

**Testimony to U.S. Senate Committee on Health, Education, Labor, and Pensions
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Senator Kennedy, Senator Gregg and members of the Committee, I appreciate the opportunity to talk with you. We have heard today from experts that tell us that the education, compensation and retention of the workforce is key to making positive gains for children. Yet today and every day in North Carolina about 35 child care teachers will leave their child care programs, representing an annual turnover rate of 31%. They leave because they are paid less than store clerks or parking lot attendants; their median wage is \$7.50 an hour. These teachers are women, mostly with children themselves, who want to keep educating and caring for our young children, but must move to other jobs to support their own families. They have little formal education past high school but want to take college courses to learn. In the last three years about one-third of these women relied on one or more forms of public assistance. And 27% have no health insurance from any source. All of this paints a bleak picture for the educational success of our children.

But in some parts of our country the picture is even worse, and it could have been worse in North Carolina. In fact, thanks to some major statewide initiatives, we are seeing incremental gains in our state. To address the issues I just described, Child Care Services Association began the T.E.A.C.H. Early Childhood® Project in North Carolina in 1990. We designed a comprehensive scholarship. Our initial scholarship helped teachers take courses toward an associate degree in early childhood education. T.E.A.C.H. scholarships typically go beyond help with tuition and books, to include travel stipends and paid release time, allowing them to attend classes or study. Their sponsoring child care programs are asked to help support part of the costs. When a teacher completes a required number of credit hours, usually 9-15, she is eligible

for a bonus or a raise. In return for this incentive, she must agree to remain in her sponsoring center for another year. Family child care providers and directors are also eligible for scholarships. Participants can renew their scholarship each year for as long as it takes them to earn their degrees, which may be 5-6 years because they are working full time.

When we began in North Carolina, we used private funds from foundations, United Way and corporations to fund the Project in pilot communities. In 1993, North Carolina also initiated a comprehensive early childhood initiative, called Smart Start. This effort provides local communities with significant resources to help ensure that children come to school healthy and ready to succeed. It was recognized early on that to be successful at the local level, we needed to work on improving the education, compensation and retention of the early childhood workforce. So, to build that critical piece of our infrastructure for quality, the T.E.A.C.H. Early Childhood® Project received \$1 million from our state legislature. This year, our T.E.A.C.H. budget is \$3 million, using a combination of state, CCDBG, foundation and corporate funds. In our first year, 21 scholarships were awarded; last year we provided over 4,900 scholarships, reaching child care providers in every county.

The results have been remarkable. Child care teachers, directors and family child care providers on T.E.A.C.H. scholarships, last year alone, completed over 21,000 credit hours, saw their earnings increase and left their programs at a rate of less than 10% per year. Now that scholarships have become universally available, we have seen steady growth in demand and our community college system has had to respond with more classes, more accessible times, modalities and locations for instruction and even more colleges with associate degree programs.

But we also realized that scholarships are not enough. Some child care teachers already had degrees. Those on T.E.A.C.H. scholarships would also expect to earn more money once

they earned their degrees. We knew we had to find a way to improve child care earnings without forcing already struggling parents to pay more for child care. So in 1994 we began the Child Care WAGES® Project. This effort provides graduated supplements paid directly to participants and tied to their level of education. Supplements are paid every six months as long as the individual remains in her child care program. Again, results have been impressive. Last year, over 8,600 child care providers participated. Supplement amounts ranged from \$200 to \$4,000 annually. Because supplement amounts increase as one gets more education, WAGES participants are motivated to go back to school. And only 18% of participants left their programs last year, a remarkably low percentage given that this is the best educated sector of our workforce and would therefore have the most other options. Funding for WAGES comes from Smart Start (state funds) and CCDBG.

We also realized that health insurance continues to be an issue facing the workforce. So in 1998 we began the T.E.A.C.H. Early Childhood® Health Insurance Program. Funded exclusively with funds from CCDBG, this initiative reimburses eligible child care programs for one-third of the cost of their health insurance for their teachers. To be eligible the center or family child care home must have all teachers with two or four year degrees in early childhood education, or must be willing to sponsor some of their staff on T.E.A.C.H. Early Childhood® scholarships to earn degrees. About 2,500 child care teachers, directors and family child care providers benefited from the program last year. After one year on the program, turnover rates dropped by 10 percentage points, again making progress toward the goal of a better educated, compensated and retained workforce.

Response by the workforce has been extremely positive. Through an incentive approach, we are directly helping with the cost of education, better compensation and benefits. And we

have seen statewide impact. In 1993, turnover rates in our state were 42% a year...now down to 31%. In 1998 62% of teachers had some college coursework or a degree; three years later it has increased to 82%. In those same three years we have also seen the percent of teachers with no insurance drop from 30% to 27%. We are learning that these initiatives can make a difference but that change will be incremental and takes a long time.

T.E.A.C.H. Early Childhood® Projects are now operating in 19 states, housed in various statewide nonprofit organizations. With foundation help, Child Care Services has created the T.E.A.C.H. Early Childhood® Technical Assistance Center, to help states begin and grow successful, results-focused projects. This year alone T.E.A.C.H. Projects expect to award over 18,000 scholarships to be used at one of 447 different universities or community colleges. Nationwide, funding for these Projects is patched together, with 14 states using multiple sources of funds and 16 out of 19 states using CCDBG or TANF transfer funds to support their efforts. Child Care WAGE\$® Projects are also being replicated.

I have made presentations about T.E.A.C.H. in 36 states. In every state the issues are the same...increasing and/or high turnover rates, low teacher compensation and low and/or declining teacher educational qualifications. The biggest barrier states face when deciding what to do is the lack of resources. Many states are faced with long waiting lists for child care assistance and families are struggling without child care, so focusing on quality improvements, particularly those focused on the workforce, may seem overwhelming. Yet research tells us that good outcomes for young children in child care are tied directly to the education, compensation and retention of their teachers. My question is how can we afford not to address these issues? Targeted and increased federal resources can make the difference our children, families and nation need.