



Testimony of Janet Singerman
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Senate HELP Subcommittee on Children & Families Hearing
CCDBG Reauthorization: Helping to Meet the Child Care Needs of American Families
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Good morning. I want to thank the Chairwoman of the Subcommittee, Senator Mikulski, and the Ranking Member of the Subcommittee, Senator Burr, for inviting me to testify today. I am proud to say that I was a constituent of the Senator Mikulski's when I lived in East Baltimore and I am currently Senator Burr's constituent. I am honored to appear before this Subcommittee and look forward to sharing what I know, present my experiences, and respond to any questions that members may have.

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

Prior to joining CCRI in 1997, I worked for 14 years at Maryland Committee for Children, a statewide child advocacy organization based in Baltimore, and served as its Deputy Director and as Statewide Project Manager for the Maryland Child Care Resource Center Network. Additionally, after several years on the Board of Directors of the National Association of Child Care Resource & Referral Agencies (NACCRRRA), I was elected to the position of President and served in this role from 2004-2006.

At local, regional and state levels, Child Care Resources Inc. works to increase access to, improve the quality of and help families better afford the cost of early care and education and school-age child care programs. CCRI's FY12 operating budget totaled \$7.4 million and, as child care subsidy administrator for Mecklenburg County, CCRI additionally administered in excess of \$44 million in child care subsidy funding from federal, state and local sources. These funds enabled a monthly average of 7,756 children to enroll in higher quality child care and their families to be gainfully employed or in training. While the amount of child care subsidy funds administered by CCRI is larger than any other county in North Carolina, demand for child care subsidies historically far surpasses available funds, resulting in an ever present and growing waiting list of children whose parents are eligible for this support, but for whom there are insufficient funds to serve. For all but two weeks of the 15 years I have served this organization, CCRI has had a waiting list for child care subsidy. Currently, this list totals 4,146 children and non-TANF families typically remain on the waiting list for two or more years.

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

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

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

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

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

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

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

- First, with the number of women in the workforce today, child care is a vital workforce support, The fact of the matter is that child care *as a workforce support* has largely been where the federal government and the states have focused.
- Second, with the number of hours that children spend in child care (on average 35 hours per week), *child care is a critical setting for early learning* – and we can no longer ignore this fact.

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

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

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

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

Tiered Quality Rating Improvement & Reimbursement Systems

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

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

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

- In 2000, when North Carolina implemented TQRIS, 10 percent of *all* children (15,755) enrolled in regulated care were in high quality programs (4 or 5 star programs). In June 2012, that percentage has increased to 64 percent (164,829) of *all* children enrolled in regulated care in high quality programs (4 or 5 star programs).
- In SFY06, 45 percent (70,328) of low income children in North Carolina, whose care was paid for using federal funds, were enrolled in high quality programs. In SFY 2012, that percentage has increased to 66 percent (85,351).

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

Licensed Child Care by Star Level by Progression from 2000 - 2012

Child Care Centers			Family Child Care Homes		
Star Levels	2000	2012	Star Levels	2000	2012
1 star	1,470	208	1 star	5,176	621
2 stars	71	120	2 stars	1	548
3 stars	1,272	1,008	3 stars	96	715
4 stars	234	1,179	4 stars	53	653
5 stars	94	1,725	5 stars	39	393

Source: NC Department of Health and Human Services

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

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

Smart Start

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

Workforce Supports

T.E.A.C.H® Early Childhood North Carolina, implemented in 1990 by Child Care Services Association, helps the early childhood workforce afford college, improve their compensation and remain in a field notorious for turnover (estimates range nationally from 25 – 40 percent). In FY11, T.E.A.C.H. helped more than 4,100 NC child care providers increase their education through receipt of a scholarship (which covers partial costs for tuition, books and travel, “release time,” and requires a bonus or raise upon completion of a minimum number of credit hours). Individuals who receive a T.E.A.C.H. scholarship must remain in their sponsoring program for an additional year. In FY11, 79,041 of North Carolina’s children benefited from consistent care provided by a teacher that was better educated as a result of

T.E.A.C.H. In FY11, 22 states and the District of Columbia provided T.E.A.C.H. scholarships; 18,478 scholarships were awarded, 125,742 credit hours were completed by recipients, and 9,608 child care, pre-kindergarten and Head Start employers sponsored T.E.A.C.H recipients.

The Child Care WAGES® Project, also an initiative of Child Care Services Association, enables individuals working in 59 NC counties to receive a salary supplement tied to the level of their attained education and their commitment to their child care program. In FY11, 6,792 child care professionals working in 2,555 different programs (serving approximately 90,000 children) received WAGES salary supplements which are paid every six months as long as individuals remain in their programs. This program is currently licensed and operating in three additional states.

In 1993, only 28 of NC's 58 community colleges offered an associate's degree in early childhood education. By 1998, all 58 colleges offered this degree, which meant statewide individuals could have access to community college early childhood coursework.

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

Public Pre-Kindergarten

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

Background Checks

North Carolina has long had a strong background check system for licensed care as well as for providers receiving a subsidy. A few weeks ago, Governor Perdue signed a bill into law that makes NC's background check system even stronger. The law takes effect in January 2013 and one key change was to require all individuals who volunteer on a regular basis to have a background check, which includes a fingerprint check against state and federal records. In the SFY12, NC processed 38,000 background checks, of which 466 were disqualified based on serious crimes. Background checks help weed out those who should be excluded from caring for children. This is important for child safety.

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

decision for Congress. But, I do think it is important to serve children well and have accountability for subsidy funding whereby the government knows it is purchasing safe quality settings for children.

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

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

1. Improve the Safety of Children in Child Care:

- **Background checks:** People who should not be in the business of caring for unrelated children should not be. CCDBG should require comprehensive background checks, based on fingerprints, such as required by the bill introduced by Senators Burr and Mikulski.
- **Minimum health and safety protections for children:** only 15 states meet each of 10 minimum health and safety protections for children in family child care homes and only 33 states meet them for centers.

2. Improve the Quality of Child Care:

- **Increase the quality set-aside:** Many states' quality improvement expenditures already exceed the 4% set-aside required by CCDBG. The set-aside should be increased to at least 12%. Head Start's set-aside for quality purposes is 25%. Without significant additional CCDBG funds for increased access to child care subsidies or improved rates, child care programs will certainly need expanded training, technical assistance and other supports to achieve and sustain higher quality.

3. Strengthen the Child Care Workforce:

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

4. Enhance Child Care Monitoring:

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

5. Address Subsidy Rates:

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

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