

TESTIMONY
Of
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Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify before you today.

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

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

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

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

Child Care Resource & Referral

Child care resource and referral is the child care system’s best kept secret. One reason for this is due to a lack of product branding since most R&R programs do not actually use “child care resource and referral” in their agency’s name. For example, the program serving Spokane, Washington is called Family Care Resources. In Maine, all the local R&R programs are actually called Resource Development Centers. Regardless of what the R&R

is called, they perform basic tasks in their local community. The effectiveness of the work performed by R&R programs has not been lost on the business community. Several years ago, a group of Fortune 500 companies led by IBM joined together to form the American Business Collaborative for Quality Child Care. This group dedicated \$100 million to improve the quality of child care and 98% of this money was delivered to communities through local R&R programs.

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

Prior to Congress passing the original CCDBG in 1990, child care resource and referral (R&R) programs did not exist in every state. As of today, R&R programs are active in **every** state and the District of Columbia as well as many of the territories. In addition, the U.S. Military has integrated R&R services into their model child care service delivery system. Each R&R program is as unique as the community it serves. Thirty-four states have a structure which includes community-based R&R programs and a statewide R&R Network or association which binds them all together. Although, of these only 22 are publicly funded, fully-functioning networks. The level of funding and program sophistication varies greatly in this group as well. Eleven states have local R&R programs but no unifying network. Five other states have just one R&R program serving the entire state. The evidence points to the power of a strong statewide R&R Network in helping to shape the quality, affordability and availability of care. Research also shows a strong correlation between the existence of a statewide network and better access of families to consumer information and education.

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

(1) ***Family Services*** support families as they combine work and family responsibilities and educate their children. These services include:

- ⌘ referrals to child care, early learning opportunities, pre-K and Head Start programs, and out-of-school time programs
- ⌘ consumer education on how to identify safe, high quality options
- ⌘ links to other relevant family resources in the community, such as health, education, mental health, literacy, employment
- ⌘ information about the child care subsidies which are available to families (in 28 states, the child care subsidies are actually managed directly by the R&R system)

5. ***Provider Services*** support existing and prospective programs and individuals to increase the supply and improve the quality of early learning experiences for children. These services include:

- ⌘ recruitment and program expansion
- ⌘ technical assistance and consultation (over 1.2 million consultations are provided a year)
- ⌘ training for licensed child care providers and other early childhood and school age caregivers who may be exempt from licensing (over 1 million individuals are trained each year)

- ⌘ training or connections to training on caring for infants and toddlers (offered by 83% of the R&Rs responding to the field census)
- ⌘ support for accreditation and credentialing (offered by 96% of respondents)
- ⌘ support for relatives, friends and neighbors who provide child care (offered by 82%)
- ⌘ informing programs/providers when policies and regulations change (offered by 95%)

(2) ***Community Building Services support communities in building early learning systems. These services include:***

- ⌘ keeping community partners and policy makers abreast of key child care issues
- ⌘ serving as the local information and service delivery hub
- ⌘ convening coalitions, collaborations and partnerships (73% of the respondents)
- ⌘ leading community planning efforts (52% of the respondents)
- ⌘ engaging business, faith, educational and philanthropic leadership in building the early learning system (94% of the respondents)

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

NACCRRRA

The National Association of Child Care Resource and Referral Agencies (NACCRRRA) is the national network which provides strategic vision, policy leadership and technical assistance to R&R programs in states and local communities all across the nation. Congress currently funds NACCRRRA to provide vital consumer education to families across the nation and to link them with the R&R in their local community through *Child Care Aware*. *Child Care Aware* was created by NACCRRRA in 1988 with support from the Dayton Hudson Foundation and the Dayton Hudson Family of Stores. The national, toll free parent information hotline was first established in 1992. Since then, *Child Care Aware* has become a steady national resource, consistently used in print media, parenting books and publications, television programs, and national public awareness campaigns on child care and related early childhood services and programs. All of *Child Care Aware's* information distribution channels (print, phone, web, email) are bilingual in English and Spanish. Today, new parents know the number and start their search for child care by calling 1-800-424-2246 or searching www.childcareaware.org.

R&R IN WASHINGTON STATE

Washington State has spent 15 years building one of the most comprehensive child care resource and referral systems in the nation. This well-funded statewide R&R system includes the 18 local R&R programs which provide direct services to families, caregivers and communities and the statewide R&R Network which is the association of all 18 community-based R&R programs and provides technical assistance to the 18 R&Rs as well as state, regional and national policy development. The 18 R&R programs are the child care

infrastructure in local communities positioned to assist with implementation of various State policies or programs throughout the State. The State recognizes the value of basic community-based R&R services which, while not identical in every county, are offered in a consistent manner with uniform standards regardless of location.

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

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

Economic Realities

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

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

and discretionary as well as state matching funds within the Child Care and Development Fund.

Quality Counts

Washington's quality initiatives are widely viewed as very successful, innovative and encouraging signs of the ability to make progress on difficult and challenging issues within the child care system. Accomplishments include:

- _ the creation of a mandatory and annual training requirement for licensed caregivers as part of a state training and registry system (STARS);
- _ a comprehensive statewide resource and referral system serving families, providers and communities;
- _ strong systemic supports for out-of-school time providers;
- _ partnerships that help providers successfully meet health and safety standards and improve the health and well-being of the children and families they serve;
- _ additional support for families who have children with special needs; and
- _ subsidy bonuses or enhanced rates for caregivers who take infants and/or children with special needs and who provide care during non-traditional hours.

As part of the quality initiatives, Washington has taken innovative and effective steps in the last five years to support a professional development system for caregivers that includes training and wage progression opportunities intended to improve quality and reduce high staff turnover levels. Examples include:

1. T.E.A.C.H. Early Childhood® Washington which is administered by the Washington State Child Care Resource & Referral Network.
2. The Washington State Child Care Career and Wage Ladder Pilot Project, which requires participating child care centers to partner with the state on increasing worker wages based on time on the job, experience and education.
3. The Child Care Careers Program which increases the quality and quantity of child care available for the low income working families as well as provides viable career options for WorkFirst participants who want to work with children. This TANF program was designed to train 250 TANF recipients to become child care providers each biennium.

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

Maintaining Parental Choice Through Improving Quality

As more and more mothers have entered the workforce, the demand for high quality child care, pre-school programs and out-of-school time options has increased dramatically. Unfortunately, many families are unable to find the type of care they seek due to a lack of child care supply to meet their needs. Families of all income levels are patching together

regulated and non-regulated care options to cover their extended work schedules. The most difficult to place are infants, toddlers, school age children, children with special needs (physical, social, emotional), children who need care during non-traditional hours or on weekends and children whose parents work irregular shifts.

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

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

In an effort to address the growing lack of supply, Washington State dedicated over \$9 million dollars from CCDF quality dollars in 2000-2001 to fund creative community-based approaches to building the quality and capacity of child care, specifically for:

- ✧ Infants and Toddlers;
- ✧ Children with Special Needs;
- ✧ Children needing care during non-standard hours;
- ✧ School-age care; and
- ✧ Middle School age youth (ages 12-14).

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

R&R support for Family Child Care

R&R programs provide specific supports for all child care and out-of-school time providers. Traditionally, R&R programs are the primary source of support for family child care providers who are independent, small businesses operating out of their homes. R&R programs support family child care providers in many ways including:

- ⌘ Help with becoming licensed
- ⌘ Business training (including how to: set fees, address taxes issues, establish policies and procedures, communicate with parents, market the business and much more)
- ⌘ Provide training on child development, health and safety, infant/toddler care, school age care, etc.
- ⌘ Ongoing support and technical assistance, warm lines, etc.
- ⌘ Lending libraries and resource vans of materials, equipment
- ⌘ Help and resources to become accredited
- ⌘ Federal food program sponsorship
- ⌘ Career advancement support
- ⌘ Business management and practices support
- ⌘ Home visiting
- ⌘ Empowerment through establishment of neighborhood networks
- ⌘ Linkages to other systems and services in the community

Family, Friends and Neighbor Care

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

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

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

Literacy

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

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

Transitions from Early Care and Education to School

The vision of Project STEPS (Sequenced Transition to Education into the Public Schools) is that all children in Washington experience seamless transitions from one early care and education environment to another. The mission of Project STEPS is to provide training and follow-up in every community in the state through an integrated system of collaboration among local providers. The local R&R programs are active partners in STEPS.

The Washington State project, funded in part with CCDF quality dollars, expands the traditional STEPS model from children with special needs, to encompass normally developing children

who might have barriers to smooth transitions into public schools. The project focuses on a wide variety of low-income families and the breadth of cultural and linguistic diversity in each community.

Infant/Toddler Care

Washington State has consistently put 100% of its share of the federal CCDF Infant/Toddler earmark into community-based efforts to build capacity and quality of care available for babies and toddlers. The funds have gone to Healthy Child Care Washington to fund a public health nurse in every local health jurisdiction who specializes in infant/toddler care and provides on-site consultation to child care providers caring for babies and toddlers. In many other states, the Infant/Toddler earmark funds public health nurses who do similar tasks but are located in local R&R programs. In Washington State, these Infant/Toddler resources have also been used to fund the community-based child care resource and referral programs to recruit child care providers to care for infants and toddlers and to provide the caregivers with mini-grants to purchase essential equipment or other necessities to enable them to meet licensing requirements for infant and toddler care.

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

Health Linkages and Consultation

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

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

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

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

Consumer Education

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

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

Financing

Since the late 1980's, we have seen convincing evidence that the child care workforce is in crisis. Teachers are leaving the field in droves (in 1997 the turnover rate for teachers in Seattle was 29% and for assistants was 55%; a national survey reported the turnover rate in 1997 was 27% for teachers and 39% for aides) to find better paying jobs. Wages are very low. In 1998 child care teachers in Washington earned \$7.73/hour and aides earned \$6.34/hour. When adjusted for inflation, child care teacher salaries have not increased since 1992. The minimum wage in Washington State is \$6.90/hour. Employee benefits (health care, retirement, dependent care assistance) are rarely available. Levels of education among child care workers are also low. With high staff turnover and low levels of early childhood education comes poor quality of care.

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

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

A pilot *True Cost of Care Project* is underway in Seattle/King County, sponsored by the Northwest Finance CIRCLE (NWFC). The *True Cost of Care Project* is working with family child care homes and child care centers to develop true cost budgets and to analyze the gap

in funding between what exists now and what is needed. The mission of the NWFC is to create a model financing system for early childhood care and education and out-of-school time care that will ensure a range of high quality, affordable, culturally relevant options that meet the unique needs of families, children and staff by engineering and testing system components and strategies.

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

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

CONCLUSIONS

Washington State has a long history of thinking holistically about developing quality child care and out-of-school time systems and providing services for all families in the state. This includes providing a good safety net of child care subsidies for low-income families, even before welfare reform in 1996. Washington’s child care system has grown and improved

through collaboration, systems thinking, the existence of strong advocacy and intermediary organizations, and bipartisan legislative support.

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

Congress has the power to create a strong safety net for children and families through the CCDBG and TANF reauthorization process. Now is the time to design the policies and dedicate the funds necessary and to feature the models we know make a difference, such as:

4. Ensuring adequate funding levels for CCDBG subsidies for eligible low-income working families and those leaving welfare;
5. Addressing workforce issues by funding efforts to improve the recruitment and retention of qualified professionals in child care, early learning and out-of-school time programs/ businesses and by providing incentives for additional training and education;

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

If the above five policies were put into place and funded appropriately, you could count on the following positive outcomes:

- _ Communities would be better poised for economic development and growth;
- _ The early childhood and out-of-school time workforce would be well prepared and more appropriately compensated;
- _ Families would have choices of appropriate nurturing and learning environments for their children; and
- _ Children would enter school ready to succeed.

