for the opportunity to speak with you today and thank you for choosing "Good Beginnings Last a Lifetime" as the title of the hearing. I believe good beginnings indeed last a lifetime and I am proud to be part of an organization that helps families make their own good beginning.

What is Child Care Resource and Referral
I represent the Missouri Child Care Resource and Referral Network. Our agency coordinates the activities of the eight child care resource and referral agencies (CCR&R's) that serve Missouri. Each independent nonprofit agency serves a designated portion of Missouri's 115 counties. The Network manages contracts between the state agencies and the local CCR&R's and handles several special child care related projects.

Child care resource and referral agencies provide a number of services and special activities. Let me highlight our core services.

The Importance of Helping Families Make Informed Choices
Finding, deciding on and beginning to use child care becomes one of the earliest and least supported challenges for the working parent. CCR&R agencies support families in their search for child care. Each local agency maintains a database of child care providers and the pertinent information about their services. Referral Specialists at each local CCR&R share that information with families in telephone interviews and through mail, fax, and e-mail daily.

Helping Parents Evaluate Child Care
Last year our 8 agencies served over 20,000 families who were seeking care for more than 28,000 children. This is the *"referral"* part of "resource and referral." These families received a list of referrals to help them narrow their search in finding the best child care provider for their child. Each caller also received printed consumer education material that offered points to consider in making the choice and questions to pose to prospective providers.

For example we recommend that a family consider the child's point of view and

the kinds of people and activities that will make a child comfortable. A child might wonder:

- Who will care for me?
- Are there plenty of toys that I can reach and enjoy?
- Where will I keep my stuff?
- Is everyone having fun?
- What will I do all day?

The right child care provider will develop a positive, loving relationship with the child. This is a key indicator of quality care. The right caregiver will also relate well to the parent and have values and attitudes that are similar to those of the family. Parents, especially parents who are placing an infant or toddler, should watch the provider interact with children and consider these issues:

- Are the children happy and involved?
- Does the provider seem warm and friendly? Is she or he calm and patient with the children?
- Does the provider listen to the children?
- Does the provider talk to them and encourage them to express themselves?
- Does the caregiver have special training or credentials?

Making a smart child choice involves visits to several programs to compare and observe the program and the physical setting, as well as, interviews with the providers. The consumer education material that CCR&R's offer to every family puts the questions together in a concise package and details ways to continue to monitor the child's successful adjustment to child care.

Families with children with special needs receive enhanced services from Missouri CCR&R's. Each local agency has an Inclusion Specialist on staff that works to help families find inclusive child care. This means that children with special needs are placed in programs with typically developing children. The Inclusion Specialist also offers services to child care providers to ensure that they have training and skills to serve these children.

CCR&R's offer families help in navigating Missouri's child care regulatory system. The agencies can define terms such as licensed, license-exempt, unregulated, and accredited. The agencies refer parents to the Bureau of Child Care offices in the Department of Health and Senior Services for additional information and access to public licensing records.

Services to Child Care Providers, Communities and Employers
Last year our agencies provided:

- almost 36,000 technical assistance contacts to child care providers,
- over 9,000 technical assistance contacts to parents,
- 1,200 technical assistance contact to employers,
- over 12,000 technical assistance contacts to other people in the community who needed information, and
- the local agencies mailed 162,000 child care related publications.

All the activities detailed above make up the *"resource"* part of "resource and referral." The Network and local CCR&R's compile, analyze and share information about child care. Our agencies develop and maintain databases by collecting detailed information about the supply of child care, the availability of subsidies and other valuable community resources for families.

We are acutely aware of the special hardships that low income Missouri families face when they seek affordable quality child care. Missouri may not have a waiting list for subsidized child care, but it is only because the subsidy eligibility is so restricted that few families qualify. Missouri ranks at the bottom of the 50 states in our eligibility for child care subsidy.

Child Care and the Work Place is the Network's tool kit for employers interested in developing family-friendly work place policies. This material was written so that employers can consider the full array of options available to them. These include providing employees with:

- informational seminars,
- parental leave and flexible schedules,
- financial assistance such as dependent care accounts and voucher programs,
- support for community-based child care programs, and
- on-site and near-site child care centers.

Staff from CCR&R's sit on many community boards, partnerships and initiatives. By collaborating with our community partners, CCR&R's encourage efforts to improve and shape the services of child care. Community-based CCR&R's have a big-picture perspective combined with good local information. We examine systemic problems, identify barriers and link other partners in finding solutions. We know that these solutions require the involvement of all sectors and segments of the community if we are to be successful in offering families that "Good Beginning."

Other Services of the Network
In addition to our role in coordinating services among the local agencies, the Network manages several special initiatives. We coordinate the delivery of

specialized training for early intervention providers, business training for family child care providers, the Heads Up! Reading literacy training in Missouri, and consultation services to child care programs working toward accreditation.

T.E.A.C.H. Early Childhood Missouri is a scholarship and compensation project for child care workers. Missouri is one of 19 states participating in this national initiative to increase education and compensation and reduce turnover in the child care workforce. There are presently almost 100 early childhood teachers taking colleges courses through funds provided by T.E.A.C.H. Each teacher receives either a raise or bonus from her or his employer at the end of a one-year contract and in return agrees to remain employed at their sponsoring program.

The Network and the local CCR&R's are also members of NACCRRA, the National Association of Child Care Resource and Referral Agencies. NACCRRA represents almost 700 community-based CCR&R's from every state in the country. NACCRRA provides vision, leadership, and support to CCR&R's and promotes national policies and partnerships committed to the learning and development of all children.

Challenges

While the demands for services from families, providers and communities increase every year, our funding from the state contract has not. As Missouri struggles with its budget shortfall, core service funding to the Network and, subsequently, the local CCR&R's was cut by 15% in the current fiscal year. This has resulted in a decrease in the availability of some services to families.

Funding a system of CCR&R services in each state with an entity such as the Network to coordinate and support services would ensure that child care resource and referral activities continue to reach families, child care providers, employers and other community partners and that they collect and disseminate the data that leads to sound decision making. Language in the proposed reauthorization for the Child Care and Development Fund (CCDF) supports earmarked funding for a system such as this and would help ensure that these services continue to be available for Missouri families and communities.

Thank you for the opportunity to speak with you today. I welcome any questions that you may have.

Good Beginnings Last a Lifetime: How the Federal Government Can Promote Affordable, Quality Care
Testimony Before the Senate Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia

Testimony Submitted by Kim E. Hunt
January 28, 2004

Thank you, Senators Durbin and Carnahan for the opportunity to address you this morning on behalf of child care providers. I will be addressing the services of the Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) and how the services support child care providers and quality childcare in Illinois.

The state of Illinois, through its Network of Illinois Child Care Resource & Referral Agencies, is strongly committed to implementing programs that enhance the professional development of child care providers and support quality child care.

The Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) is an organization of 17 regional Child Care Resource and Referral Agencies working together to improve access to high quality child care in communities throughout Illinois. INCCRRA maintains the most comprehensive data on child care supply, child care program characteristics, and factors that influence parents' child care choices. The state network and local partners are currently involved in a number of initiatives that address the availability of quality services for children and families. Some initiatives are part of First Lady Lura Lynn Ryan's Futures for Kids program – Quality Counts - and the McCormick Tribune Foundation's Focus on Quality Initiative. The Illinois Department of Human Services is the primary funder of both the local and state network of Child Care Resource and Referral services.

INCCRRA administers several programs that are coordinated through individual child care resource and referral programs that support child care providers in an effort to stabilize the early childhood workforce

- **The T.E.A.C.H. Early Childhood ® Illinois** project started in Illinois in 1996 with 35 participants. The program currently serves over 1200 recipients working in 81 counties across the state. This program has assisted 39 current practitioners in completing their degrees (taking an average of 3 years to complete an associate's degree while still working.) T.E.A.C.H. has effectively reduced the turnover rate to 6% for participants – compared to an annual turnover rate of 15% for child care teachers and 24% for assistant teachers, and compared to 7% for elementary teachers in Illinois' public schools. All community colleges and seven four-year institutions currently participate in the T.E.A.C.H. program. Currently scholarships are funded at $1.6 million by the Illinois Department of Human Services, Head Start Collaboration Office, and the Child Care Coalition of Lake County.

- **Professional Development Funds** are available through the individual CCR&R agencies and provide child care providers with the opportunity to attend professional development activities not sponsored by the local CCR&R agencies. These activities included college

tuitions, attendance at conferences, credentialing programs and nationally recognized accreditation programs. In fiscal year 2001, 89 family child care providers completed 561 semester hour of college credit while center directors and staff completed 357 semester hours of college credit. An additional 4,868 early childhood practitioners completed trainings that applied toward the Child Development Associate credential and toward in-service hours required by the Illinois Department of Children and Family Services. Funded by the Illinois Department of Human Services.

- **Governor Ryan signed Great START, a wage supplement program for early childhood practitioners, into law** in May 2000, after passing the House and Senate unanimously. Implemented in March 2001, there are currently 2,500 participants receiving an average wage supplement of $1,700 per year. For participants renewing their applications, the rate of attrition from the field was 7%. Currently funded at $5 million by the Illinois Department of Human Services.

- **The Illinois Director Credential** (IDC) is a voluntary professional credential available to administrators of center-based early childhood programs. It is a standard in management and leadership and a symbol of individual professional achievement. Implemented in May 2000, there are currently 28 credentialed directors, 100 active applicants and 10 colleges and universities that are offering the credential as part of a degree program. Currently funded at $225,000 by the McCormick Tribune Foundation.

- **Professional Growth Advisors** are masters-level early childhood professionals who complete a formal training to work with individuals across the state who are pursuing the IDC, CDA (Child Development Associate), and accreditation or are working towards a Great START wage supplement. Professional Growth Advisors receive a stipend for direct work with practitioners, which is a key element in the success of many of the programs listed here. Funded by the McCormick Tribune Foundation.

- **The Illinois Network for Educational Development** is the beginning of a practitioner and training tracking system. Currently under development, the system tracks Great START participants and their educational achievements, including the CDA, CCP and IDC credentials, degrees and coursework toward degrees. Funded by the Illinois Department of Human Services and the McCormick Tribune Foundation.

- **Illinois ChildCorps, is an AmeriCorps** program, administered by INCCRRA with members serving at the local CCR&R's to enhance CCR&R services, build literacy skills in young children and foster an ethic of service among members, early childhood professionals, and children. One hundred and eighty-five AmeriCorps Members have served with the Child Care Resource and Referral System since 1994, earning education awards and valuable experience in the field of early childhood. Funded by the Illinois Commission on Volunteerism and Community Service at $326,000.

- **The Illinois Trainers Network** is a statewide trainer approval program that supports and compensates skilled trainers who deliver high quality and accessible training to family child care providers and child care center staff across the state. Over 350 certified trainers

conducted six to thirty-two hour trainings in ten topic areas for 3900 practitioners. Funded by the Illinois Department of Human Services.

- **HeadsUp! Reading** is one of the training topics included in the Illinois Trainers Network. A partnership between the Illinois Department of Human Services, Head Start Collaboration Office, Illinois State Board of Education and individual institutions of higher education has made it possible to bring this innovative distance learning program to 695 early childhood practitioners across the state. Practitioners may take the 44-clock hour course for in-service hours or college credit. Funded by the Department of Human Services.

- **Quality Counts Child Care Grants** program was implemented in January to improve and expand early care and education services in Illinois. $1.5 million has been allocated, with $.5 million targeted for programs that serve infants and toddlers. Grants are awarded to eligible applicants for equipment, materials, and projects that improve program quality or maintain space for infants and toddlers. These funds are available to license-exempt or relative care providers who list with their local CCR&R. Funded by the Illinois Department of Human Services.

- **Accreditation Funds** are available to family child care providers and child care centers pursuing accreditation through a number of approved accrediting bodies. Funds can support staff training, materials, on-site consultations and application fees. Funded by the Illinois Department of Human Services.

- **Statewide CCR&R Training Activities** are planed by individual CCR&R agencies and delivered in many forms to respond to the diverse training needs of the child care professionals in Illinois. Training workshops are the most common method of training delivery, followed closely by conferences. The use of self-study materials by child care providers had steadily increased since 1996 when the CCR&R system developed its first self-study materials. 37,065 child care professionals attended 2,339 workshops statewide, while 58 conferences were sponsored or co-sponsored with community organizations. 895 child care professionals used self-study materials that are available though the CCR&R agencies.

- **Comments from providers:**
  1) "With a staff shortage, these programs enable us to train a new employees, that we would not be able to do otherwise."
  2) "Through Great Start, a staff person was able to increase her salary by $1.90 per hour."
  3) "New directors receive their training "on the job" and not necessarily through college courses. These funds enabled me to get additional training and support through more non-traditional methods (conferences and intense seminars)."
  4) Another director commented, "Because I suggested that staff complete a Great Start application, I received flowers as a thank you gift from a staff person when she received her first check from Great Start."
  5) You can hear them in the halls; "I got my check from Great Start today!"

For the past two years, Illinois has been recognized as one of the top ten states to have made a difference in who is caring for kids. It is our hope that Illinois remains in the top ten by continuing to be a role model for other states, maintaining and enhancing existing programs and continuing to develop new and innovative initives. Thank for today and your future effort to champion the welfare of children and families.

CHILDREN'S HOME & AID SOCIETY of Illinois

Southern Region

Founded 1883

January 25, 2002

ATTN: Ms. Marianne Upton
Staff Director/Chief Counsel [Senator Dick Durbin]
Senate Oversight of Government Management,
Restructuring, and the District of Columbia Subcommittee;
Governmental Affairs Cte.
439 Hart Senate Office Building
Washington, D.C. 20510

Dear Ms. Upton:

In response to your facsimile letter regarding the hearing entitled "Good Beginnings Last a Lifetime: How The Federal Government Can Promote Affordable, Quality Child Care" scheduled for Monday, January 28, 2002, I am providing you my general views as requested.

- **Information about the Illinois Child Care Resource and Referral Network—what it does, how has it grown, who does it serve:**

VISION

The Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) is a statewide organization which—in partnership with its member Child Care Resource and Referral (CCR&R) agencies—is a recognized leader, catalyst and resource for making high quality, affordable early care and education options available for children and families in Illinois.

MISSION

The Mission of the Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) is to promote and facilitate high quality early care and education for children, families, child care providers, employers, and communities in Illinois through a coordinated effort; support, expand, and enhance existing statewide child care resource and referral services; and develop innovative and comprehensive public/private partnerships which advocate on behalf of children and families.

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A United Way Member

ATTN: Ms. Marianne Upton
Staff Director/Chief Counsel [Senator Dick Durbin]
January 25, 2002
Page Two

- **What resources your program makes available to child care providers:**

  - Free listing on the CCR&R referral database
  - Licensing information
  - Free, quarterly newsletter, *The Link, Professional Edition*
  - Information on upcoming seminars, workshops and/or conferences
  - Visits or observations to child care programs
  - Information on scholarships and grants (TEACH, Great Start, Professional Development Funds, and Quality Counts Grants)
  - Free resources and toy lending library
  - Information and financial assistance for national accreditation programs
  - Resources and information on professional development opportunities
  - Information on expanding or starting a child care program
  - Access to a Child Care Nurse Consultant

- **Highlights, experiences and accomplishments in Illinois Child Care Programs that could be useful models for other States, localities, and the Federal government:**

  - When interviewing providers, they shared the following comments:
    1) "With a staff shortage, these programs enable us to train a new employee, that we would not be able to do otherwise."
    2) "Through Great Start, a staff person was able to increase her salary by $1.90."
    3) "New directors received their training "on the job" and not necessarily through traditional methods. These funds enabled me to get additional training and support through more non-traditional methods (conferences and intense seminars)."
    4) "I received flowers as a thank you gift from a staff person when she received her first check from Great Start."
    5) You can hear them in the halls, "I got my check from Great Start today!"

I hope that these general views into the testimony that will be offered through the CCR&R Program is helpful. If you should need anything further, please contact me at 1-800-467-9200, extension 123 or home (618) 463-5783.

Sincerely,

Kim E. Hunt
Supervisor,
CHASI CCR&R Program

Janet E. Maruna
Director,
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KEH:JEM/nrns