Testimony of Eric Karolak, Executive Director, Early Care and Education Consortium
Before the Committee on Education and Labor, U.S. House of Representatives
Investing in Early Education: Paths to Improving Children's Success
January 23, 2008

Good morning, Chairman Miller, Representative McKeon, and members of the Committee on Education and Labor. Thank you for inviting me to testify today on investing in young children.

I am Eric Karolak, Executive Director of the Early Care and Education Consortium, an alliance of America's leading national, regional, and independent providers of quality early learning programs. Consortium members operate more than 7,600 centers enrolling more than 800,000 children in 49 states and the District of Columbia. Our members include private non-profit organizations and for-profit companies who offer full-day/full-year programs for children birth through age 12, state-funded prekindergarten, before- and afterschool programs, extended day, and summer programs with enrollments that reflect the rich diversity of our communities and nation.

Increasing national investments and improving outcomes for young children are essential for America's continued well-being and our national competitiveness.

Based on our experiences educating children – recruiting teachers, meeting parent needs, collaborating with community partners, and managing budgets – I have four points to make today:

1. Investing in young children is cost effective and makes sense.
2. There's no single program or type of investment that works alone to the exclusion of others; rather there are multiple pathways to achieving outcomes for children.
3. Investing early is key. We can't wait until children are age 3 or 4 to improve their chances for school and life success.
4. Quality counts *and* costs. Policymakers must recognize the connection between standards and financing when developing programs.

First, investing in young children is cost effective and makes sense. Research by Nobel laureates and Federal Reserve economists, drawing on 40 years of longitudinal studies on early learning programs, has demonstrated conclusively that investing in early childhood development especially for at-risk children yields extraordinary annual rates of return – ranging in real terms between 7 and 18 percent – far exceeding the return on most investments, private or public. If early childhood education was a stock, many are fond of saying now, it would be wildly undervalued.[1]

[1] Art Rolnick and Rob Grunewald, "Early Childhood Development: Economic Development with a High Public Return," *Fedgazette* (December 2003), p. 7; James Heckman, "Catch 'em Young: Investing in Disadvantaged Young Children is Both Fair and Efficient," *Wall Street Journal*, January 10, 2006, p. A14;; and Rolnick and Grunewald, "The Economics of Early Childhood Development as Seen by Two Fed Economists," *Community Investments* (Fall 2007), pp. 13-14.

And the benefits don't just flow from focusing on cognitive development: the "ABCs". Researchers emphasize that a balanced approach to emotional, social, cognitive, and language development will best prepare children for success in school and later in the workplace.[2]

We see these benefits and their promise daily, in the achievements of young children as they become literate, numerically adept, socially competent, and responsible through experientially rich, active learning environments. And we see it in the faces of parents, knowing that their children are safe and receiving stimulating experiences from committed teachers that prepare them for school and life.

Second, it's important to remember that there's no single program or type of investment that works alone to the exclusion of others; rather there are multiple pathways to achieving outcomes for children, and the devil really is in the details.

America can't afford to view "child care" as just a way to get parents working and unrelated to "early education." There is a continuum of early care and education from birth. It includes learning centers like those of the Consortium, Head Start agencies, school-based early childhood programs, and family child care homes, and it spans a range of settings and levels of quality, dependent in large part on what parents can afford and what public support is available. We should be investing in multiple programs and at every age level.

Rather than adopt a one-size-fits-all institutional framework, leveraging community-based providers and their existing resources produces the greatest and most cost effective benefits. Millions of children are already in community-based programs, in facilities designed for young children. We have a long history and expertise in working with young children. Parents look to our centers to meet diverse needs and in turn we are responsive: our centers provide full-day and full-year programs; parents are always welcome; they're considered full partners in their child's learning and development; parents talk with their child's teachers every day, and often participate in parent activities and on advisory boards.

States are seeing the value of this community approach as well. All but three state prekindergarten initiatives allow preK to be offered in community-based centers, and one-third of children enrolled in state-funded preK are served in settings outside schools.[3] We find that local school administrators are more likely to prioritize collaboration with community-based organizations when states require a percentage of funds be used for community-based delivery.

State-funded preK programs are not typically structured around the schedules of parents. Taking advantage of existing community-based providers is less disruptive for children

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[2] Jack P. Shonkoff, "A Science-Based Framework for Early Childhood Policy," presentation at the Council of State Governments Eastern Regional Conference, Boston, September 7, 2007.

[3] W. Steven Barnett, Jason T. Hustedt, Laura E. Hawkinson, and Kenneth B. Robin, *The State of Preschool 2006: State Preschool Yearbook* (National Institute for Early Education Research, 2006), pp. 196-197.

who do not have to be moved from one location to another each day, and allows their parents to focus on work and parenting rather than carpooling or worrying about their very young children being bussed about. Recent reports have documented additional benefits including efficiencies from investing in existing centers with experience working with young children, more stable sources of funding for participating community-based early learning centers, and spillover beneficial effects beyond the preK-aged classroom or program hours.[4] It is now accepted that the best way to accomplish preK is through a mixed delivery model that taps the existing capacity and expertise of early care and education providers.[5]

Early Care and Education Consortium members participate in more than 20 state-funded prekindergarten programs, in many cases contracting directly with school districts or state education agencies to provide these services. Our members also have informal partnerships with many public schools and in some cases kindergarten teachers come to our centers for school readiness training, and we are then able to send our staff to local public schools for in-service training for K-3 or other related issues. Our centers also work in many states to link students to services at the public schools, but still receive education and care in our centers.

This brings me to my third point, investing early is key. If we wait until age 3 or 4, it may be too late for some children and in general the public investment will be less rewarding.

"The basic principles of neuroscience and human capital formation," researchers at Harvard's Center on the Developing Child tell us, "indicate that later remediation will produce less favorable outcomes than preventive intervention."[6] As a result, the return on later intervention is much lower. Nobel laureate economist James Heckman concludes, "Life cycle skill formation is dynamic in nature. Skill begets skill; motivation begets motivation. …The longer we wait to intervene in the life cycle of the child the more costly it is to remediate to restore the child to its full potential."

We know this from working with the children, especially from our experience with infants and toddlers and their families. Babies are growing and learning all of the time. The first two years of life are a critical period for language and the development of self. Providing rich learning experiences, supportive learning environments, and positive relationships with children during the first three years is crucial to creating a foundation for learning. Failing to do so is to miss opportunities for improving school readiness and life success.

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[4] Karen Schulman and Helen Blank, *A Center Piece of the PreK Puzzle: Providing State Prekindergarten in Child Care Centers* (National Women's Law Center, November 2007).
[5] For example, PreK Now, a leading national advocacy organization that advances high-quality, voluntary pre-kindergarten for all three and four year olds, strongly supports offering preK in diverse settings. Visit its policy position, School Choice in PreK, online at http://www.preknow.org/policy/choice.cfm.
[6] Shonkoff, "A Science-Based Framework for Early Childhood Policy."

Despite the importance of investing early, there is a dramatic need for funding for infants and toddlers. It is everywhere the most expensive age-group to provide with quality services, and typically the most difficult kind of care for parents to find and afford. In California, for example, average costs statewide run nearly $11,000 for an infant in a licensed center.[7] Nationwide, we have waiting lists for infant and toddler programs in many communities, both suburban and inner city low-income.

Lastly, we can't underemphasize that quality counts *and* quality costs. The research on the benefits of investing in young children is predicated on program quality. Investing responsibly means supporting effective programs that are well-implemented, well-funded and continuously improved.

We constantly strive to build in better quality in our centers. We invest in curricula and the research to demonstrate its effectiveness, in facilities and educational materials and, most importantly, in the workforce. We all have programs to invest in staff, often linked to public-funded efforts like T.E.A.C.H.®, and with the goal of helping the existing workforce obtain credentials and degrees.

These and other elements of quality are costly. The cost of quality care and education is more expensive than most parents alone can afford. More federal investment is needed.

For many early learning centers, Child Care and Development Block Grant funding is a foundation for quality. But current funding levels are inadequate and over time many states have increased income eligibility levels, raised parent copayments, and/or reimbursed providers at lower rates. In 2007, only 9 states set child care assistance reimbursement rates at the federally-recommended level.[8]

As a result, we've seen families receiving child care assistance forced to leave our programs and seek cheaper, lower quality arrangements when income eligibility levels were raised or copayments increased. And we've been forced to make difficult decisions regarding whether to continue enrolling families receiving child care subsidies and even whether to keep centers open in certain areas. In 2007, one of the nation's largest providers had to close 20 percent of its centers in Texas.

States are addressing quality with limited funding. Recognizing that community-based providers reach the largest number of young children, states like Pennsylvania have invested in voluntary, quality improvement strategies that include financial supports for reaching higher quality levels, and program ratings for parents.[9] Others like Minnesota

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[7] California Child Care Resource and Referral Network, *2007 Child Care Portfolio* (December 2007).
[8] Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed* (National Women's Law Center, September 2007).
[9] More than a dozen states have established quality rating and improvement systems, and many more are developing them. For an overview, consult Anne Mitchell, *Stair Steps to Quality: A Guide* (United Way: Success by 6, 2005). The rating system in Pennsylvania is Keystone STARS, and more information is available online at http://www.dpw.state.pa.us/PartnersProviders/ChildCareEarlyEd/KeyStoneStarChildCare/.

are piloting an innovative endowed fund that finances the cost of quality preschool through outcomes-based scholarships to families of at-risk children.[10]

Recognizing that high quality standards must be backed by sufficient resources is essential to making successful investments in young children. Take the issue of workforce qualifications. While a consensus in research has been elusive concerning the necessity of a Bachelor's degree for quality outcomes, we understand that expectations concerning the qualifications of the early childhood workforce are in flux.[11] Our experience is that there are qualified, effective, and committed early childhood teachers who have Bachelor's degrees, and there are qualified, effective, and committed teachers who do not have Bachelor's degrees. In either case, recruiting and retaining qualified staff is a challenge. The range of qualified teachers reflects regional labor market conditions, what parents are able and willing to afford, and the infrastructure of state and community programs for developing a pool of early childhood educators. Teacher qualification requirements must consider the resources necessary to competitively recruit and retain teachers, support the current workforce in obtaining a degree or other credential, and build the capacity of higher education to produce graduates in early childhood education.

In conclusion, the federal government's interest in America's global competitiveness and future well being warrants a greater investment in early childhood, one that is sufficient to reaching the quality standards our youngest children deserve.

Thank you for the opportunity to brief you today.

EARLY CARE AND EDUCATION CONSORTIUM

ECEC aims to be a leading voice in the development of sound public policy initiatives that invest in high quality care and education for children; support the needs of working parents; and recognize the significant economic impact of the early care and education sector. The Consortium collaborates with other state and national organizations to promote a systemic approach to early care and education and to ensure a focus on the continuum of child development birth to age five. Current work is focused on prekindergarten initiatives, quality rating and improvement systems, child care subsidies, and the child care workforce. More information is available online at www.ececonsortium.org.

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[10] The Minnesota Early Learning Foundation's pilot program is designed to reward performance and encourage high quality and innovative practices among providers by empowering at–risk parents with resources to access high-quality early education. Visit the Minnesota Early Learning Foundation website (http://www.melf.us/) for more information.

[11] See, for example, Diane Early *et al.*, "Teachers' Education, Classroom Quality, and Young Children's Academic Skills: Results from Seven Studies of Preschool Programs," *Child Development* (March/April 2007): 558-580. Among other issues, the impact of a Bachelor's degree where an effect has been found has not been isolated from other variables like compensation.