

NLWJC - Kagan

DPC - Box 024 - Folder 001

Family - Child Care [1]

As part of his FY 2000 budget, the President will propose a series of initiatives that will help families, including benefits for parents who stay at home, subsidies to help families pay for child care, and increased funding for after-school programs.

Providing Tax Relief to Parents Who Stay at Home. The President will propose to extend the benefits of the Administration's Child and Dependent Care Tax Credit (CDCTC) to stay-at-home parents with children under one by assuming child-care expenses of \$500 per child per year.

Under current law, the CDCTC is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. Last year, the Administration proposed to increase the credit from its current rate of 30% for those with incomes under \$30,000 to 50%, and gradually phase it down to 20% at \$59,000 of income. This year's budget reiterates that proposal.

This year, the Administration will propose a new stay-at-home tax credit that builds on our CDCTC proposal by allowing all families, including those where one parent stays at home, with a child under the age of one to have assumed expenses of \$500 per year per child. The maximum benefit for a stay-at-home family with one child under one would be \$250 a year. The President's budget proposal will provide an average tax credit of \$178, at a cost of \$1.3 billion over five years, which will benefit 1.7 million families. In the last Congress, a number of members in both parties put forward child care initiatives which included similar stay-at-home tax credits. Such bills were proposed by Senators Chafee and Hatch, Senator Dodd, and Representatives Levin and Kennelly.

An Example:

A couple with \$30,000 in annual income in which one parent stays at home, would be able to claim \$500 in assumed child care expenses. At this income level, they would now be able to take 50% of those expenses as a credit, thereby enabling them to receive a \$250 tax credit.

Giving Greater Tax Relief for Child Care to Three Million Working Families. The Child and Dependent Care Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President will propose to increase the credit for families earning under \$60,000, providing an additional average tax cut of \$345 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that claim the maximum allowable child care expenses. The President's budget will include \$5 billion over five years to expand the Child and Dependent Care Tax Credit for nearly

3.3 million working families paying for child care.

Expanding the Child Care Block Grant to Create Better, Safer and More Affordable Child Care:

- **Providing Child Care Subsidies to More than One Million Additional Children:** The President will propose to expand the Child Care and Development Block Grant to help working families struggling to afford child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. Today, however, millions of families who are eligible for assistance with their child care costs do not receive any help. In FY 1997, states provided child care assistance to only 1.25 million of the 10 million low-income children eligible for assistance. The President's budget will increase funding for child care subsidies by \$7.5 billion over five years, enabling the program to serve an additional 1.15 million children by FY 2004.
- **Promoting Early Learning:** The President will propose to increase the block grant to provide challenge grants to communities (distributed by states) to improve early learning and the quality and safety of child care for children ages zero to five. Research shows that children's experiences in the earliest years are critical to their development and ability to reach school ready to learn. The President's budget will provide \$3 billion over five years to help get children ready to learn.
- **Improving Child Care Quality:** Last year, Congress fully funded the President's request to increase investment in improving child care by providing States with additional resources for quality enhancement efforts such as performing inspections of child care facilities, providing resource and referral services for parents, assisting providers with training and scholarships, and creating networks for family day care providers. The President's FY 2000 budget will provide \$173 million for this initiative.

Creating New Child Care Tax Incentives for Businesses. The President will propose to create a new tax credit for businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, or providing child care resources and referral services. The credit covers 25% of qualified costs, but may not exceed \$150,000 per year. The President's budget will include approximately \$500 million over five years for these tax credits.

Serving over a Million Children through After-School. The President will propose to triple funding for the 21st Century Learning Center Program, which supports the creation and expansion of after-school and summer school programs throughout the

country. The program increases the supply of after-school care in a cost-effective manner, primarily by funding programs that use public school facilities and existing resources. In awarding these new funds, the Education Department will give priority to school districts that are ending social promotion by requiring that students meet academic standards in order to move to the next grade. The President's budget will include \$600 million in FY 2000 to help roughly 1.1 million children each year participate in after-school and summer school programs.

CHILD CARE Q&A FOR LEAK

Q. The President's child care initiative failed last year. How do you intend to get it done this year?

A. We were disappointed that, in the end, more of the President's child care initiative was not adopted by the 105th Congress. Last year, however, there was some momentum to address this important issue -- numerous bills were introduced with bipartisan support. While the majority of his initiative did not get done, the President *did* secure two important pieces in the last year's budget agreement -- he won his full request of \$200 million to expand after-school programs and \$182 million in new money to help states make critical improvements to the quality of child care for America's working families. Still, the President believes much more needs to be done. He is committed to improving child care and making it more affordable for working families, and intends to work with the Congress to make significant progress this year.

Q. How do you intend to push your child care agenda?

A. As you will see in his State of the Union address, the President will talk about the growing need to support parents as they struggle to meet their responsibilities at home and at work. He will be advocating for a strong families agenda that includes child care, several other pieces he has previously unveiled such as support for long-term care and after-school, and other new initiatives.

Q. Is the child care initiative linked to tobacco tax revenue?

A. No. The President's budget will not link tobacco tax revenue with spending on child care.

Follow-up Q. Then how will it be paid for?

Follow-up A. The budget will lay out all offsets for our spending proposals.

Q. You have included a new proposal to help parents who stay-at-home, but it is a very small proposal compared to the increase in the Child and Dependent Care Tax Credit and your investment in the subsidy program. This isn't actually going to help parents to stay at home, is it?

A. The President believes that we should respect and support parents in whatever choices they make, whether to work or to stay at home. His new proposal will enable parents who stay at home with children under one to take advantage of the Child and Dependent Care Tax Credit by claiming assumed child care expenses of \$500. It is similar to a proposal offered by Republican Senators Chafee, Hatch and others, and will provide additional support to parents who decide to stay at home with their young children. He has

supported that choice previously through a variety of actions to increase family income, such as expanding the Earned Income Tax Credit, increasing the minimum wage, and passing the \$500 per-child tax credit.

Q. Does your child care initiative add up to over \$21 billion dollars, as it did last year?

A. Pieced together, the President's initiative will add up to a similar dollar amount as last year.

Q. Last year, you included Head Start in your child care initiative. Why aren't you giving us those numbers? Is the President backing away from his expansion goals?

A. The President is committed to reaching his goal of serving one million children with Head Start services by 2002 and doubling the number of children in Early Head Start. His FY 2000 budget will include a significant increase in the program. Last year, we included Head Start in the child care initiative because we were preparing for the program's reauthorization, which we achieved with bipartisan support.

SCHEDULING REQUEST

April 27, 1998

ACCEPT

REGRET

PENDING

TO: Stephanie Street, Director of Scheduling and Advance

FROM: Bruce Reed, Assistant to the President for Domestic Policy
Melanne Verveer, Chief of Staff to the First Lady

REQUEST: Mother's Day Event or Radio Address on Child Care.

PURPOSE: To demonstrate the President's ongoing commitment to child care and to announce new resources for parents to select quality child care.

BACKGROUND: As part of the Mother's Day Radio Address or separate event, the President could meet with mothers and children in the Oval Office about their worries about child care. The President would announce a new HHS checklist for parents that highlights what every parent should look for when selecting a child care provider. The President would also announce the release of a new HHS Report on Quality Child Care and Consumer Education which details the elements of safe, quality child care and how to find it.

The President could refer to a study to be released on May 5 by the Annie E. Casey Foundation. In addition, we could release materials for parents provided by the Reiner Foundation and invite Rob Reiner to attend.

Mother's Day is an ideal time for the President to focus on one of the most common concerns facing mothers -- how to ensure their children are receiving safe, good care. It would be ideal for the President to have some direct interaction with mothers on this subject, and therefore this could be a roundtable or a live Radio Address.

DATE & TIME: Saturday, May 9, 1998

LOCATION: Oval Office

PARTICIPANTS: The President
The First Lady
Secretary Shalala
Rob Reiner
Possibly celebrity mothers, like Rosie O'Donnell
Mothers and children

OUTLINE
OF EVENTS: TBD

REMARKS
REQUIRED: Yes.

MEDIA
COVERAGE: Yes.

RECOMMENDED
BY: Bruce Reed/Melanne Verveer

CONTACT: Christa Robinson x6-5165

MARTHA RADDATZ
414-3026

Child Care

First Lady Hillary Rodham Clinton

Remarks on Child Care

University of Maryland, College Park

October 3, 1997

Thank you very much. (applause) Thank you. Thank you very much. Thank you Neil, thank you Professor Seefeldt, thank you Congressman Hoyer, thank you, President Kirwan. As I was sitting up here and Steny was introducing the President's family, when he introduced his wife, President Kirwan turned to me and said you know, I met her in Junior High School. He said, she sat behind me and she couldn't stand me and I thought, that's exactly the kind of memories I have from Junior High School, you know, the boy you really liked at the end of the year was the one you couldn't stand at the beginning of the year but this Junior High romance has certainly stood the test of time and I'm delighted to be here with your family and with the family of this great University. I came here today for a number of reasons. Part of it as the President suggested, is because I enjoyed my visit to be the Commencement Speaker so much and was very honored to receive an Honorary Degree and also because I have followed with great interest the work that is being done at this University in many areas but in particular, I have been impressed by the work that has been done in the area of human development, social and public policy, and we of course, as you know, we're blessed in the White House by having Professor Galston with us for a number of years so I feel a real kinship with the work that is done here and the people who are part of this great University community. So when the opportunity arose for me to come and speak with you about an upcoming White House Conference on Child Care, I immediately seized it. Because as the Congressman said, the President and I are hosting a White House Conference on Child Care on October 23rd and I wanted to come and tell you why this is an issue that deserves White House attention, deserves the attention of our Nation, one that we hope will raise awareness of these issues around our country. Some of you may recall that last spring the President and I hosted a Conference on Early Learning and Brain Research and we brought to the

Nation's attention the very exciting work that has been done by researchers here at N.H and elsewhere across the country that demonstrates clearly how important it is that we take the first three years of life because of what is happening in a child's brain and we wanted to get that information out because although many people intuitively knew that and experts like Professor Seefeldt taught that, there wasn't the hard data that supported that information until recently with the kind of work that has been going on in brain research and so for a lot of reasons, this is a time when all of us have to focus on what we best can do in our own homes and families as well as in our larger society to insure that each child has a chance to live up to his or her promise. I saw that in action this morning here at the Center for Young Children, what a wonderful facility you have here, a Child Care Center that is warm and inviting with workers that are creative and energetic and focus, a range of books and toys and crafts materials. I answered questions from the five year olds who wanted to know, among other things, what my favorite food was, what my favorite color was, and then a real stumper, what my favorite roller coaster was. I had to confess to this little boy that it has been so long since I've been on a roller coaster, I couldn't remember the names of any of the roller coasters I like but I certainly had the feeling that this is a place where children are treasured and valued and stimulated, a place that any of us would happily stay for juice and nap time any day. But, that Center is far too rare. Even though more and more families are seeking child care, in fact, over half of the infants under age one are in day care, twelve million children under the age of six, and seventeen million more, age six through thirteen, have both parents or their only parent in the work force. The plain fact is that there is simply not enough quality care for the children who need it. Quality child care is financially out of reach for the hard working American families whose children deserve the best attention they can receive. So today I come with a very straightforward proposition that this situation must

change for the sake of our children and our future. And there are ways I want to suggest that each of us can participate in this change. Every working parent in this room and in this country knows how urgent the matter is, any Mom or Dad who has ever left a child with a care giver for even a minute has felt at the gut level the importance of quality care. The stress around child care affects families ranging from the poorest all the way to the most affluent. It is a daily pressure for parents with preschoolers and parents with children in school who for whatever reason cannot get home to supervise a child themselves. For more than twenty five years, I have worked on issues affecting children and families, but in the last four and a half years I've been privileged to travel around our country on my own and with my husband, listening and talking with parents about their economic concerns, the issues that affect them on the streets where they live, whether its crime or the environment, and I've heard over and over again how important child care is. Yet, despite its importance in our everyday lives, it is not an issue that has been dealt with effectively by our society. Now, there are many reasons for this oversight and some of you who are students of human development and child care could recite many of them, I'm sure. But, I think its fair to say that until the demographics of our citizenry changed until economic forces and women's choices led so many mothers into the work force, this was not an issue that many people thought was serious. It was, like many issues, affecting children in the past, viewed as a soft issue that was a disproportionate concern to women. Yet now we know it is one of the hardest issues we face and it is an issue that had economic and social implications that go far beyond the individual concern that each of us brings to it. Fortunately, times are changing. Partly because of the work that many of you are doing, partly because more and more parents are speaking out, partly because America's employers have come to understand that the strength of their bottom lines depends on workers who are not absent, who will have their mind on their

work when they're there, whose child care needs are being met and partly because we have people in leadership like the President of this University, like this member of Congress before you who represents you, and because of my husband and members of Congress and State Legislators of both parties and many Governors who have made this a priority. All of this brings us together in the name of a shared belief, that the children of our country deserve child care as fine as that provided right here at this University. In fact, American children deserve the best care in the world. Now, there are many reasons to put our children's needs first but let me just mention a few of them. One reason, as I've already stated is because we know that how we care for our children is critical to their intellectual and emotional development. You know, it wasn't so long ago and I can actually recall when I was younger and thinking about children a lot and even pregnant with my own, that it used to be kind of a joke among a lot of fathers I knew that they would say, well, you know let's wait until he can throw a ball or she can talk to me and then I'll pay attention and, you know, it was the kind of attitude that had been prevalent for most of history that you know, very young children should be cared for by their mothers, other women, that there wasn't much for fathers to do because there wasn't much happening until a child started to in some way assert a personality, act on his or own. Well, now we know clearly that that was mistaken. As we talked about at the White House Conference on Early Childhood Development in April, what happens to a child in those earliest years can make all the difference for a lifetime. Just 15 years ago, even scientists thought that baby's brain structure was virtually complete at birth. Now, neuroscience tells us that it is a work in progress and that everything we do with a child has some kind of potential, physical influence on that rapidly forming brain. As one participant at the White House Conference put it, "nature and nurture don't compete, they cooperate."

Children's earliest experiences, the sights and sounds and smells and feelings they encounter, the challenges they meet, they determine how their brains are wired. For those of you who know a lot more about computers than I know, we're talking about how the brain shapes itself through repeated experiences. The more something is repeated, the stronger the neurocircuitry becomes. And those connections in turn can be permanent. In this way, even the seemingly unimportant, totally forgettable events of our first years are anything but trivial. It is during this time that children learn to soothe themselves when they're upset, to empathize, to get along with others, to become and we hope they will, human beings of the finest order.

Experiences in those first three years of life can also determine how well a child learns. When someone speaks, reads or plays with an infant or toddler, he or she, whether it is a parent, a grandparent, an older sibling or a care giver, is activating the connections in that child's brain that will one day enable her to think and read and speak and solve problems herself. Now, what that means is that subpar care, whether in the home or in a child care setting, means that a young brain is being deprived of what it needs to live up to its natural potential. Now that is a very serious conclusion for us to reach and now we have no more excuses. If we know that ignoring a child, being impatient, pushing off a 8 month old, or a 16 month old, failing to invest the time that is necessary in that two and a half year old, then we have to acknowledge, its not just a momentary action, but it adds to the past and the present and the feelings that that child is internalizing and it also literally affects the brain. Another reason we need to act is that we now have evidence that child care is too often inadequate, research presents a troubling picture. A recent national study of child care centers found that 70 percent of children are in care that is barely adequate. Ten percent are in care that is dangerous to their health and safety. Infants and toddlers are at the greatest risk with 40 percent in care that poses a threat to their health and well-

being. That means that they spend hours of their days with care givers who do not follow basic sanitary practices, who rarely cuddle, talk to or play with these infants and toddlers, in rooms that lack toys and other materials to encourage development and in places where the ratio of children to adults is too high for individual attention. Only twenty percent of our children are in what we could call "high quality care," such as what I saw this morning.

A study of child care in family-based settings found equally disturbing patterns. Only 56 percent of these programs provided adequate care, 35 percent were deemed inadequate, which means as we now know, that the hours spent there could actually undercut a child's development and only 9 percent offered high-quality care which was defined as enhancing the growth and development of children and even where quality care is available, it is often financially out of reach for parents, particularly low income parents. According to the 1995 census, families earning under \$1200.00 a month pay an average of 24 to 25 percent of their income for child care. That takes a big chunk out of a household budget but it was still not enough to ensure quality care. I asked about the cost of the child care centers here on this Campus and there is a sliding scale which is very important, but it still costs between \$340.00 and \$600.00 a month. Middle class families are hit hard as well. Families earning up to \$36,000. pay out 12 percent of their income for child care without any guarantee that that twelve percent is buying quality. It is difficult to think of a consumer situation in America where so many people are paying so much and too often getting so little.

Another reason we need to act is that we now know from another study that was just completed by the National Institute for Child Health and Development that good child care can be beneficial to young children. Whether it is care given at home or in a day care center. Now, there's no doubt that the most important lasting influence on any child is that child's family. But we do

know that good, quality child care can improve a child's chances, if that child is in a difficult family situation or enhance a child's learning and maturity if that child is in a good family situation. And for children who come out of family situations that are not always conducive to their well-being, bad child care can make a difficult situation even worse. Now a final reason we need to act is because of the changing nature of the work force. We know that the American work force has changed dramatically in the past forty years and that has meant dramatic changes in family life. Half of all mothers with children under the age of one are working outside the home and not only are more parents working, they are working longer hours. So this issue must become a policy challenge for all of us because it clearly affects the well-being of children, American workers, and the dynamism of our economy itself. I would imagine that many of you who are parents and those of you who are students, not yet parents, can equally shut your eyes and imagine or think back to one of those work family conflicts that has occurred in all of our lives. Even though my daughter is a Freshman in College, I still remember vividly the days when my child care arrangements fell through and I was not able to do anything about them. Now, luckily for me those were very few because I have the kind of job where if my daughter were sick or if she had a special occasion that I wanted to take advantage of in her preschool or her school years, I could arrange my schedule. That is not the case for the vast majority of working Moms and Dads. I also have the advantage, except for two years of her life, to live in a Governor's Mansion where there were lots of people around, that is not a common experience for most working mothers. And so I'm very aware that my situation was unique but even with it, I recall vividly those few times when despite my best efforts and a very supportive husband, and all of the balancing we all do, it just all fell through and I had to scramble like crazy to make up for it. One time in particular when I couldn't cancel something or just not go into work or go in

late, I had to be in court at nine o'clock and Chelsea was up all night sick and my babysitter was sick, probably with the same thing Chelsea was sick with and my husband was out of town and my family wasn't around and I called one of my best friends and she wasn't available, and it was just a real terrible feeling that you get when you know that you want to be with your child and because if work demands you can't and I was lucky enough to find a neighbor who could come in and sit with her and I called home every chance I had a break and rushed home when I finished to find her you know, very well taken care of. But, that is not what is available to most parents and I know it is infinitely tougher for most women who everyday are trying to do the best they can. And I honestly don't know how single parents do it. And I think we ought to be very sympathetic and very supportive of all parents but particularly of single parents. Too many children end up because of their parents challenges, caring for themselves or being supervised by older siblings. And we know what happens when children are left unsupervised. According to the FBI, it is during the late afternoon that our youngest children, those who are in their pre-teens or early teens, are most likely to experiment with drugs, to become involved with criminal gangs, to get pregnant, to commit violence or to get into trouble in other ways.

So, when that 3 o'clock bell rings, kids are relieved but a lot of working parents panic and we have to find a way to help parents with school age children as well. So, we know we need to act but where do we start. Well, we can learn from models of excellent child care around our country. They can provide the energy and expertise and inspiration for what we need to do now. One very bright spot is the military's child care system. Our Defense Department runs the largest child care system in the world. Taking care of the children of the parents who are in the front lines of America. I was privileged just two days at Quantico Marine Base to be able to see first hand what is being provided for the children of our Armed Forces and I have to say I saw what

every parent would want for her child. A beautiful facility, well-trained workers, high standards, unannounced inspections both in the Center and in the family day care settings, a toll free number for parents to call with their concerns, mandatory training for everyone that comes into contact with and works with a child. And, most importantly, good wages and solid benefits and respect for staff. Now, that has resulted in lower turnover and more experienced care givers. Now, that wasn't always the case and I learned in a very open discussion that the military's child care was not always what we would hold up as an example. In fact, even the Center that I visited Quantico is brand new because the previous one had to be shut down because it didn't make the grade a few years ago. But, the leadership of our military knows that readiness depends upon mothers and fathers being able to do their work without worrying about whose caring for their children. So the military made a commitment to turning its child care system around and Quantico is now a shining example of what can be done. I want to tell two stories that I heard. The first, from one of the Commanders there was what happens before good child care in the military. I heard about a mother and a father who were both called to duty on an emergency basis at the same time. I believe they were both pilots. They had to be in the air at the same time. When that happened, they had to bring their two infants in bassinets' to the office of their Commander, leave those bassinets' in their Commander's office with instructions for care and feeding. Now, that beats any story about child care challenges that I've ever heard. The second story is about, "what happens now?" That there is quality care available no matter what the occasion. I met a Staff Sergeant, a single Dad, raising two little girls. He said that when he took his daughters to day care the first day they cried when he dropped them off, but the second day they cried when he came to pick them up. I was especially impressed by this very tough Marine whose obviously put in his time at the weight training facility, talking with great pride about how

he mastered pigtails and ponytails for his daughters but I think part of the reason his confidence is so high about embarking on the rather daunting task of being a single Dad of two little girls is because he's gotten a lot of support from the child care facility and the care giver's who have been there, helping him along, encouraging him, giving them advice, helping to create that village. On a serious note also, we were privileged to have Lt. Colonel ... who I see in the audience here speak about the perspective of the child care system from the perspective of a commander. He said that his soldiers are more productive when they don't have to worry about their children.

Now, I probably should say his Marines are more productive when they don't have to worry about their children and the result of that is a much higher level of preparedness 24 hours a day. Now, there are certainly differences between the military and civilian sector, but I believe that the military's experience can serve as a ... for the American work place in general. When parents don't have to come to work feeling concerned about how their children are doing, they can make a much more positive contribution which benefits all of us. Just before I visited Quantico I was in Miami at Baptist Hospital there that also has made a commitment to child care. I saw another first class facility, I learned about how they have adjusted the hours because just like the military they have 24 hour work days in a hospital and I heard a lot of detail from the Chief Executive Officer about why it is good economic sense to provide this service. I met at the hospital with the Board of Directors of something called, Florida's Child Care Executive Partnership, a group of business executives appointed by Governor Lawton Chiles to address child care issues. In creating this partnership, Florida put aside two million dollars the first year to match dollar for dollar Corporate contributions for child care. And the Board was charged with engaging the private sector in this effort.

Once asked, the Florida business community responded quickly and generously and this year the legislature and the business community are doubling their commitment so that we're taking both public dollars and pulling them to create more affordable quality child care and because of this effort, thousands of more working families in Florida now have access to the kind of care I saw at Quantico, I saw at Baptist Hospital, and I saw here at the University.

Because we know that providing good child care requires community involvement. The grant money in Florida only goes to communities where businesses have come together with child care organizations to forge a plan of action.

And, when I ask these business leaders why they thought the partnership was successful, they didn't hesitate to answer in very business like terms. They said it was good for the bottom line. They said they didn't have to spend as much time recruiting new workers who left because of child care problems. They didn't have to spend as much money recruiting new workers who had to be trained. They didn't have to worry about absenteeism which had been dramatically. Now, that was also the experience of many other businesses with whom I have met and I just find it being repeated over and over again.

So, because I find the partnership concept so impressive, I'm very pleased to announce today that the Department of Health and Human Services is awarding a half million dollar grant to the families and work institute, the National Governors' Association, and the Finance Project, to assist states in developing these partnerships with the private sector. And, the President has earlier this year, ... the military, the Department of Defense, to work with the private sector, to take the experience they've gained, their guidelines which have been carefully written and bring those to the table to discuss with more child care centers and family day care providers what can be done to use money like that available in Florida to make models that can be replicated. Because all

sectors of society have to be involved, businesses, schools, police departments, religious organizations, libraries, citizens' associations, the Federal, the State, and the local governments. We hope that the White House Conference will be a catalyst to bringing many of these sectors together. I also hope that at the White House Conference we will discuss ways that could assist parents who wish to make the choice to stay at home with their children more economically feasible because its not just creating good child care centers and family day care centers outside the home, how do we create real choices that are available to working families so that they in the privacy of their family can make a decision that it is economically feasible for one parent to be there for their children.

It is important to remember that this Conference is a starting point. I hope that it marks the beginning of National discussion and action. And I hope that its focus on the three keys areas will spark individual ideas around the country. Now, the three key areas are the lack of affordable child care, quality concerns, and the need for school age care. We have already discussed affordability and we've made some progress. The President took some steps to address this need. For starters, the expanded Federal funding for child care. In fact, since 1993, child care funding has risen by approximately 68 percent and it now reaches more than one million children through subsidies which is critical if they're going to have financial access to quality care. And I'm encouraged too that in the last four years more states are committing their own resources to help working people pay for quality child care.

In the balanced budget agreement, the \$500 child tax credit will go to 27 million families with 45 million children under the age of 17. Now for the typical American family with 2 kids, this child tax credit will mean 1,000 more dollars in take home pay

per year. That is especially important for low-income families who are also going to benefit from this child tax credit. Thirteen million children from families with incomes below \$30,000 will receive the credit. That's a lot of young teachers, police officers, farmers, nurses and others who will have some extra income to put into whatever their family decides, but certainly one of the great expenses is improving child care. Also through the expanded Earned Income Tax Credit, more working families have had a cut in their taxes which has on average meant an increase in their income of over a thousand dollars. So, there have been real steps forward so that there's more child care available, it's subsidized, and there's more of an opportunity for families with children to take advantage of these programs. The President has also made child care an essential component of welfare reform. He insisted that welfare reform include spending for child care because we're putting a lot more women, single women with children, into the work force. So it will be increased by nearly \$4 billion over the next 6 years. But that is still not enough and we have a long way to go to explore how better to enable parents to meet their child care costs. Quality is the second key issue. We have to do more to support child care providers. We have not done a good job of lifting up the profession that is so important in taking care of our children and matching that with increased income and job opportunities and benefits. I've been to a lot of child care centers and I've met many, many terrific people running and working in them but their salaries are woefully low and many leave the profession because it's not one that enables them to support themselves and their own families. I remember one provider who told me with tears in her eyes that with the birth of her second child, she had to leave taking care of children which is what she loved to do more than anything and go to work in an office because she needed to make more income. So we have to do all we can to encourage and support child care workers to get training, to build their skills and increase their

knowledge which will demand higher salaries and benefits. We have to find the very best people to take the jobs of caring for our children because parents should not have to worry whether their child is safe at day care and the vast majority of teachers are absolutely superb in caring for their children, but there are a few who we need to make sure do not go into the classrooms of our day care centers. And we also have to help parents do a better job of searching out good child care. In survey after survey when parents are asked, they really don't know what they're looking for. They don't know what kind of equipment should be there; they don't know what kind of training they would be demanding for the child care workers. Too often parents are better informed about what kind of car to buy than what kind of child care to choose. So we have to help parents become more informed consumers to create that demand that will absolutely say to the market place, we must have higher quality for the money we're paying. One of the interesting results of a lot of the research that has been done recently is that good quality child care is generally but now always more expensive than inadequate child care. And in the middle, there's a lot of child care that could be vastly improved with some good training and better guidance there would make a big difference for the money that is being paid. Now I hope that we will continue to focus on safeguarding the health and safety of children in our ... system around the country. Certainly the President earmarked money going to the states for child care for quality improvements. And this summer he proposed a new rule requiring that child care programs that receive Federal dollars make sure that all children are immunized. And in 1995 the administration launched the Healthy Child Care America Campaign which promotes partnerships between child care centers and health agencies. That initiative now in 46 states teaches child care centers how to create safe healthy environments. A lot of times when we do these surveys and we get the results and people go in and say, this isn't sanitary; this is not appropriate, the child

care workers don't know that. Nobody's told them. They're not sure about what they're supposed to be doing. So through the Healthy Child Care America Campaign, we intend to do a better job of educating child care workers.

And, finally, school age care. A critical issue for millions of working American families. I have visited some excellent school age child care programs. The other day in Quantico, I visited one of their schools and saw what was available for the children there, but most children and their parents do not yet have access to good school age child care. Places where the children can do homework or play sports or learn to play a musical instrument ... **Home Alone** might have been a hit movie but it is not a good script for real childrens' lives and we need to move to make sure more children can safely and productively spend those after school hours in a place like a school or a library or some other setting that is good for them.

I'd like to close with one thought and then invite your questions. We are privileged to live in a time of tremendous bounty in our country. We are at peace. Our economy is booming. Social problems that for years held us back are receding. The crime rate is down, the teenage pregnancy rate is down. On so many fronts we're making progress together. At a time such as this presents a special opportunity free from crisis we can do work that might not be possible in stormier moments. So we should use this good fortune to make a difference, to lay the ground work so that the generations of children to come will be able themselves to build a country that has so many opportunities and take advantage of the blessings that we all have. So turning to child care is not just something that is a nice issue to talk about. It is as the President calls it, the next Great Frontier of Public Policy, to build up and strengthen our families, to give them more support so they can do their jobs both at home and in the work place will help up chart that Frontier not only so that we are

led to a better world for the children I saw today, but for generations of American children to come. And I invite all of you to be part in taking action to make sure that happens.

Thank you all very much. (applause) I'm glad there were babies here. That's a wonderful reminder of why this is so important. Well, as I understand what we're going to do now. We have two people with microphones in the isles. If anybody has any questions, they should line up behind the gentleman here and the young woman there and take a turn, but if not, that's all right too. I don't mind at all.

Hi.

Hi. (Mrs. Clinton)

I have a question. I'm an employee on campus. I've been a secretary here for fifteen years. I have a four year-old son. I'm a single mother. I wanted to get my son to go to school here at the nice center. It would cost me over \$500 a month and my salary is \$25,000 a year. So how can that help employees here on campus? And I'm not the only single mother that has had a problem with this.

Mrs. Clinton - And that is one of the reasons why I mentioned that we have to do more to provide more slots in child care for working parents like yourself and we have to help subsidize quality child care because you are a perfect example of the problem that I'm trying to illustrate. You make \$25,000 a year ...

With no child support.

Mrs. Clinton - with no child support. So that's your total income.

Correct!

Mrs. Clinton - And that's before taxes ...

Correct! And I live at home with my parents.

Mrs. Clinton - And you're doing all you can to keep expenses down living at home and good quality child care such as we see here at the university would cost \$500 a month, which is \$6,000 a year, which is a 25 percent of your before tax income. I mean that is exactly the problem that I'm talking about. So what have you done for child care?

Well, I went to a Catholic school in the area and they gave me a scholarship for just this year. So I pay \$200 a month to have him in full-time pre-K. But if I did not have that and if I didn't have my parents, I would probably have to quit my job and go on welfare because who would watch my child during the day and how could I afford that and live in an apartment.

Mrs. Clinton - Well, that is the problem. I could not more vividly describe it. And, so, I hope that some the proposals that will be discussed at the White House Conference, your child will be in school before we probably get much of the changes that I would like to see happen, but then you'll need, you know, after school care which is another part of this debate. But I hope that some of these proposals will focus exactly on what you're talking about. We need more subsidies for working families, particularly single parents. If we are going to have a policy in our country of ending welfare and expecting everyone to work, we have to do more to support those parents with children who are trying to do the best they can by working. And I want to thank you for what you're doing. (applause)

Hi, I'm the Director at Galludette University Child Development Center and have worked with children with disabilities for the last 20 some years in child care and I'm curious what you all are suggesting the focus and direction more and more children with special needs are now in child care centers because of Special Ed laws and I'm curious where you all stand on that.

Mrs. Clinton - Well, we stand with you as an educator of children with special needs and with parents of children with special needs because it is more expensive to care for a child with special needs. And, again, parents face the same difficulties, only more so because of the additional costs. And it's not just financial costs. It's also emotional and psychological costs that is much higher when you have a child, whether it's your only child, or one of a number of your children with special needs that you need help caring for and also for many children, you want to integrate them as early as possible into as typical a life as you can possibly arrange for them and that requires, often times, you know special transportation, special equipment, whether it's wheel chairs or other kinds of medical equipment, it often requires, in your case, with deaf children, specially trained caregivers. So this is an issue that is a part of our overall issue of quality and affordability. I am old enough to -- I keep saying that -- I think that's because I'm going to turn fifty this month. I'm old enough, I'm nearly a half century old. Think about it for all you young people. It's hard to believe it happens. (laughter) So I can remember (applause) many, many years ago when I worked for the Childrens Defense Fund and when I was involved in other activities concerning children, going into places where children with disabilities were literally just left on the floor all day. I cannot tell you some of the places I have seen. Now that was twenty-five years ago. I haven't seen places like that recently, but I'm not invited to those places in my current position and I know that there are lots of excellent facilities for special needs children and I know that there are some that are really very inadequate. So this is a big part of what we're going to be talking about. Yes.

Thanks for coming. I'm a student here and I would like to know how does the European child care or World child care compare to the United States and are you planning to have any World input on planning for American child care.

Mrs. Clinton - That's an excellent question. I want to thank you for asking that because often times we don't learn about what works in other places and there are some very good models in Europe of National Commitment to Child Care. In fact when I was at the child care center here at the university, I learned this morning that the facility is modelled on facilities in northern Italy. The university architects went and visited because of the great room with the classrooms off the side and it's really something beautiful to behold. But there are some very good programs in a number of European countries that I think bear some attention. I have personally visited child care centers in France and in a few other countries, particularly in France and Denmark which were very impressive to me because there was a national commitment to the provision of quality affordable child care that went beyond political ideology. I remember when I visited France, I went to various cities and looked at their child care facilities and whether I was in a city that was run by a very conservative mayor and city council or one run by the socialists party, I didn't see any difference. And I asked a very conservative mayor in a French city how he could explain this national consensus about spending both national and local dollars to build excellent facilities, make them affordable, and he said but they're all our children. You know we are creating future French citizens and he said it as only a Frenchman could say it with a lot of flourish. It was like I asking such a ridiculous question. How could politics have anything to do with taking care of one's children. They fight about other things and even in the recent efforts to reign in the budgets in a lot of the European countries to make them more economically competitive, their caring for children has not been an issue of debate between the political factions in the countries that I'm aware of. They are going to remain committed to universal health care for all of their people and for adequate education and child care for preschool and I think it's a very important National commitment and I think we should look to see if we can

learn anything from that. I write a little bit about the French system in my book because I was impressed by it. Yes.

Being college students, most of us don't recognize there's a problem in child care but also being very involved in community service, what can we do as college students?

Mrs. Clinton - That's also a very good question and I think community service is a critical key to being able to provide enough voluntary manpower to help out in a lot of the centers that are particularly serving lower income families. And I know that a number of young people both through university community services and through Americore have signed up to work on things like America Reads and mentoring and tutoring children and I think looking for opportunities to work with even younger children to give them the attention that they need would be a very good way of working with at least one family, one child. Maybe showing a mom or a dad how to read to a child with just by you doing it, modelling it for them, playing, teaching some of those silly games and songs that you were taught -- all of which help build the brain. I mean all those little things that we used to do all make a difference. And you know there's a lot of evidence now that you know young women, young mothers when they speak to children in those little high voices we all adopt when we see little kids. Like oh, oh Michael, you're so cute. You know our voices just go up like, you know, full register. That has an impact. The child really can hear it. And young men and fathers who are more physical with babies and, you know, play games with them, that also stimulates the brain development. So there's a lot that both young men and women could do in giving of their time to work with some of these kids, especially as I say in lower income family areas where there may be too many adults taking care, too few adults taking care of too many children.

Good afternoon. My name is Cecilia Johnson and I'm a family child care provider and I have

been for twenty years. My question is of the eight parents that I have who are single mothers, one who just recently came off of welfare, the biggest problem that they undertake is getting benefits from the jobs in which they work to help take care of their children, especially medical benefits. And with the rising costs of child care and the costs of taking care of your child, I would like to know how do we plan to help our single mothers who can't get benefits from their jobs to help take care of their children.

Mrs. Clinton - Thank you for asking that and thank you for being a family day care provider. Until we have some program that takes care of all of our childrens' health care needs, we will not solve this problem completely, but in the Balanced Budget Agreement, we made a big step forward as a Nation. Because through the commitment of \$24 billion that was raised by raising the tax on tobacco, we will be able to provide health care for half the children who are currently uninsured, many of whom fall into the category you're talking about. Now a lot of mothers getting off of welfare should be very sure they're not still eligible for Medicaid because they often are. We have 3 million children in America who are eligible for Medicaid but their mothers and fathers don't know they are so they are left to the whims of the emergency room or not being taking care of. So making sure your eight moms check to see whether they're available and eligible is the first thing. Secondly, this new money -- this \$24 billion will expand coverage in every state. So making sure they know where to go to find out how to sign up their child for health care I think is the best advice you could give them and to help them, you know, know where to contact somebody and to try to find out. But we still have too many Americans who do not get health insurance through their work, are not eligible for any kind of government assistance, and they just fall into this large pool of 40 million uninsured Americans, about 11 million of whom are children. And so we just have to keep making

sure everybody who's covered with Medicaid and the new Child Health Program are covered, then we need to see what else we're going to do to cover the remaining children and adults. So please give them that information.

Mrs. Clinton, I hate to do this but your staff has suggested that you maybe should take only one more question.

Mrs. Clinton - All right.

Well, actually instead of a question I wanted to issue an invitation to you to come visit me at the Childrens Developmental Clinic on this campus. Come back one more time this Saturday and see a new program or different program from what we've been talking about today, which is undergraduate and faculty members volunteering their time on Saturdays to play with the children, provide role models for the children, and to deal with those hours of concern that you mention for late afternoon hours, excuse me, the week days when they are unsupervised. And the special thing about our program is that it's for children with physical disabilities, who have self-esteem issues and who get isolated at schools and also children from disadvantaged neighborhoods, from disadvantaged backgrounds. I work with children from the Cools Spring Elementary School who are Hispanic mostly and who have parents who are very disengaged from education and if you ever have the time to come visit us on Saturday, I'd love to show you what can happen when people volunteer for free.

... expenses

Mrs. Clinton - Well, the young man who asked the question what he might do, you need to sign him up. (laughter & applause) Well, unfortunately I can't be there this Saturday (laughter) but I'm very glad you stood up to invite me and did such a good job describing what you do because I

think that's the kind of a model that more people need to hear about. That there is something literally for everybody to do. Whether it's in our own homes spending more time with our own children, maybe the children next door or down the block or if somebody else in your family who doesn't have the time and is working too hard and needs a helping hand, or whether it's being involved professionally as so many of you are as child care providers at a center or in a home. We all have something we can do and volunteering to help support parents and child care providers is a very important way of not only providing a service but for each of us to know firsthand what you know about what a difference it can make in a child's life. And so I hope that you'll be engaged in this issue and thinking about it and sharing ideas and here on this campus try to reach out to everybody, you know, whether it's the young people who are at this center or the young women who stood up who is working here as a secretary already who needs some support, needs a helping hand. I bet if everybody on this campus just looked around at the people you already know, you'd find that there's something you can do to help relieve some of the burdens of taking care of children, especially for single parents. I really want to stress that. It is so important that we support them and give them the kind of attention and volunteer activities that will enable them to know they're being good moms and dads because that's what everybody wants to feel. And if we could get that idea across, I think a lot of our other problems in this country would take care of themselves.

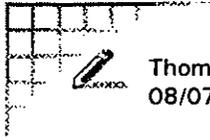
Thank you very much. (applause)

President Kirwan --Mrs. Clinton I hope that you can sense the very strong and special feelings of support there are on this campus for you and the work that you're doing and also sense how honored we are to have you at College Park. We know that during school breaks, there will likely be some colors of another school prominent in the White House (laughter) and we think you need to be able

to retaliate with the colors of one of your schools. So we have a little gift we want to give to your
that we hope you'll wear when Chelsea is home.

Mrs. Clinton - Absolutely! (applause)

Family - child care - (consumer handbook)



Thomas L. Freedman
08/07/97 10:03:20 AM

Record Type: Record

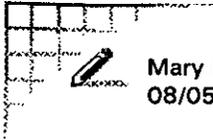
To: Jennifer L. Klein/OPD/EOP, Elena Kagan/OPD/EOP

cc: Mary L. Smith/OPD/EOP

Subject: Child care

We got a proposal from Leslie Bryne, Office of Consumer Affairs, to do a consumer handbook on child care. It would include: what questions to ask providers, a compendium of state and local laws, where to make complaints about quality of care, and tips on what to look for. They say it would cost \$80-100,000. Is there something like this in the works? What do you think?

Family-child care



Mary L. Smith
08/05/97 11:59:19 AM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Bruce N. Reed/OPD/EOP, Jennifer L. Klein/OPD/EOP, Nicole R. Rabner/WHO/EOP, Thomas L. Freedman/OPD/EOP

Subject: homeowner's insurance for family child care providers



CHILDCAI.7 This is the issue you asked about regarding the recent crisis in Florida where insurance providers were threatening to cancel homeowner's insurance for those persons who provide child care in their homes. It seems that this problem has arisen in other states as well with several states passing legislation to deal with this problem. Let me know if you need anything else. Mary

Jen/Nicole -

My sense is that we should not get involved with; what do you think?

we do have to talk about the Mark Penn registry idea ASAP

Elena

M E M O R A N D U M

TO: BRUCE REED, ELENA KAGAN

FROM: TOM FREEDMAN, MARY L. SMITH

RE: INSURANCE FOR HOME CHILD CARE PROVIDERS

DATE: JULY 29, 1997

SUMMARY

Recently, there was a problem in Florida with insurance companies canceling homeowner's insurance policies for persons who provided child care in their homes. This problem reached crisis levels in Florida because the state's insurance company, known as the Joint Underwriting Association, which is a last-chance insurer for many persons, was planning on denying coverage to people providing day care in their homes. Apparently, this is a widespread problem that often does not rise to the surface for several reasons, including the following:

- (1) Many insurers simply don't know that their policyholders provide child care in their homes;
- (2) Insurance coverage only affects those who provide child care to a certain minimum number of children, usually above 3 to 5 children; and
- (3) Many child care providers are able to locate insurance from a few insurers.

HOW THIS AFFECTS OTHER AREAS

- **Welfare.** Home child care facilities are often the main solution for welfare moms who are about to enter the workforce under the new welfare law. For instance, Larry Pintacuda, chief of child-care services for the Florida Department of Children and Families, believes that the insurance companies' restrictions on the number of children would seriously jeopardize Florida's welfare-reform efforts to solve a shortage of infant, evening and weekend care. Pintacuda believes that thousands of poor children will be without affordable day care if the state can't expand the number of neighborhood-based child care homes.
- **Mortgages.** Even if home child care providers obtain separate business liability insurance, their homeowner's insurance still might be canceled. Many mortgage companies require homeowner's policies.

SOME STATES THAT HAVE TAKEN ACTIONS

- **California.** California passed legislation that an insurance company can't cancel a person's homeowner's insurance simply because that person provides home child care services.
- **Florida.** A few weeks ago, a crisis developed because the state's insurance company, the Joint Underwriting Association, was threatening to deny homeowner's coverage to those persons providing child care services in their homes to more than three children. **Solution:** Florida is in the process of negotiating that policies would be issued only to registered and licensed family child-care homes. There are about 7,600 licensed and registered family child-care homes in Florida, but state law does not require them to carry liability insurance.
- **Minnesota.** Minnesota passed legislation that immunizes insurance companies from liability under a homeowner's policy to those persons operating child care facilities out of the home. The insurance company's liability, if at all, would stem from a separate business insurance rider.
- **Oregon.** Oregon passed legislation that prohibits insurers from canceling or refusing to issue or renew homeowner's or renters' liability insurance or fire insurance solely because the policy holder is a family day care provider.
- **Washington.** Washington passed legislation intended to remedy the problem of the unavailability of liability insurance for day care providers by requiring all insurers authorized to write commercial or professional liability insurance to be members of a joint underwriting association created to provide liability insurance for day care providers.

BACKGROUND

- Business liability insurance costs approximately \$300-\$500.
- In many states, such as Minnesota, there are only one or two insurance companies that will provide the type of coverage needed by home day care facilities.

8-3-97 Mark Penn meeting on Child Care

Overarching q: Is adequate day care available?

no -

It's not affordable

It's not quality / safe

And it doesn't reach school-age kids

Penn talks about Luchiprand checks

" " " in-rite day care -

incentives for ERs

Also - evening support for afterschool programs

Kohl??

Institutional v. home-based

Not to pick one. Link up home-based.

Emph on facilities / relationships - so far switch this!

Education of child care workers - some kind of programs?

No state has licensing for indiv - only for programs

Want to be new thing fed put
Is going to ensure higher
stds (even if not per
↑ of nat'l stds)

require our level of training at fed level?

Do something to expand day care it's not actual 6/1/98
in centers - not disbursed.

supporting / building / expanding institutions
building the supply

This is an affordability issue and a quality issue

MP - What's missing is demand for work-based day care?

MF - Kohl bill not so good.

We have to find way of working this through
in a good policy proposal.

MP - push on it. People want ERS to take responsibility
for child care in almost same way they do
for health care.

Higher child

- safety

- ed

Why into avail to parents

↑ing availability of care

At Conference - do registry idea.

President Clinton: Building Stronger Families

"To Prepare America for the 21st Century, we must build stronger families."

President Bill Clinton
February 4, 1997

Strong families are vital to our children, our communities and our nation. President Clinton is meeting the challenge to strengthen our families by providing tax relief to working families, investing in our children's education, reducing crime and helping families move from welfare to work. The Clinton Administration is committed to protecting children, improving their quality of health, encouraging companies to adopt family-friendly practices and strengthening parents' capacity to nurture healthy families.

A RECORD OF ACCOMPLISHMENT:

Cherishing Our Children

- **Expanding Children's Access to Health Care:** Ten million children lack health insurance -- 80% of them have working parents who pay taxes. President Clinton's Balanced Budget Agreement of 1997 expands health care for 5 million of these children. [1997 Budget Agreement]
- **Expanding Head Start to Reach 1 Million Children a Year:** For over 30 years, Head Start has helped low-income families create an environment where their children are ready to learn by taking a comprehensive approach to child development - improving children's learning skills, health, nutrition, and social competency. Under the Clinton Administration, funding for Head Start has increased 80% to \$4 billion in 1997. These additional funds have enabled Head Start to serve 180,000 more children and their families. And President Clinton's Budget Agreement with Congress continues expansion of Head Start toward the President's goal of servicing 1 million children in 2002. [Paper; HHS Press Release, 3/26/96]
- **Protecting Children from TV Violence:** President Clinton gave parents greater control over what their children watch on television by requiring the installation of anti-violence screening chips ("V-chips") in all new televisions. [Telecommunications Act of 1996, P.L. 104-104, signed 2/8/96] In addition, the President announced a breakthrough agreement with the media and entertainment industry to develop a television ratings system to enable parents to protect their children from violence and adult content. Today, the rating system is in place, informing parents on what their children are watching. [Statement by the President, 2/29/96]

- **Targeting Teen-Age Smoking:** President Clinton proposed the first-ever comprehensive program to protect children from the dangers of tobacco. The Food and Drug Administration has already issued rules aimed at teen-age smoking, such as making 18 the age for the purchase of cigarettes nationwide. [Food and Drug Administration Press Release, 4/15/97]
- **Protecting Children's Health Through Increased Immunizations:** The President has established a Childhood Immunization Initiative to ensure vaccinations and healthy futures for all children. In 1995, the immunization rate for two-year olds reached 76%, a record high. And these vaccinations are working: the number of reported cases of diphtheria, mumps, tetanus, measles, rubella, and polio continue to be at or near record low levels. [Centers for Disease Control, Press Release, 2/27/97]
- **Reaching Full Participation in WIC:** The Clinton Administration is committed to full funding in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), reaching 7.5 million participants by the end of FY97. This program works: Every dollar invested in WIC has been proven to save \$ 3 in preventive health-care costs. [Federal Department and Agency Documents, 2/6/97]
- **More Educational Television:** Joined together with the four major television networks to support a proposal to require broadcasters to air three hours of quality educational programming each week. [AP 7/29/96; Statement by the President, 7/29/96]
- **Mobilizing Service and Volunteers on Behalf of Children:** President Clinton convened the President's Summit of America's Future, along with former President Bush. At the summit, hundreds of organizations, including federal agencies, made commitments to give children the resources they need to grow up to be healthy and productive citizens -- a mentor, a healthy start, a safe place, a marketable skill through an effective education, and a chance to serve. President Clinton also announced the creation of 50,000 new scholarships to increase the reach of the AmeriCorps program.

Strengthening Our Families

- **Strengthening Families:** The first bill President Clinton signed was the Family Medical Leave Act, which enables workers to take up to 12 weeks of unpaid leave to care for family members without fear of losing their jobs. More than 12 million families have taken leave since its enactment. [Commission on Family Medical Leave, A Workable Balance - Report to Congress, 1996; Family and Medical Leave Act of 1993, P.L. 103-3, signed February 5, 1993]
- **Greater Health Care Security for Millions of American Families:** Because President Clinton believes that we should provide more Americans with access to health care services, he fought for and signed the Health Insurance Portability and Accountability Act, also known as Kennedy-Kassebaum. The bill limited exclusions for pre-existing conditions, ended "job-lock" by making health coverage portable, and helped individuals

who lose jobs maintain insurance coverage. The Health Insurance Reform Bill President Clinton signed into law protects the health care of millions of working Americans, giving millions of families peace of mind. [Health Insurance Portability and Accountability Act, P.L. 104-191, signed 8/21/96]

- **Cutting taxes for millions of working families:** President Clinton expanded the Earned Income Tax Credit to give 15 million working families tax relief. Today, that earned income tax credit is worth about \$1,000 to a family of four with an income under \$28,000 a year. The Earned Income Tax Credit lifts full-time workers with children out of poverty. [Omnibus Budget Reconciliation Act of 1993, P.L. 103-66, signed August 10, 1993]
- **Increasing the Minimum Wage:** The President proposed and signed into law an increase in the minimum wage from \$4.25 to \$5.15 over two years. For a full-time, year-round worker at minimum wage, this 90-cent increase raises yearly income by \$1,800 -- as much as the average family spends on groceries over seven months. The law signed by President Clinton will increase the wages of 10 million Americans, giving them a chance to raise stronger families and build better futures. [Small Business Job Protection Act Of 1996, P.L.104-188, Signed 8/20/96]

Ensuring Responsibility

- **Overhauling the Welfare System:** Last year the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed medical coverage. [Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193, signed 8/22/96] Nearly 90% of states have chosen to continue or build on their welfare waivers in implementing the new law.
- **Moving People From Welfare to Work:** From January 1993 to April 1997, the number of people receiving welfare benefits fell by 22%, or 3.1 million recipients - the largest decline in the welfare rolls in history and the lowest percentage of the population on welfare since 1970. This historic decline occurred in response to the Administration's grants of federal waivers to 43 states to experiment with innovative approaches to ending welfare dependency, as well as in response to a strong economy. These waivers gave states the freedom to reform welfare on the local level, including setting time limits on benefits, requiring recipients to work or stay in school, providing child care and giving employers incentives to hire welfare recipients. [HHS, 4/97]
- **Mobilizing the Business Community, Civic Groups, and the Federal Government:** to make welfare reform a success and help move a million people from welfare into the workforce by the year 2000, President Clinton has enlisted the business community's leadership. At the President's urging, the Welfare to Work Partnership was launched in

May 1997 to lead the national business effort to hire people from the welfare rolls. To help former welfare recipients stay in the workforce and succeed, the Vice President has created a coalition of civic groups committed to helping new workers retain jobs. The Vice President is also overseeing the federal government's hiring initiative, in which under the President's direction, federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. [DPC Fact paper]

- **Enforcing Child Support:** The Clinton Administration collected a record \$12 billion in child support in 1996 through tougher enforcement, an increase of \$4 billion, or nearly 50%, since 1992. [Source: HHS Press release, 4/14/96] President Clinton also issued an Executive Order to help track down federal workers who fail to pay child support. [Executive Order 12953, 2/27/95]
- **Breaking the Cycle of Dependency:** President Clinton has launched a comprehensive effort to prevent teen pregnancy. In response to his 1995 challenge, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed. In addition, the welfare law the President signed in 1996 requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourage "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Data shows we are making progress: teen births have fallen four years in a row, by 8 percent from 1991 to 1995.

THE CHALLENGES AHEAD:

America is moving in the right direction. The crime rate is down, welfare rolls and food stamp participation are falling and the teen pregnancy rate has dropped. But we still have more work to do to ensure the health, safety and futures of our children and families. The President's agenda includes:

- Expanding health insurance coverage for all children whose parents cannot afford it.
- Providing families with a \$500 per child tax credit.
- Expanding the accessibility of child care information and services to parents, expanding child care funding available to low-income working families and working with states to improve the quality of services.
- Expanding the Family Medical Leave Act to better help workers care for their families without sacrificing their work obligations. This expansion would allow workers to take up to 24 hours of unpaid leave in support of their children's education needs, older relatives' health care and other family medical obligations.

- **Enacting and implementing the \$3.6 billion program that the President negotiated as part of the balanced budget agreement with Congress, to help cities and states create and subsidize jobs for the hardest to employ welfare recipients and to provide tax credits and other incentives for businesses that hire people off welfare.**

Family-child care

Too many parents have learned that day-care licensing and regulation, even when they exist, do not guarantee quality. Not to mention safety

BY VICTORIA POPE

Julie Fiedelholz arrived unannounced to pick up her son, Jeremy, at day care. Jeremy was 3 months old, and it was his first day at Chrissy's Kids day-care center in Plantation, Fla. Julie had left him there two hours earlier; now she was returning to get a candid look at his new surroundings. The day-care helper greeted her reassuringly: "Oh, Jeremy is sleeping so fine. He did good." Julie relaxed and looked with pride at her baby boy. "Buddha belly," she said to herself. That was his nickname, because Jeremy was so nicely plump.

ed while lying face down. During the minutes when he was struggling for breath, one day-care employee had been responsible for Jeremy—and 12 other children, according to official reports. This lone day-care worker was a 25-year-old woman, herself in the seventh month of pregnancy. The center's owner, Christina Schwartzberg, was not there because she had left the facility for 45 minutes to go food shopping.

While Jeremy was still lying comatose in the hospital, Roy Chandler, an investigator for the Florida Department of Children and Families, told the Fiedelholztzes that police had found serious violations when searching the Chrissy's Kids site that after-

noon, Mark Fiedelholz recalls. Later, after Jeremy's death, Broward County officials cited Schwartzberg for violation of child-adult-ratio regulations and for leaving the children with an unapproved aide who was not certified in CPR. Schwartzberg voluntarily surrendered her license. She acknowledged no

Day-care dangers

The word caught in her mind: Belly. He's lying on his belly. Fear drew her closer to his crib. Jeremy's tiny hands were pulled alongside his head. His head was face down against a rumpled sheet, a smear of vomit across his cheek. His skin was tinged blue. Julie gathered her baby up, but he flopped like a rag doll. She dropped to her knees and

screamed his name. She tried CPR. Paramedics arrived a short time later, summoned by the helper.

At 4:17 p.m. the next day, Jan. 30, 1997, Jeremy was pronounced brain dead at the hospital. When the final autopsy results were ready two months later, his parents learned that he had died of "positional asphyxia"—in layman's terms, Jeremy had suffocated.

Deaths of the innocent. Clockwise, from top right: Kierra Harrison, 14 months, from head injuries in Las Vegas; Alexandra LeVasseur, 4, of heatstroke in Peters, Pa.; Jordan Ambrozewicz, 23 months, of drowning in Pasadena, Md.; Raegan McBride, 2, of head injuries in Windsor, Conn. At center: Jeremy Fiedelholz, 3 months, of suffocation in a crib in Plantation, Fla. Such recent tragedies, experts say, underscore unanticipated hazards that can exist in day-care centers.

wrongdoing. No charges were filed against her.

As the Fiedelholztzes sought to investigate why and how their son had died, they realized that they had been far too trusting. Before deciding on Chrissy's Kids as a suitable site for Jeremy, they had determined that it was licensed by the county. They had assumed that this ensured at least an adequate level of physical safety. Yet in Broward County, they learned, accreditation required only three hours of training for providers. They saw the county's official child-care manual; only one page was devoted to infants. It made no mention of the American Academy of Pediatrics' recommendations that babies be laid to sleep not on their bellies but on their backs. After Jeremy's death, police interviewed other parents whose children had stayed at Chrissy's Kids at the same time. The Fiedelholztzes were stunned to hear that most of the parents said they would gladly put their

PHOTO ILLUSTRATION BY DOUG STERN—(USNEWS); (CLOCKWISE FROM TOP RIGHT) MICHAEL LLEWELLYN FOR USNEWS; (ALEXANDRA, BOTTOM RIGHT) MICHAEL REDFORD

children back in Schwartzberg's care.

What happened at Chrissy's Kids is an extreme illustration of what can occur when parents place their trust—and their children—in the fast-expanding but only lightly supervised American day-care system. Already, 4.6 million infants, toddlers, and preschool children from every income group, spend part of their day in licensed day care. The pressures on the system are about to increase dramatically: As new welfare reform laws take hold in coming months, some 2 million parents (mainly mothers) now on welfare will join the work force, and their children will need care outside the home. Under pressure of welfare reform, many state legislatures are now scrambling to create new facilities as quickly—and inexpensively—as possible. Within three years, 3 out of 4 American women with children under 5 will be working and need child care.

As more and more mothers have moved into the work force, the varied effects of day care have provoked bitter debate. Some cognitive scientists argue that hired attendants cannot provide the stimulation or attention children need for emotional development; others contend that the independence and socialization forced on children by day care actually help children thrive. Economists point to day care's problems as a classic case of "market failure": Large numbers of parents need the service so they can work, but they are not willing to pay the fees that would be necessary for the well-trained, highly motivated workers they would like their children to have.

Avoiding harm. But whatever their positions in these debates, most parents take it for granted that day care will not be physically dangerous. To a larger degree than many realize, this assumption is incorrect. In a query of all 50 states and the District of Columbia concerning deaths

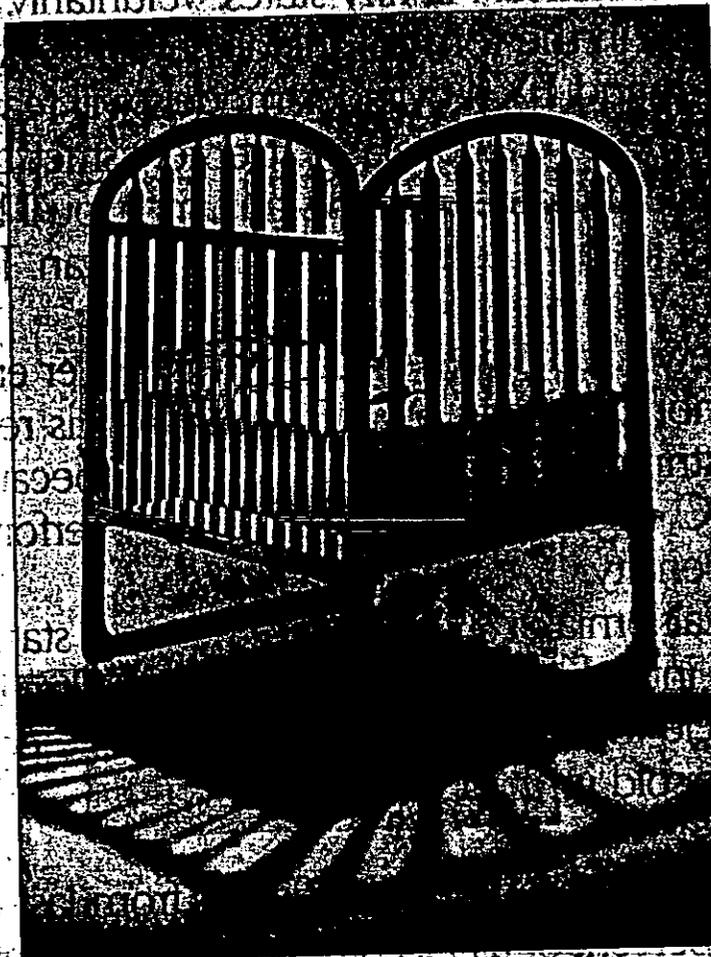
in child-care facilities, *U.S. News* tallied 76 deaths in 1996. The fatalities included drownings, falls, being struck by autos, and sudden infant death syndrome, but the data are sketchy, since many states do not report the causes of these deaths. This is doubtless not the full total, since seven states as well as the District did not respond to repeated requests for information.

recorded in Texas and Michigan (which also collect limited data) were projected per capita with the national population, day-care deaths would number between 240 and 250 a year. As a comparison, in 1995, 226 American kids between ages 1 and 4 died in all accidents, including 82 in motor-vehicle collisions.

Cursory oversight. No degree of oversight would prevent all deaths and accidents; but the system in which millions of Americans entrust their children is notably unregulated and poorly supervised. The great waves of safety regulation in America—from the meat-packing reforms of the muckrakers to the pesticide control prompted by Rachel Carson's *Silent Spring*—have stemmed from concern that, without regulation, public safety will be at risk.

Worries about children's safety have led to no such day-care reforms. Typically, the required training for day-care workers is minimal, oversight is cursory, and standards are low. Complaints roll in, but punitive action is rarely taken—until it is too late. Agencies fail to share data that might have prevented injury and greater tragedy. Says Donna Overcash, director of Save the Children Child Care Support Center, an Atlanta-based advocacy group: "Zookeepers make more, and fast-food restaurants are better regulated."

Starting a day-care center is easy. *U.S. News* sent a 20-year-old male summer intern to apply for a day-care license in Washington, D.C. One of his letters of reference flatly stated he had "no professional training in child care." He filled out some forms, paid a \$50 fee,



When infants are laid in a crib to sleep, the American Academy of Pediatrics recommends that they be placed on their backs to help prevent SIDS. But many child centers don't heed this advice.

and had his apartment checked out. He was told that with some first-aid training, some spot-cleaning, and a new fire extinguisher he could be licensed in a week. In most states, the course of study for a driver's license is longer than for certification as a day-care worker. It takes about 1,500 hours of training at an accredited school to qualify as a licensed haircutter, masseur, or manicurist. Day-

tion—and 16 others, including California and Ohio, said they do not track deaths in day care. Even fewer states record injuries. Figures also are difficult to obtain because so many of the nation's facilities are unregistered. In Texas, a state that has recently revamped its reporting system and does collect detailed data, 22 day-care deaths and 134 serious injuries were recorded in fiscal 1996. If the deaths

PHOTOGRAPHY BY
MICHAEL LLEWELLYN FOR USN&WR

achusetts data) were additional population numbers. As a common kids' accidents, collisions, deaths of the system, millions of just their only super waves in America, at-packing, ruckraking, le control, achel Carving, have concern that on, public sk.

children, o no such. Typically, using for, is mini, s cursor, are low, n, but pu, rarely tak, late. Agen, data that, nted injury, gedy. Says, director of, ren Child, enter, an, advocacy, vers make, od restaur, gulated." are center, sent a 20-, unmer in, a day-care, gton, D.C., s of refer, ae had "no, ining in, filled out, a \$50 fee, d out. He, d training, fire extin-, a week. study for a, for certifi-. It takes, at an ac-, a licensed, rist. Day-

care providers, by contrast, are usually required to attend a single session devoted to a mishmash of topics from CPR techniques to food menus. In Las Vegas, Suzanne Magleby, a supervisor for Clark County social services, says her county requires six hours of training instead of the state-mandated three, which she wants to bump up to 12. "But I'm trying to go slow," she says, hinting at local resistance.

Training usually requires only passive exposure to instructional material; no tests are given. For instance, in a recent six-hour training class in Atlanta, participants sat through presentations on infectious diseases, injury prevention, and child-abuse detection. Of the 15 women there, three did not speak English. One slept through the entire video on infection control. Three women arrived an hour and a half late but were assured by the instructor that they



Fencing is usually required when a swimming pool is located near a day-care facility, to avoid accidents. In a day-care center in Mattapan, Mass., a drawstring caught in a playground slide apparently led to the death of a young boy. Many safety experts say that children should avoid wearing clothing with drawstrings on playground equipment.

would still be credited the full six hours to receive their certification.

Many states now urge former welfare recipients to be trained as day-care workers. This may be good for the recipients, since it prepares them for jobs; it could well be bad for children, since some states seem ready to lower existing standards to accept these "provisionally certified" providers.

In a just completed review of day-care standards nationwide, the New York-based Commonwealth Fund, a national foundation working with Yale University experts, assessed the quality of day care state by state, based on indicators such as child-adult ratios, programming, and caregiver qualifications. This study gave overall passing grades to only 17 states; and only Minnesota met their criteria in all categories. The study did not rate a single state as "good" or "optimal" on the size-of-group standard, which is key to preventing injuries.

While restaurants are shut down every day for even minor hygiene violations, records show that day-care centers in America are rarely closed. Frequently, licensing authorities try to keep troubled facilities open so working parents won't be left in the

lurch. In a recent case in Guthrie, Okla., outside Oklahoma City, a family day-care center had accumulated a staggering 415 complaints against it but was still operating when a young boy died at the facility last November. The victim was 2-year-old Michael Robinson III—known as Trey—



who, attended A Child's Place day-care center, died inconsolable after his mother dropped him off, had walked out of the building undetected onto a highway. He was struck by a passing automobile. According to the records of Oklahoma's Department of Human Services, A Child's Place had violations against it that included children routinely left unattended, unsafe playground equipment, and in at least one instance an employee with a criminal record of child abuse. Yet the state allowed it to keep operating on six-month permits. Run over, again. When police tried to reconstruct what happened prior to Trey's death, they turned to a 12-year-old named Anthony. By Anthony's account, written longhand on the police report, a staffer named Dale had asked him to help look for the missing boy. Anthony saw him first, lying on the busy road. "Dale told me

to stay there and make sure he didn't get run over again," Anthony wrote. When a speeding car approached, Anthony jumped up and down to try to get it to stop, but the little boy was again run over. The center's owners deny any neglect; no criminal charges were filed. Judy Collins, the statewide licensing coordinator for Oklahoma's Department of Human Resources, says her agency had moved to deny the facility its license before Trey's death.

In Seminole, Fla., near St. Petersburg, Beth Bennion pulled her son out of a day-care center two years ago, she says, after it let a pest-control company spray the premises while children were there. She says the center had also told the licensing board that it had fixed some dilapidated playground equipment when it hadn't. So when Bennion later heard that a gun had been found one Monday morning at the center, she expected it to be summarily shut. Instead, one of the center's owners told the licensing board that the gun might have been a toy or left by carpet cleaners over the weekend. (Later, the owner's lawyer said it was a BB or pellet gun, even though three witnesses—including the center's direc-

tor—described it as a firearm, "gray, heavy, and could fit in the palm of the hand.") The center was fined \$200 for keeping a weapon on the premises, but it was not closed.

Extra kids. In the Fiedelholz case, the 13 children present at the time of Jeremy's death were nine more than the center's owner, Schwartzberg, had told Jeremy's parents would be there at one time. (While police say only one adult was present when Jeremy is thought to have suffocated, Schwartzberg's attorney, Harry Solomon, says that the children were in an area that was small enough to be supervised.)

Regulations that call for adult supervision, of course, can't guarantee it. Two-year-old Jordan Ambrozewicz drowned in an ornamental pond at his Maryland day-care center two years ago. According to Jordan's mother, three adults were on the



If a chin gets caught in a highchair, a child may be injured. More than once in a day-care facility, a provider has stepped out of the room during mealtime and a child has strangled in a chair. Many states have rules against keeping a gun at a day-care facility, but witnesses said they saw a firearm in a Florida center. The center was fined \$200 but was not closed.

premises, and the other children had gone home. In a case that led to a tightening of state care regulations in Pennsylvania, a 4-year-old, Alexandra LeVasseur, died in August 1995 after being left in a sweltering van for nearly three hours. The day-care operator had unloaded the van during a field trip and left the girl sleeping in the front seat. No charges were filed in either case.

Similarly, parents may assume that a state license means inspectors will regularly check the facility. In most states, it does not. Typically, inspectors visit a center when it opens, for initial accreditation—and thereafter in response to complaints or after a few years pass. In Virginia, a legislative audit showed that the state had failed to make mandatory twice-a-year inspections of 722 of its 4,200 licensed facilities in 1996; 159 centers were not visited even once.

When inspectors do show up, they often concentrate on compliance with the safety rules—whether a first-aid kit is complete, for instance—but may be oblivious to larger concerns about the children's welfare. When imposing regulations, licensing boards may insist on niggling requirements—that more toilets must be available in case

children have diarrhea, or that a fence be built in a completely rural area—but ignore indicators of inappropriate behavior.

Regulatory enforcement is further hampered by poor coordination between different agencies. When state agencies fail to share information, dossiers of trou-



bling testimony may go unrecalled. That's apparently what happened in February, when a 2-year-old, Raegan McBride, from the Hartford suburb of Windsor, Conn., died. According to the state medical examiner, the cause of her death was a single blow to the back of the head. The blow was allegedly delivered by the child's day-care provider, Kathy Greene, who has been charged with manslaughter in the case. She has pleaded not guilty.

After Raegan's death, investigators probed Greene's record and found multiple complaints of child abuse logged over a 14-year period. Police interviews with Greene's former charges turned up accounts of bruises, cigarette burns, dislocated arms, and vicious threats, all alleged to be perpetrated by Greene. One boy told investigators that Greene had thrown him against a washing machine because he had wet his pants. After

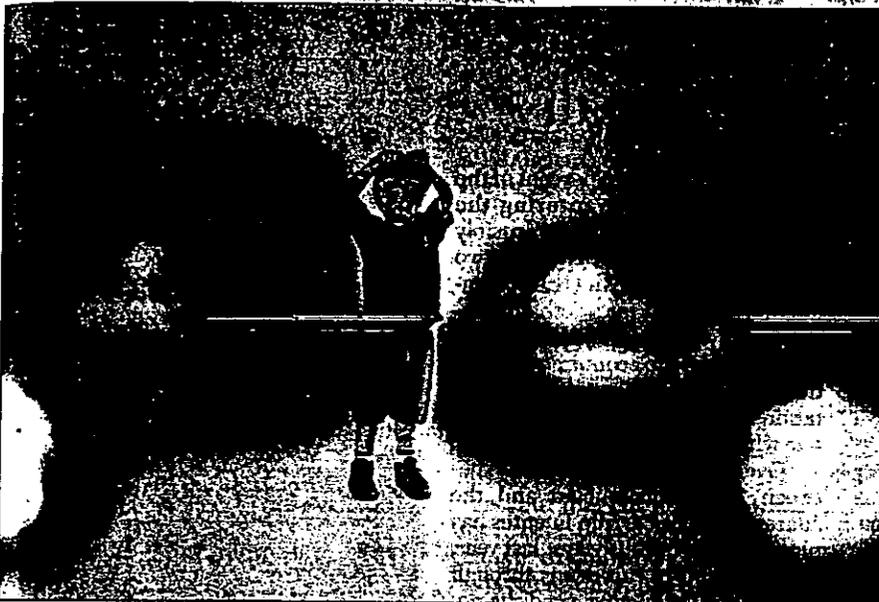
viewing a series of complaints, a social worker wrote: "I would not place a child at Ms. Greene's again," stating that the woman was unable to control her "rage for authority and power over children." That was in 1992. Greene remained in business five more years, until Raegan's death.

Kristine Ragaglia, the child advocate for the state of Connecticut, acknowledges that faulty reporting was part of the problem. Beyond that, Ragaglia says, Greene stayed in business because the previous cases "boiled down to a child's word against that of an adult—and the regulators consistently sided with the adult.

Many states refuse to share their files with other states; a bad day-care provider drummed out of business in one state can reopen in another. Most states keep day-care records at the county level. Parents can review the records, but obtaining access to the files isn't always easy. When a reporter recently requested information on 19 day-care homes in Anne Arundel County, Md., she was asked to limit herself to four requests and was told that the county could take 30 days to respond. That would discourage many busy parents.

Reviewing a file is a good precaution but not an ironclad one. When 3-month-old Kierra Harrison died in the Las Vegas day-care center last March, the cause of death was found to be a fractured skull from severe head trauma. Shards of bone were wedged in her brain. Doctors described her injury as equivalent to falling headfirst from a two-story building onto concrete. The day-care operator was charged with murder. She has pleaded not guilty. Yet when Kierra's mother, Amanda Harrison, checked with the licensing board, the day-care provider's record was clear. After the fatality, Kierra's family learned

choice. Mark Fiedelholz, a lawyer who runs legal studies seminars, and Julie, a social worker with Catholic Charities, have lobbied Congress as well as Florida officials for national day-care reform. In the six months since his son's death, Mark has testily confronted more than one politician for failure to support greater regulation, saying, "What do you need, a body count?" But while the families of victims lobby for higher standards and stricter rules, proprietary day care, especially the larger franchises, employs a powerful lobby in Washington to keep up opposition to increased regulation. Industry representa-



When facilities are close to busy traffic, an unlocked door may invite the sort of tragedy encountered near Oklahoma City recently. A little boy wandered out of his day-care center and onto a street where he was fatally injured by a car, police said.

that the provider allegedly had been reported for abusing her own 3-year-old daughter, but it hadn't shown up in the files because her surname was misspelled. (A lawyer for the provider calls those child-abuse complaints against her "way out of proportion.")

The case has given Kierra's grandmother, Pam Rowse, a registered nurse, a political cause. After Kierra's death, Rowse dropped her 9-to-5 administrative position to work an emergency-room shift, so that she would have maximum free time during business hours to lobby for stronger regulation. Jeremy Fiedelholz's parents have made the same

claim. They contend that day care can maintain high standards without bolstering requirements, and that new regulations would drive costs up to unacceptable levels. What seems hardest for the mourning families is their abiding sense that they themselves had been naive—naive in assuming that the laws and standards governing day care had produced a system in which their children would be safe. ■

With Margaret Loftus, Jill Jordan Sieder in Atlanta, and Zachary Knight

For more information see U.S. News Online (<http://www.usnews.com>).

One state tries to do it right

From a regular, nondescript Colorado mountains and wide expanses are a handicap to check out a file on a day-care provider in most cities like Denver, the regulation always that has allowed the state to create a new system of child collection. Starting next month, Colorado will put the records from its more than 7,000 licensed day-care centers on computer. Consumers will be able to quickly retrieve material through a half-dozen regional regional office, where a specialist might urge that parents report day-care problems and scrutinize centers records. "You, the parent, are there [dropping off children] every day. You need to put on your critical hat," says Gail Wilson, head of the private, nonprofit Colorado Office of Resource and Referral Agencies.

Such pragmatism has also powered an overhaul of day-care monitoring. Colorado has admitted to what most states will not do: It wasn't doing its mandated annual day-care inspections, partly for reasons of cost. Now it has risk-based inspections, which means resources will be used where they are most needed. Centers failing to comply in certain key areas will be tracked carefully while facilities that have proved their faithfulness to the rules won't be visited at all.

These innovations have worked in part because the state's population has higher levels of income and education than the national average. Gov. Roy Romer's mantra—make Colorado the best place to raise a child—is attractive to the state's many newcomers. And Colorado's business community is counting on these quality-of-life seekers to support a new voluntary checkoff program that allows taxpayers to allocate a portion of their state income tax refunds to improving licensed day-care facilities.

—Victoria Pope

MEMORANDUM

TO: TOM FREEDMAN, MARY L. SMITH

FROM: DREW HANSEN

RE: HOMEOWNER'S INSURANCE FOR FAMILY CHILD CARE PROVIDERS

DATE: JULY 25, 1997

People who provide child care out of their homes have occasionally had difficulty purchasing or renewing their homeowner's insurance policies because of liability problems. This was a significant problem in the 1970s, before the development of specific "riders" that could be purchased to cover at-home child care. Even after the development of such riders, child care providers have found it difficult to purchase or renew homeowner's policies in Michigan, California, and Florida, and possibly in other states as well.

The child care providers themselves seem to think that the problem is widespread. They say that obtaining insurance can be particularly difficult for those who rent property.

The insurance industry seems to think that the problem varies by location. They maintain that the standard homeowner's policy contains an exclusion provision saying that all family child care activities are excluded from coverage. But if a provider buys a separate child care insurance rider, they argue, they should be able to obtain homeowner's coverage with little difficulty.

The Children's Foundation, a nonprofit based in Washington, D.C., advises family child care providers to purchase a separate liability insurance policy, but warns that even with such a policy an insurance company might cancel the provider's homeowner or renter policy for fear of being named in a lawsuit stemming from the family child care business. This seems to have been the situation in Michigan until 1996, when the state legislature passed a law to make it easier for family child care providers to obtain homeowner's insurance. The law makes the risk of a licensed family provider equal to the risk of a non child care provider for homeowner's insurance. However, the law still allows insurance companies to require child care providers to purchase a liability rider as a condition of homeowner's coverage.

There appears to be no standard way of dealing with the homeowner's insurance needs of at-home child care providers. It appears that many at-home providers have difficulty obtaining or renewing homeowner's insurance, even if they have purchased a separate liability policy.

**White House Working Group on Child Care
AGENDA
August 4, 1997 3:00pm**

- I. Opening -- Elena
 - Child Care Conference set for October 23
 - 6 Focus Groups Completed
 - Policy Development process in effect -- two-page memo of policy ideas that we sent to the working group is meant as an initial working document, not an exhaustive or necessarily practical list of options. We are open to and urge other ideas and suggestions.
 - Today's meeting will serve to bring everyone up-to-date on and to discuss three areas: 1) the conference planning, 2) the policy development process, and 3) the legislative consulting process.

- II. Legislative Overview
 - Turn to Janet for brief discussion

- III. Conference Update
 - Turn to Jen/Nicole to give overview
 - Jen/Nicole will discuss process and note that two discussions are upcoming: 1) Communications/Conference Planning, and 2) IGA/Regional/Satellite Planning
 - POTUS statement and accomplishments piece to be distributed

- IV. Policy Overview
 - Turn to Olivia/Joan to walk through policy options paper
 - Ask for feedback and other ideas

- V. Institute Process
 - Small policy meetings to be called around the options in working paper that need to be costed and fleshed out by next working meeting, with involvement by WH, OMB, Treasury, HHS, Ed, etc...
 - Agencies to submit further policy ideas in writing to Jen/Nicole by ____
 - Agencies to submit Conference ideas in writing to Jen/Nicole by ____
 - Next meeting -- end of next week or 2 weeks?

MEMORANDUM

Family-child care
EK -
FY -
Tom

TO: JENNIFER KLEIN

FROM: TOM FREEDMAN
MARY L. SMITH
DREW HANSEN

RE: CHILD CARE FINANCING

DATE: JULY 29, 1997

SUMMARY

Obtaining financing for the construction and maintenance of child care facilities as well as for the salaries of staff and for the fees of low-income parents is a pervasive difficulty of child care providers nationwide. The following is a summary of some innovative approaches to financing child care.

1. FINANCING THROUGH AMERICORPS

Americorps members currently work in child care, Head Start, and other early learning programs. The Home Instruction Program for Preschool Youngsters (HIPPY) of Colorado employs Americorps workers as mentors and assistants to parents involved in teaching their young children. Expansion of child care volunteerism is possible under America Reads.

2. CORPORATE PROGRAMS

Many corporations provide on-site or near-site child care for their employees. *Working Mother* recently listed 100 "family friendly" companies, of which 76 provided on-site or near-site child care. Some examples:

- Nations Bank has spent \$25 million assisting its 65,000 employees in their child care needs. Nations Bank subsidizes child care expenses for its employees, and encourages them to choose high-quality care by subsidizing licensed providers at a higher rate than non-licensed providers.
- Neuville Industries, a hosiery manufacturer located in Hildebran, NC, has an on-site child care center serving 79 children for its 600-employee workforce. Parents pay 60% of the cost of care and Neuville subsidizes the remaining cost and gives employees 21-26 days of free child care per year, based on seniority. Neuville also subsidizes near-site care for employees working evening shifts.

3. PARTNERSHIPS WITH MILITARY PROGRAMS

The military child care system is known for high quality standards, strong enforcement and oversight, relatively generous wages for providers, support for home care providers, and funding to make quality child care affordable.

In 1997, President Clinton issued an executive memorandum to the Secretary of Defense, directing him to use the Department's expertise to improve child care in communities across the nation through 1.) creating partnerships with civilian child care centers, 2.) providing training courses for civilian child care providers, 3.) sharing the technical expertise of the military centers (in design, financing, etc.), 4.) working with States and local governments to enable military child care facilities to be used as training locations for welfare recipients moving from welfare to work.

4. PUBLIC-PRIVATE PARTNERSHIPS

Early Childhood Investment Fund (New York)

- Supports public/private partnerships statewide to improve child care delivery. Provides planning grants of up to \$10,000 to develop solutions to community child care needs, direct-service grants to start or expand child care facilities, (which can be used to subsidize parents' fees), and grants to increase the quality of existing child care.
- Founded in 1992 with \$100,000 from New York State and \$50,000 each from the American Express Foundation and the Traveler's Foundation.
- Communities required to match funds at a 2/1 rate, low-income communities match at 1/1 rate. Most programs have exceeded this requirement and matched at 3/1.
- In first three years, the program has made 18 planning grants and 22 direct service grants, totalling \$522,052 and leveraging \$1,577,273 in matching funds.
- Similar programs exist in California (Child Care Initiative), Maine (Child Care Development Project), Mississippi (Child Care Campaign), Oregon (Child Development Fund), and Charlotte, NC (Corporate Champions).

Smart Start (North Carolina)

- Gives grants to leverage other funds for a broad variety of child care needs. Many counties use the grants to decrease the waiting lists for subsidized child care or to increase the income eligibility levels and provider reimbursement rates for existing child care.

- Proposed in 1993, in 1995-1996 had \$57 million in funds, raised \$9.5 million in corporate matching funds, and had local matching funds/in-kind donations totalling \$4.8 million.

Teacher Education and Compensation Helps (T.E.A.C.H.) (North Carolina)

- Provides educational scholarships for child care teachers, center directors, and family child care providers.
- Piloted in 1990; by 1995 there were 2,000 providers in the program. Used between \$850,000 and \$1 million in federal funds for each of the last three years.
- Similar programs exist in Georgia, Florida, and Illinois.

Rochester/Monroe County Early Childhood Development Initiative (New York)

- Supports a broad variety of child care initiatives, including start-up costs for new facilities, accreditation, and staff development.
- Started in 1990. Total funds are \$74 million; with \$6 million from the federal government (including Head Start funds), \$20 million from state and county, \$6.4 million from school districts, \$2 million from city child care funds, \$4 million from the Rochester United Way, \$2 million from the Diocese of Rochester, \$400,000 from foundations, and an estimated \$35 million in parent fees.
- Similar programs exist as the United Way/Oregon Community Foundation and the Charlotte-Mecklenburg Children's Services Network (North Carolina).

5. PUBLIC FINANCING -- GRANTS

General Obligation Bonds (Minnesota)

- The government sells bonds and uses the proceeds to support one-time capital improvement costs, then allocates a portion of tax revenue to pay the debt (the same process is used for financing prison expansion and public utilities). This money funds grants to public agencies (school districts, cities) to build or renovate early childhood education facilities.
- Allocations of about \$2 million in 1992, 1994, and 1996.

Tax-Exempt Bonds (Illinois)

- The Illinois Facilities Fund borrows funds through tax-exempt bonds and has used the funds to construct five child care centers and renovate two.

- The Fund has borrowed \$13 million since 1992. Providers had to raise 10% of construction costs. Providers have attracted \$24 million in other funding.

Child Care Center Start-up and Health and Safety Grant Programs (New York)

- Provides pre-development planning grants of \$75,000/project, child care center start-up and expansion grants of \$100,000 for a full-day center and \$25,000 for a part day center, and health and safety grants of \$10,000 for an existing center.
- Since 1984, it has provided \$750,000 in planning grants, \$1.8 million in start-up grants, and \$900,000 in health and safety grants.
- Similar programs exist in about 21 states.

Family Child Care Start-up and Health and Safety Grant Program (New York)

- Provides grants of up to \$500/home for child care facilities caring for up to 8 kids and group facilities caring for up to 14 kids.
- Established in 1987, in 1996 had a \$2.6 million budget.

6. PUBLIC FINANCING – LOANS

State Loan Guarantee Program (Maryland)

- Assists day care centers (for children and the elderly) in obtaining loans by guaranteeing up to 80% of a loan. Has guaranteed loans from \$15,000 to \$1.6 million.
- Established in 1984 with a \$750,000 appropriation, now can guarantee up to \$6.2 million in loans.
- Similar programs exist in Arkansas, California, North Carolina, and Tennessee. In New York, the state mortgage agency guarantees loans through the Chase Community Development Corporation.

Child Care Facilities Direct Loan Program (Maryland)

- Makes loans at or below the prime lending rate on a 20yr. repayment schedule for up to 50% of the cost of building or renovating a child care facility.
- Established in 1988 with \$1.75 million, now has \$1.8 million. Makes loans from \$35,000 to \$350,000; average loan is \$200,000.
- Similar programs exist in Virginia, and under generic "business development"

headings in New York and North Carolina.

Small Child Care Revolving Loan Fund (Maryland)

- Makes small (\$1,000 to \$10,000), short-term loans for minor renovations..
- Established in 1992, was allocated Child Care Development Block Grant funding of \$62,000 in FY '95-'96, down from \$125,000 in FY '94.
- Similar programs exist in Virginia. North Carolina and Maine allocate resources for the same purposes to community-based organizations.

Community Development Financing (North Carolina)

- The Center for Community Self-Help takes money from deposits to their credit union and makes grants for capital financing and program-related investments (zero- or low-interest loans, etc.)
- The Center was established in 1980 and began targeted child care in 1993, it has loaned \$3.5 million for child care facilities to date, ranging from \$500 to family child care providers to \$850,000 to build a new child care facility.
- Similar programs exist in many states with "community development" organizations.

Community Development Finance Fund Linked Deposits (Ohio)

- Deposits funds in conventional lending institutions to encourage banks to loan at a reduced rate to a specific borrower (i.e. a child care provider). The same strategy has been used in providing funds for low-income housing.
- By July, 1995 had obtained loans of \$3 million.
- Also helps with technical assistance, funding child care "micro-enterprises", and providing "gap financing" to cover the gap between a mortgage and the total cost of construction or renovation of a facility.

Commercial Lender Public-Sector Partnership (D.C.)

- The Center for Policy Alternatives encouraged 20 banks in the D.C. area to pool resources to develop child care loans. Loans are in three categories: "mini" micro-loans (up to \$1,500) for family child care, micro-loans (up to \$25,000) for non-profit child care organizations, and real estate mortgage lending of up to \$1 million for major renovation or construction.
- Banks contributed \$350,000 for the "mini" loans and \$2 million for the larger

loans. D.C. guaranteed the "mini" loans with \$75,000 of Child Care Development Block Grant funding. Banks donated \$70,000 for administration costs, and D.C. donated \$75,000 of CCDBG money for technical assistance and training.

- Began in May, 1995, and "mini" micro-loans were available in 1996. The other loans are still in the planning stages.
- Similar programs exist in Ohio and Portland, Oregon. .

FOR INTERNAL DISCUSSION PURPOSES ONLY

**Child Care Policy Options
Draft Working Paper**

1. Make the Dependent Care Tax Credit Refundable for Child Care Expenses and/or Increase the Amount of Credit Available on a Sliding Scale to Reach Low and Moderate Income Working Families

The Dependent Care Tax Credit (DCTC) is an income tax credit for taxpayers who incur employment related expenses for child care or elder care. The credit is now available to single parents who work and to two-parent families in which both parents work. The maximum allowable credit, available on a sliding scale depending on income, ranges from \$480 to \$720 for families with one child and from \$960 to \$1440 for families with two or more children. Since the credit is not refundable, it cannot be used by most low income working families with incomes below the federal income tax threshold (approximately \$24,000 for a family of four).

2. Double the Number of Children from Working Families Receiving Child Care Assistance through the Child Care Development Fund (CCDF) By Increasing CCDF Funds Over Five Years To Reach 2 Million Children by 2002

Low-income families face major obstacles in finding or affording child care services. While the average family spends about 7 percent of their income on child care, low-income families spend approximately a quarter of their income for child care services. An estimated 10 million children from working families will be eligible for federal child care assistance, yet only 1-1.4 million children currently receive assistance. Among working families earning 150% of poverty, 4 out of 5 do not receive federal child care assistance. Among working families earning at or below the poverty line, 2 out of 3 do not receive assistance.

3. Establish a Quality Incentive Grant Fund to Provide Grants to States (With Match from the Private Sector) to Improve Child Care for Young Children Based on the Military Child Care Model, Including Support for Achieving Accreditation

Research confirms that the quality of child care can impact children's language and cognitive development and can affect school-readiness. Yet study after study reveals a crisis in the quality of child care across the country. At the White House Conference on Early Childhood Development and Learning, the President pointed to the military child care program as a model for the rest of the country. Of particular note is the military's focus on establishing family child care networks, achieving outside accreditation of its facilities, and tying professional training to compensation.

4. Launch an Infant/Toddler Family Child Care Initiative by Providing Additional Funds through CCDF or Another Funding Mechanism to Encourage Communities to Establish and Support Family Child Care Networks

As the number of infants and toddlers in care increase, many families are turning to small family child care homes to provide a more home-like setting for their children. One of the most effective strategies for improving the quality of these settings is the establishment of networks of support and training specifically designed for family child care providers.

Quality
|
At the 10/16/02

5. Establish a Scholarship Program for Child Care Professionals By Exploring Loan Forgiveness and Scholarship Funds

Research confirms the importance of early childhood staff to the quality of child care services. Yet child care providers receive inadequate wages and there are limited resources to recruit and retain staff. When scholarships are provided, the quality of care improves (as seen in the TEACH scholarship program in NC).

6. Double the Number of School Age Children Who Have Access to Quality Child Care By Providing Incentive Funding to Stimulate Community-Wide School-Age Child Care Efforts, With Involvement of Schools and Community-Based Organizations

The need for after-school care has grown dramatically in recent years. With the vast majority of parents with school-age children in the workforce, millions of school-age children go home to an empty house after school. Yet most schools close at 3:00 pm and remain closed in the summer months. While the number of school-age programs has grown over the last decade, there are still dramatically few school-age programs for low-income working families, particularly for children aged 10-13. Despite poor access to quality programs, recent research documents the positive effects that school-age programs can have on academic achievement of low-income children. FBI studies report that crime rates increase between 3-6pm.

School-Age
(Ed Dept)

Rana - I'm not sure

I ever gave you this.

Elena

The Working Family
Child Care Initiative 2002

DRAFT

At the turn of the century, more American families than ever include two working parents or are headed by a single working parent. Yet the child care available for their children is far from adequate. Meeting this critical need calls for major new public and private investment and a bold comprehensive approach based on the following principles:

- o Child care is critical to workforce development and child development
- o The quality of care affects school readiness and academic achievement
- o A broad range of working parents need some assistance in accessing quality affordable care
- o The quality of care is directly related to the investments made in programs and providers

To address these principles, any new initiative must balance the need to address affordability as well as to improve quality. What follows are six sample strategies that could be included in any new investment package. Some of the initiatives address the affordability issue directly: expanding the Dependent Care Tax Credit or increasing funds for subsidy. Others address the quality issue: special incentive grant programs or support for family child care. Some strategies provide funds to programs while others fund parents more directly. Some approaches rely totally on federal dollars, while others combine federal and state resources and still others call for partnerships with the private sector.

1. Expand the Dependent Care Tax Credit

The Dependent Care Tax Credit is an income tax credit for taxpayers who incur employment related expenses for child care. The credit is available to single parents who work and to two-parent families in which both parents work. The maximum allowable credit, available on a sliding scale depending on income, ranges from \$480 to \$720 for families with one child and from \$960 to \$1440 for families with two or more children.

Since the credit is not refundable, it cannot be used by most low income working families with incomes below the federal income tax threshold (approximately \$24,000 for a family of four). Less than one percent of tax filers earning at or below poverty now claim the credit and about 13 percent of filers earning 100-200 percent of poverty claim the credit. In addition, the amount that families can claim and the range of families that can claim the

DRAFT

maximum amount needs to be readjusted to reflect the increasing costs of care and to provide additional assistance to middle class working families.

Option: Make the Dependent Care Tax Credit refundable for child care expenses so that it can be used by the lowest income working families. Increase the amount of credit available on a sliding scale to low and moderate income working families.

2. Double the number of children from working families receiving child care assistance through CCDF

Low-income families face major obstacles in finding or affording child care services. While the average family spends about 7 percent of their income on child care, low-income families spend approximately a quarter of their income for child care services. It is estimated that more than 10 million children from working families will be eligible for federal child care assistance, yet we currently provide such assistance to only 1-1.4 million children. Among working families earning 150 percent of poverty, 4 out of 5 are not receiving federal assistance. Among working families earning at or below the poverty line, 2 out of 3 are not being provided with assistance.

Option: Increase CCDF funds over the next five years to double the number of children served, reaching 2 million children by 2002.

3. Establish A Quality Incentive Grant Fund

The year 1999 will mark the tenth anniversary of the education goals established by the President and the Nation's Governors. The first goal was that all children start school ready to learn. Recent research on brain development reaffirms the importance of the early years. Similarly, the NICHD study on Infant Care underscores the importance of quality care to language and cognitive development. Despite these facts, study after study reveals a serious crisis in the quality of care across the country.

At the Early Childhood Development Conference held at the White House last month, President Clinton pointed to the military child care program as a model for the rest of the country. Of particular note was the focus on establishing family child care networks, accreditation, and training tied to compensation.

Option: Provide grants to states (with match from the private sector) to improve child care for young children based on the military model, including support for accreditation.

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4. Launch an Infant Toddler Family Child Care Initiative

As the number of infants and toddlers in care increases, many families are turning to small family child care homes to provide a more home-like setting for their children. One of the most effective strategies to improve the quality of these settings is the establishment of networks of support and training specifically designed for family child care providers. Examples of such networks have been developed through the Child Care and Adult Food program or through the Child Care and Development Fund in the states.

Option: Provide additional funds through CCDF or other funding mechanisms to encourage communities to establish and support family child care networks.

5. Establish a Scholarship Program for Child Care Staff

Over the past two decades research has documented the importance of early childhood staff to the quality of child care services. Yet child care providers receive inadequate wages and there are limited training resources to recruit and retain staff. When scholarships are provided, with linkages to better compensation, the quality of care improves (the TEACH scholarship program in North Carolina).

Option: Explore ways to provide both loan forgiveness and scholarship funds for child care staff, perhaps as part of the Higher Education Act or through a special Child Care Corp.

6. Double the number of school age children who have access to quality child care

Each day, millions of school age children across the country go home to an empty house after school. The vast majority of mothers with school age children are now in the labor market. Despite this fact, most schools still close at 3:00 PM and remain closed for the summer months. While the number of school age programs has grown over the last decade, there are still dramatically few school age programs for low-income working families, particularly for children 10-13. Despite the poor access to quality programs, recent research has documented the positive effects that school age programs can have on academic achievement of low-income children.

Option: Develop an initiative jointly across the Departments of HHS and Education, to provide incentive funding to stimulate community-wide school-age child care initiatives, including involvement of both schools and community based organizations.

DRAFT

There are several models that could be included in a menu of approaches communities could use to address school age issues including: keeping schools open through Title I school-wide projects, establishing 21st Century Schools with extended day components, or more comprehensive strategies such as the MOST model. The MOST initiative (Making the Most out of School Time) is an effort funded by DeWitt Wallace-Readers Digest Fund to improve and expand the supply of child care in three cities.

Child Care Policy Issue Categories

Quality Issues

- Quality Incentive Grant Fund
- Funds Targeted to Establishing and Supporting Family Child Care Networks
- Exploring Regulatory Options
- Enhancing Professional Training Through Scholarship Programs/Loan Forgiveness for Child Care Professionals
- Exploring Other Career Development/Licensing Options

Subsidy/Tax Issues

- Expanding/Making Refundable the Dependent Care Tax Credit (DCTC)
- Expanding the Child Care Development Fund (CCDF)

School-Age Care

- Expanding School-Age Care Opportunities

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TBD (SBA)

TBD (Commerce)

7/30/97

Mrs. Helmer / Hamburg / Phillips

Need regulations
adeq regulati-

financial incentives
regulatory changes - health/safety
partnerships

create mechanisms to make parents be consumers -
Consumer Reports thing?

need to set standards - level of approval -
what constitutes quality -
if there's gap betw reality +
that - and there's outrage -
why not.

What to look for/and how to look for it.

Quality - not nec. a % of # - may be that hi-quality
isn't more expensive than "acceptable" care.

France - much larger groups of children - but ok,
because ~~parents~~ workers are trained.

"Have to be incentives for these women -> [now subsidizing parents who stay home]
those who stay home"

Paid parental leave

Phillips - consumer piece has to be combined w/ improve-
ments in syst.

1. Family leave - "Whole Balance" Commission.
2. Hired by health by - analyze how it can help in cc -
e.g. scholarships for cc whrs
3. Prio inv. in quality per se (25% set aside for quality) ^{in Head Start} Do

Fed req?

not fed day care kids

same thing, sort of.

we create incentives for states:

w/ a menu: direct quality improvements

qual improvement prog - have states submit plans
one rec piece - deal w/ turnover + compensation issue.

Networking - need to make home-based providers w/ obs

if not set aside, this would be rolled up in subsidies.

?? ↑ reimb. rates for trained providers - in subsidy programs.
HRC - we should call for licensing at st level.

Home Care for issue is limit - turnover / training / compensation -

Compliance / enforcement of reqs.

let gov't should track status of st reqs -
including enforcement -

See US News article

at this to consumers

Fed req role?

e.g. mortality / morbidity - can't get block grant
unless you report statistics.

??

Licensing v licensure

(Toad)

⇒ HRC - Pub opinion research - Priny in Penn

"p. the care of kids have to meet certain reqs"

HRC - create tiers - a kind of progressive
minimum standards
then a bit more
then more } incentives comes
you to up.

Jim Hunt - something like this.

FL - They've improved school by linking w/ ~~public~~ ^{private} sector.

Phil: Priv sector hasn't stepped up to plate

Pull together ex industry group??

Philips - \$ amt hasn't been raised since 1982 -
raise it + index.

Refundability.

Play w/ slide? Now 20 → 20 70

Right now - not capped.

Co-pair of refund can be credited to a quality
pool.

Schools hits - Key is using school buildings.

Problem - school lots + union Ks

Research - shows that inner city hits w/
after school prog - better school performance.

Link to educative issue.

↳ Complaint abt D/Ed - resistance
to anything after 3:00 pm

Alh MC

2) School bdy people - NEA/AFT

Worst pub - inner city

hardest to do - teachers live outside the area, etc.

How does ~~DOT~~ piece fit?
after school → prevention → ↓ in crime

HPC
ok book

0-3 scenarios -

good teaching tools.

do something to introduce conf?

} visually portray what
we mean by reality



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July 30, 1997

Ms. Jennifer Klein
Special Assistant to the President
For Domestic Policy
2nd Floor, West Wing
The White House
Washington, DC 20502

Dear Jennifer:

As a participant in the discussion surrounding the upcoming White House Conference on Childcare, I am writing to follow-up on those conversations. I have just been informed that the Conference is scheduled for October 23 and would like to, again, propose that the discussion and the topics covered be reflective of the diversity of all American workers. While there have been many advances in the arena of work/life and childcare, there are few models, if any, that are as solution-oriented and economically viable for a service industry workforce as Marriott's Associate Resource Line. I have recommended this program to two cabinet members (Secretary Shalala and Secretary Herman) as a national model and continue to be convinced of its significance in that regard.

Lower income families need comprehensive support. To address childcare independently has not proven to be effective. The Associate Resource Line is a hybrid program Marriott developed to meet the childcare and family needs of all segments of our workforce - from entry level hourly workers to executive management. It provides case management support for our working families through Master-level social workers and is delivered in 8 languages. We have nationwide utilization of over 8% annually. Most importantly however, this is an economically viable model for which we, as a corporation, conservatively estimate a 4:1 return on our investment. For every \$1 we invest in the service, we estimate cost avoidance of \$4 based on reduction in turnover, absenteeism and tardiness.

I respectfully request you consider including the Associate Resource Line as a presentation topic for the White House Childcare Conference. I know of no other program that meets the needs of the multi-cultural and economic station of so much of today's workforce.

Sincerely,

Donna M. Klein
Director
Work/Life Programs

DMK/eah

CC: Elena Kagan
Joan Lombardi



Cynthia A. Rice

07/26/97 07:17:57 PM

Record Type: Record

To: tgraff @ os.dhhs.gov @ INET @ LNGTWY

cc: See the distribution list at the bottom of this message

Subject: We'll need a Q&A on Child Care Quality--U.S. News Cover Story

Late Saturday, U.S. News faxed me an advance proof of their cover story to be released Monday. The headline of their press release gives you a sense of the tone:

"Deaths in U.S. Child-Care Facilities are More Prevalent Than Some Parents Realize. Licensing and Regulation Offer Little Assurance, U.S. News Cover Story Reports. Welfare to Work Efforts Likely to Put More Pressure on the Nation's Already Burdened Day-Care System."

I've faxed copies to Toby Graff and Jennifer Klein and given one to Diana Fortuna. Would the three of you work on a HHS/DPC Q&A? (As some of you know, I leaving early Sunday morning for grandmother's funeral in Kentucky and won't be back until Tuesday.) Thanks a bunch.

The President's speech for Monday to the National Governors Association says:

Child care is a critical support for families moving from welfare to work and low income families trying desperately to make ends meet. Parents need child care so they can work without worrying and children need quality child care so they can learn and grow. We simply cannot expect parents to go to work if they have nowhere to send their children during the day. We would not think of imposing that dilemma on our families -- and we should not do that to families struggling to make the move to independence. That is why I made sure the welfare reform bill added \$4 billion more in child care assistance. Now, you must do your part.

I am pleased to report that efforts to expand child care are widespread. Because of the additional \$4 billion we secured in the welfare law, states are now receiving more federal dollars. About half the states are increasing their spending beyond what is needed to receive all of their new federal funds. Some states, including Florida and Wisconsin are adding quite a bit more. And some states are creating seamless child care systems which provide subsidies for all workers below a certain income, whether they have been on welfare or not. That is a model that should be followed throughout the country. So, I challenge every state to make a significant investment in child care.

The First Lady and I are convinced that the availability of quality, affordable child care for all who need it, is the next great frontier we have to cross to truly enable American families to reconcile the demands of work and home. That is why on October 23rd, we will convene the first-ever White House Conference on Child Care to discuss the strengths and weaknesses of the present system so we can find ways to achieve our goal.

Message Copied To:

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Family - child care

Q & A on U.S. News article on child care fatalities

Q. U.S. News & World Report reported today that child care facilities are more dangerous than commonly known, with children dying in the trust of poorly regulated and monitored child care programs. With the new requirements to move more welfare recipients into work, there will be more pressure to expand the number of child care programs further risking quality. How do you respond?

A. The President and First Lady believe that there is no greater tragedy than the avoidable death or injury of a child. The Administration agrees that health and safety training and protections in child care are critically important. Infants and toddlers are most at-risk for abuse and accidental injuries since they cannot sufficiently communicate their problems to adults.

The federal government provides funding to the states to provide child care services to low income and working families, but it is the states that regulate and oversee the operation of child care programs. Though the responsibility of ensuring safe and healthy child care facilities for children rests with the states, the Administration has pledged to work with them to improve the quality of child care to prevent other tragedies.

The Clinton Administration believes in providing parents with quality choices in child care. That's why we fought so vigorously for and secured in the new Child Care and Development Fund a requirement for States to set basic health and safety standards for providers caring for subsidized children. The standards are designed to ensure spaces are protected against infectious diseases, that building and physical premises are safe, and that staff receive appropriate minimum health and safety training.

We also insisted that a set-aside of federal child care funds be used by States to improve the quality of child care services in their states. States have typically used these funds to provide consumer education, child care provider training, and/or grants and loans to providers to meet health and safety standards.

Child care is critical for welfare families to move into work and for working families to maintain self-sufficiency. There is nearly \$4 billion more in federal child care funds under the new welfare law. These new funds afford an opportunity to help families achieve and sustain self-sufficiency and to build a quality child care system for parents.

Other information:

- Secretary Shalala launched a public education campaign recently on Sudden

Infant Death Syndrome (SIDS). The campaign emphasizes that parents and child caretakers ensure that children sleep on their backs. In the U.S. News article that Jeremy Fiedelholz, the 3 month old infant apparently was put to sleep on his stomach and later found dead. The simple act of placing a child on his or her back can prevent unnecessary loss of life.

- The President plans to engage in an honest discussion about the strengths and weaknesses of child care in America, as he convenes the first-ever White House Conference on Child Care this fall. The Conference will explore ways to strengthen our child care delivery system so we do better by the increasing numbers of working families who need and rely on child care.
- In addition to the health and safety requirements and opportunities for quality improvement provided by law, the Clinton Administration/Secretary Shalala launched a Healthy Child Care initiative to encourage partnerships between child care and health in States and communities to promote health and safety in child care. A specific Blueprint for Healthy Child Care has been distributed around the country to guide communities to secure healthy environments in child care, increase the health education available to parents, improve the training of child care providers in health and safety, recruit health professionals to work in child care programs and better coordinate and develop services that focus on the health and safety of children in child care. As part of the Healthy Child Care initiative, the Department of Health and Human Services has provided 46 States with grants to develop health systems in child care.
- The Department has prepared a new publication, "Stepping Stones to Using Caring for Our Children", that identifies child care standards most needed for the prevention of injury to children in child care settings. This publication will provide state health, child care, license and regulatory agencies with a valuable tool to use in their efforts to write policies and regulations which promote and protect the health and safety of young children in child care programs. The publication will be available for dissemination next month. We encourage all states to adopt these standards. The publication can be obtained by calling 1-800-598-KIDS.
- Also, the Department funds resource and referral centers in the states to guide parents in making quality choices in child care. In addition, the Department has recently initiated a partnership with the American Academy of Pediatrics to facilitate and encourage pediatricians' involvement in child care programs within States and communities across the country.

Welfare Reform Daily Report - July 11, 1997 (PAGE 4)

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States News Briefs -- July 11, 1997 Friday

Family-child care

NEW YORK : Disabled Fight Workfare

(ALBANY) -- Advocates for the disabled are urging Governor George Pataki not to force those who get welfare benefits into workfare. They cite one case where a 50-year-old New York City woman was forced to work for her benefits... after she'd had two heart attacks and her doctor advised against it. The woman had a heart attack on the job and died.

CALIFORNIA: State Remains Budget-Less

(SACRAMENTO) -- California goes into its second weekend without a state budget and there's NO indication when the stalemate will come to an end. This is day number eleven with no state budget. This afternoon, the so-called Big Five, the governor and the four legislative leaders have scheduled another meeting over the overdue budget. But NO major breakthrough is expected in the main stumbling block to a new budget, welfare reform.

WISCONSIN : Worry Over Welfare Reform

(MADISON) -- Governor Tommy Thompson says he continues to worry about the impact of a stalled budget on the massive welfare reform program... slated to start in two months. The budget process has been held up by Democrats in the state Senate who can't agree on a plan to debate on the floor of the chamber. Thompson says the W-2 welfare reform program will be the first to feel the pinch if a budget isn't passed soon. Agencies received contracts for the new program last week... but those contracts can't be signed until a budget is passed.

FLORIDA : Post-Welfare Job Scene Chancy

(TAMPA) -- Welfare recipients dumped into the workforce by reform laws are facing an uncertain future in the Florida labor market. According to a new poll of chief executive officers... only 20-percent have hired former welfare clients and fewer than 40-percent plan to. Twenty-one percent of 300 C-E-O's polled by The Executive Committee of Florida say welfare applicants they have turned away do NOT qualify for open jobs. Twelve-percent had no jobs to offer... but 66-percent say they received no applications. The survey also finds that company executives are by and large unmotivated by incentives the state offers to companies that hire from welfare rolls.

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THE ORLANDO SENTINEL - July 11, 1997 Friday, METRO

**CHILD-CARE PROVIDERS WON'T LOSE INSURANCE;
TOP STATE LEADERS ARE APPLYING PRESSURE TO PREVENT A HOME DAY-CARE CRISIS FOR LOW-
INCOME PARENTS.**

BYLINE: By Jeff Kuerth of The Sentinel Staff

Under pressure from top state officials, the state-owned insurance company backed off plans Thursday to deny homeowners policies in Florida to people providing day care in their homes.

The action is the first step in solving a crisis in day care for thousands of welfare and other low-income children in Florida.

Home-based child care is the state's main solution for welfare moms who are being pushed into the work force. Without such child care, these moms would have few day care alternatives and Florida's massive welfare reform effort would be stymied.

Senate President Toni Jennings, Gov. Lawton Chiles and Insurance Commissioner Bill Nelson became alarmed when they learned in The Orlando Sentinel Sunday that insurance companies - including the state's own underwriters - would not provide coverage to people providing day care in their homes.

Nelson told the state's insurance company, known as the Joint Underwriting Association, to come up with a solution.

Tom, Mary -
Is this a general problem?
Or is it something peculiar
to Florida? Elena

Please contact Dana Colarulli if you would like to receive the WR Daily Report by e-mail or if you have questions about articles found in this publication. (dcolarulli@acf.dhhs.gov (e-mail) or 202-401-6951 (voice)).

Welfare Reform Daily Report - July 11, 1997 (PAGE 5)

Although the association's action Thursday is only a stop-gap measure, it does buy time while state lawmakers, welfare officials, child-care providers and the insurance industry devise a way to protect people providing child care in their homes.

The JUA's underwriting committee voted Thursday to delay for up to 60 days a rule that would reject homeowners insurance to people being paid to care for more than three children in their homes. The new policy was supposed to go into effect this Tuesday.

Committee members said they needed more time to solve a problem they didn't know existed until the Sentinel reported insurance companies were canceling homeowners policies at the same time the state was trying to increase the number of family child-care homes.

"This is an issue that has risen in seven days," said JUA Executive Director Jay Newman. "Seven days ago, I didn't know what a family child-care center was."

State law allows family child-care homes to have as many as 10 children. But Florida's top 20 insurance companies restrict family day care to three children in their policies, Newman said.

Those restrictions seriously jeopardize Florida's welfare-reform efforts to solve a shortage of infant, evening and weekend care. Thousands of poor children will be without affordable day care if the state can't expand the number of neighborhood-based child-care homes, said Larry Pintacuda, chief of child-care services for the Florida Department of Children and Families.

"We are making a major effort to recruit 1,000 new family child-care providers, and 1,000 every year for the next four years to try and keep up with welfare reform," Pintacuda told the committee.

Mary Tingiris, president of the Florida Family Child Care Home Association, estimated that as many as 75 percent of her 1,000 members had homeowners policies with the JUA that were jeopardized by the three-child limit.

The JUA, which provides "last-resort" insurance to 600,000 Florida property owners, is being pressed by Nelson's office to find a way to provide coverage to family child-care homes.

At the same time, the state's major insurance companies are being urged by Jennings, R-Orlando, to reconcile their three-child policy limits with state standards for in-home child care. Jennings was instrumental in the passage of welfare reform last year.

"We have been asked by the Senate Banking and Insurance Committee to determine what coverage is offered out there, where there's a gap, and determine what to do to fill in the gaps," said Sam Miller of the Florida Insurance Council.

Chiles is also pushing the insurance companies to provide homeowners insurance to family child-care homes.

One solution discussed by the JUA committee would be to issue policies only to registered and licensed family child-care homes that have separate liability insurance policies. There are about 7,600 licensed and registered family child-care homes in Florida, Pintacuda said, but state law does not require them to carry liability insurance.

Committee members expressed concern that even with separate liability policies, the JUA could be included in liability lawsuits. The JUA is being sued by parents who are accusing a child-care provider of shaking their baby so badly that the child became brain-damaged, said Ron Bartlett, JUA spokesman.

Pintacuda said he hoped the Legislature would pass a law that would solve the problem during a planned special session later this year. Minnesota passed a law last year that protected both the homeowners insurance companies and the family child-care providers from lawsuits.

F I F T H A N N U A L S U R V E Y

CHILD CARE HOW DOES YOUR STATE RATE

by Betty Holcomb
with Catherine Cartwright, Shaun Dreisbach
and Anne L. Fritz

Child care became a new priority for nearly every state this year, with more initiatives than ever before.

Some were bold and breathtakingly innovative. Rhode Island, for example, began to offer health benefits to many family child care providers, in a creative effort to attract more caregivers to the field. One of the key requirements is that caregivers meet licensing standards. This approach is a practical way to meet the needs of both children and child care workers.

In Colorado, child care advocates invented a new source of money for child care—a checkoff on state income-tax forms. When state residents check this box on their income-tax form, part of their tax money is automatically routed to the new Quality Child Care Improvement Fund.

Georgia continues to enhance its impressive prekindergarten program, which is funded through the state's lottery. Last year, Georgia offered care to 62,000 preschoolers—a remarkable achievement. This year, state officials set up an Office of School Readiness, an indication of Georgia's continuing commitment to early education.

Other states made large investments in child care, allocating millions of dollars to help families who had been on waiting lists for subsidized care. Most notably, Washington's Governor Gary Locke proposed a \$100 million increase for child care, and Florida's Governor Lawton Chiles lobbied for \$49 million in new funds and transferred \$89 million in existing budgets to create more child care. This means that tens of thousands of children will now have access to care that their parents could not otherwise afford.

Caregiver training and pay also got attention this year in the majority of the states. From Maine to Oregon, state officials launched new initiatives to see that caregivers receive more training on child development and safety. North Carolina continues to be a leader on this front, with its Teacher Education and Compensation Helps (T.E.A.C.H.) program. Caregivers who complete this training are rewarded with higher pay from the state—which helps keep better-trained caregivers in the field. Happily, the T.E.A.C.H. program is now being replicated in five other states (Colorado, Florida, Georgia, Illinois and New York).

Most of this activity was prompted by the welfare reform package that

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Congress passed last year and President Clinton signed into law. While the new law is specifically aimed at moving women off welfare to work, it contained broad new provisions for child care—\$4 billion in federal funds and new authority for the states to decide how such funds are spent. For the next two years, that means many states are actually getting more child care money than they used to. Because of this funding boost, many states have become more active—creating new programs and improving old ones, as you'll read in the pages of this report.

Many child care advocates sound a cautionary note, however. The nation's supply of child care is still woefully inadequate and quality is lacking in far too many programs. As many WORKING MOTHER readers know from personal experience, there is not even an organized way to find licensed, high-quality child care in most communities across our nation.

In the coming years, the demand for child care will increase—and there will be growing pressure on the states

to trade off quality to expand the quantity of child care. In plain English, that means some people will be willing to sacrifice children's safety and development in the name of supplying more care. Already, there is evidence of such pressure. Wisconsin, for example, created a new class of "provisional" caregivers who do not have to meet training requirements. These caregivers will be paid half as much as those who do have training. The idea is that the state's money will go twice as far and serve twice as many children. Connecticut has also cut some of its funds for inspections, a move that is an additional cause for concern.

While it is true that such measures may save money, you may find your own child's care compromised. It's possible, for example, that your child's center won't be as safe if it is not regularly inspected. You may see a change in the qualifications of your child's caregivers. Without mandated training, they may not be prepared to create activities that challenge and stimulate your child to encourage emotional and

intellectual development. You might even find college-educated caregivers replaced by girls just out of high school. These young women may have the best of intentions, but may be too immature to tolerate the demands of caring for young kids. To make sure these changes don't happen in your state, contact your governor and state legislators and let them know how important caregiver training and health and safety regulations are to you.

While the future holds some questions, the good news is that for this year, at least, our report reveals improvements in nearly every state. Our panel of experts helped to identify the most important changes across the nation and create an updated picture of child care. This careful and thorough investigation of how each state meets its responsibility in caring for kids is simply not available anywhere else: It is a report that readers, advocates and state officials can use to compare their states with others, and work to further improve programs and services for our nation's children.

KEY TO THE RATINGS

A Number of children under 6 reports the total number of children under the age of six in each state. These figures were provided by Columbia University's National Center for Children in Poverty.

⊕ Number of accredited centers indicates how many child care centers in the state are accredited by the National Association for the Education of Young Children (NAEYC), the nation's preeminent organization of early-childhood educators. To gain accreditation, a center must be inspected and meet a wide range of standards, including teacher training, adult supervision and a curriculum that encourages children's development. An accredited program is especially valuable in a state with poor standards for adult supervision and caregiver training—parents can rest easier knowing such a center meets NAEYC standards.

⊕ Number of accredited family child care homes indicates how many family child care providers in the state meet standards set by the National Association for Family Child Care, the leading organization for family child care providers. Many states exempt family child care providers from all licensing requirements, including basic health and safety measures, even when they are caring for four or five children besides their own. Accredited caregivers must pass muster in measures of safety and health, be rated as respectful and responsive to children and offer appropriate activities.

★ QUALITY: To evaluate each state, we looked at three key factors identified by researchers as crucial measures of quality:

- **Number of children one adult can care for:** Kids need plenty of attention and supervision to thrive emotionally and to stay out of danger. We used the standards set by NAEYC for child care centers as our ideal for younger children: 3 to 4 infants • 4 to 6 toddlers • 7 to 10 preschoolers. We used recommendations from the National School-Age Care Alliance (NSACA) for school-agers: 8 to 10 children under 6 • 10 to 15 children 6 and older.

- **Group size:** Studies show that children do best in smaller groups, with less noise and chaos. States that meet the group limits set by NAEYC and NSACA are noted as having "Good standards." Those that set some limits are noted as having "Mediocre" to "Poor" standards. States that set no limit at all have "No standards."

- **Caregiver training** is one of the most important indicators of quality, according to the latest research. Child care workers who are familiar with the

stages of child development prove far more responsive than those who are unaware of such information. Wheelock College, one of the nation's leading institutions of early education, provided us with a state-by-state analysis of how much education caregivers are required to have. We report the training as either "hours" or "college credits." In practical terms, three college credits (the equivalent of one college course) works out to about 45 hours of training. We also note which states require center directors to have some management training; a director with good business and employee-management skills can improve the quality of a child care center by creating a stable, upbeat environment for children, staff and parents. We also recognize the special efforts states make to encourage training, such as scholarships or other funding for training.

No state could receive the highest rating in this category without meeting NAEYC standards for adult-to-child ratios and group size, and requiring at least some workers in child care centers to have some college credits in childhood development.

⊕ SAFETY: A number of key factors help keep kids safe:

- **Adult supervision:** Limiting the number of children an adult can care for (see "Quality" section) also helps to limit injuries in child care. A "Good" rating means the state licensing standards meet or are very close to NAEYC standards; "Mediocre" means that the state's standards allow for only modest supervision; "Poor" means it would be hard for any caregiver to assure a child's safety if she takes in the maximum number of kids the state allows.

- **Size at which family child care is regulated:** The number here indicates how many children a caregiver may take into a private home before she is required to be registered or licensed and therefore meet basic health and safety rules. A plus sign (+) indicates she may take in additional children, under some circumstances. She may, for example, not have to count her own children or other children related to her, such as nieces or nephews.

- **Immunizations:** Starting in 1995, both the Centers for Disease Control (CDC) and the American Academy of Pediatrics recommend that all children attending an out-of-home program have a full battery of immunizations, including protection against hepatitis B (HepB) and meningitis (HIB). Still, only about half the states have this requirement. Two plus signs (++) indicate the state requires all recommended shots prior to entry; one plus sign (+) means the state requires all recommended shots within 30 days; a minus sign (-) means not all

★
Quality

⊕
Safety

😊
Availability

♥
Commitment

Ranking in each category goes from one to five

HOW DOES YOUR STATE RATE

shots are required. We also report when a state allows more than 30 days for proof of vaccinations.

• **Playground surfaces** are important because falls onto hard surfaces are the leading cause of the most severe injuries in child care. States get a plus (+) when they require a surface on outdoor play areas that helps to prevent injuries. States that don't require such surfaces get a minus (-).

• **Hand-washing:** Studies show that the spread of illnesses in child care can be prevented if caregivers wash their hands before preparing food and after diaper changes, toileting and wiping children's noses. States were rated "Good" if they require hand-washing at all key times; "Fair" if they leave out nose wiping or if they don't specify exact times; and "Poor" if they don't require hand-washing before preparing food or after toileting or diapering.

• **Healthy Child Care America:** A plus (+) indicates that the state runs a program funded by the U.S. Department of Health and Human Services to link child care to local health care professionals. Programs vary from state to state, to meet the needs of both kids and child care providers. In some cases, the program may strive to see that all kids get their shots before enrolling in child care; in others, it may set up a registry of health professionals willing to provide advice to caregivers about kids' health needs.

• **Inspections:** This entry explains how frequently states inspect child care providers and whether caregivers have advance warning of those inspections. The best system is, of course, one in which inspectors arrive unannounced—and see how a caregiver operates when no other adults are around.

To get the highest rating in this category, a state had to have "Good" adult supervision, require that family child care providers meet health and safety standards once they care for three children, have unannounced inspections, and rate highly on standards for immunizations, playground surfaces and hand-washing.

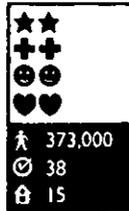
• **AVAILABILITY:** In this section we note special efforts states make to create more child care. We focused on the growing number of pre-K and school-age initiatives. We also note the truly ambitious efforts, such as Smart Start in North Carolina, which aims to provide high-quality care to every one of its children.

• **State Investment:** This figure shows the amount the state spends on child care out of every \$100 collected in state tax revenues. This information was supplied by the Children's Defense Fund. To get the highest rating in this category, a state had to have a major initiative in place to expand its supply of child care.

• **Resource & Referrals (R&Rs):** Child care resource & referral agencies often play a key role in making child care available to residents. All track the supply of child care in their local communities and refer parents to openings. Some also provide counseling on how to evaluate that care. The National Association of Child Care Resource and Referral Agencies has provided us with information about whether there is a statewide network of R&Rs. A plus (+) indicates the network has funding and staff; a minus (-) indicates the network operates without government funding or a staff.

• **COMMITMENT:** Here, we look at whether state officials make child care a high priority. We are especially interested in the actions of the governor and state lawmakers, who have the power to both make policy and set aside money to improve and expand child care.

ALABAMA

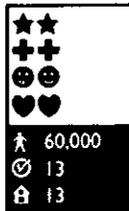


★ Number of children one adult can care for: 6 infants • 8 toddlers • 12 preschoolers • 22 (6&7), 25 (8&9) school-agers. Group size: Good standards, except for school-age care. Caregiver training: Center directors: 20 hours in administration and management of child care centers to start; 8 hours annually. Center staff: None to start; 4 hours annually. Family child care providers: None to start; 4 hours every 2 years. + Adult supervision: Poor. Size at which family child care is regulated: 1+ children. Immunizations: - (no HepB). Playground surfaces: -. Hand-washing: Poor. Healthy Child Care America: +. Inspections: All licensed programs have unannounced inspections every 2 years. ☹ This state still has no broad initiatives to increase the supply of child care. State investment: 18¢ for every \$100. R&Rs: Statewide network (-). ♥ Alabama remains a state with a low commitment to child care.

As we went to press, state lawmakers were considering a proposal to improve the state's very low standards. If it passes, it will improve adult-to-child ratios in child care centers and boost training requirements for family child care providers.

Meanwhile, there was good news in the private sector. Seventeen companies in Lee county banded together to help expand the supply of child care in their community. And the city of Birmingham collaborated with 18 employers there to build and run a new child care center.

ALASKA



★ Number of children one adult can care for: 5 infants • 6 toddlers • 10 preschoolers • 20 school-agers. Group size: No standards. Caregiver training: Center directors: 12 college credits to start; 15 hours annually. Center staff: None to start; 15 hours annually. Family child care providers: None to start; 9 hours annually. + Adult supervision: Mediocre. Size at which family child care is regulated: 5+ children. Immunizations: - (no HepB). Playground surfaces: +. Hand-washing: Good. Healthy Child Care America: +. Inspections: All licensed programs have announced inspections every other year. ☹ The Alaska Children's Trust will make modest investments in child care. State investment: \$1.70 for every \$100. R&Rs: Information on network not available. ♥ A new program to encourage caregiver training is high on the agenda of Governor Tony Knowles.

Alaska is working to create an ambitious statewide education and training program for caregivers. Details aren't final, but the new initiative sounds promising. "This seems particularly noteworthy in a state such as Alaska, where the next town over is often an airplane ride away," says Claudia Shanley, formerly of the Department of Community and Regional Affairs. "Because of this isolation and lack of access to training, it's much more difficult for caregivers to find the programs they need." Child care will also get a modest boost from the Children's Trust, a fund created by the state which will award \$250,000 in grants to many children's projects.

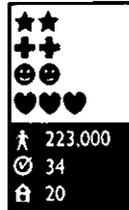
ARIZONA



★ Number of children one adult can care for: 5 infants • 8 toddlers • 13 preschoolers • 20 school-agers. Group size: No standards. Caregiver training: Center directors: 90 hours to start; none annually. Center staff: None to start; 12 hours annually. Family child care providers: None. + Adult supervision: Poor. Size at which family child care is regulated: 5+ children. Immunizations: - (no HepB). Playground surfaces: -. Hand-washing: Fair. Healthy Child Care America: +. Inspections: Centers have unannounced inspections once a year; family child care homes have unannounced inspections twice a year. ☹ The state's pre-K program serves 4,200 children. State investment: 32¢ for every \$100. R&Rs: No statewide network. ♥ Lawmakers repeatedly fail to fund initiatives that could improve quality and safety.

Arizona has lively advocates who have produced wonderful studies showing how kids benefit from high-quality child care. And these advocates have made some progress. This year, for example, they convinced reluctant lawmakers to pass a bill that requires all school-age programs to be licensed. Yet the legislature still refused to fund additional inspectors to oversee these programs. Without funds for new staff, the average inspector's job caseload jumps by a third—giving them each more than 100 programs to visit.

ARKANSAS



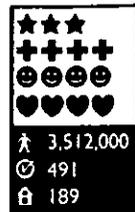
★ Number of children one adult can care for: 6 infants • 12 toddlers • 12 preschoolers • 20 school-agers. Group size: No standards. Caregiver training: Center directors: None to start; 10 hours annually. Center staff: None to start; 10 hours annually. Family child care providers: None to start; 6 hours annually. + Adult supervision: Poor. Size at which family child care is regulated: 6+ children. Immunizations: +. Playground surfaces: Centers: +. Family child care homes: -. Hand-washing: Centers: Fair. Family child care homes: Poor. Healthy Child Care America: +. Inspections: All licensed programs have inspections 4 times a year (at least 3 unannounced). ☹ This state continues to fund pre-K for thousands of children, but has no other broad initiatives to expand child care. State investment: 35¢ for every \$100. R&Rs: No statewide network. ♥ This state still lags behind others on many measures, but state officials have worked hard to improve quality in the past year.

Arkansas made some encouraging progress in helping centers get accredited and getting caregivers to seek more education. With state aid and technical assistance, the number of state-accredited centers grew tenfold in the past year and a half, from 27 to 270. (The state's accreditation standards are not quite as demanding as NAEYC's, but this is still an initiative that boosts quality.) Parents who use accredited centers can double the state tax credit they take for child care. The state also used \$400,000 in federal funds to award scholarships to 300 caregivers who wanted to work toward a Child Development Associate degree.

HOW DOES YOUR STATE RATE

State legislators agreed to upgrade adult-to-child ratios in programs for school-age kids, a positive step. There must now be one adult on hand for every 20 kids, instead of 25. State lawmakers also upheld quality in child care by refusing to pass a bill that would have gutted training requirements for caregivers—a smart move, since so many studies show that caregivers do a better job when they have some training. Finally, a bill that requires all kids to have their hepatitis shots before they enter a child care program passed this year.

CALIFORNIA



★ **Number of children one adult can care for:** 4 infants • 12 toddlers • 12 preschoolers • 14 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: 15 college credits to start, including training in management; none annually. **Center staff:** At least 6

college credits to start; 2 credits each semester or quarter until 12 credits have been completed; after that, none annually. **Family child care providers:** None. **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 2+ children. **Immunizations:** ++. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** Centers have unannounced inspections once a year; family child care homes have unannounced inspections every 3 years. ☺ This state continues to support a large pre-K program and to provide care to tens of thousands of children. **State investment:** 95¢ for every \$100. **R&Rs:** Statewide network (+). ♥ California maintains its place as one of the 10 best states for child care, thanks to the pacesetter programs launched in the past.

Throughout Georgia, preschoolers like this little girl benefit from a pre-K program. Funded by the state's lottery, the program provides care and education for 62,000 children.

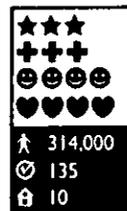


Lawmakers here—on both sides of the aisle—have agreed that the state must kick in more money to help working parents find and pay for child care. To that end, Governor Pete Wilson has proposed a significant expansion of the state's child care budget—an additional \$277 million in state and federal funds. The new money would pay for care for about 90,000 more kids a year, and for preschool for another 13,000. In addition, some \$45 million will be spent on recruiting and training caregivers for infants and toddlers.

To help parents become more informed consumers, California passed a law requiring centers and family child care homes to post information about licensing inspections and complaints.

The state also passed a law that many consider a step backward: It allows family child care providers to care for two more kids, without hiring additional help. This means a family child care provider can now care for up to eight kids, instead of six, without additional help. The new rule also worries child care advocates because it may limit infant care in California: When caregivers take in the two extra older children, they must reduce the number of babies in their care.

COLORADO



★ **Number of children one adult can care for:** 5 infants • 7 toddlers • 10 preschoolers • 15 school-agers. **Group size:** Mediocre standards. **Caregiver training:** Center directors: College degree, or 24 semester hours of early education classes to start, plus 2 years experience; 6 hours annually. **Center staff:** None to start; 6 hours annually. **Family child care providers:** None to start; 12 hours within first 3 months, then 6 hours annually. **Adult supervision:** Mediocre. **Size**

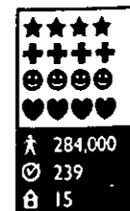
at which family child care is regulated: 2+ children. **Immunizations:** ++. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Centers: Good. **Family child care homes:** -. **Healthy Child Care America:** +. **Inspections:** All licensed programs have unannounced inspections ranging from every month to every 3 years. ☺ Colorado has launched several new initiatives to expand child care, especially for its rural residents. **State investment:** 48¢ for every \$100. **R&Rs:** Statewide network (+). ♥ Colorado continues to be an innovator on child care, with a range of new programs that give child care funding and quality initiatives a boost.

State lawmakers developed a new funding source for child care by allowing taxpayers to check off a box on state tax forms, thereby designating part of their tax dollars for child care. The new system routes the money to the Quality Child Care Improvement Fund, which will disburse the funds to centers to buy new equipment, set up training programs for caregivers or take other steps to boost the quality of their programs. Colorado also reinstated a law giving middle-income families a tax break for child care—which could save parents hundreds of dollars a year.

Governor Roy Romer announced a 12-point plan this year to expand and improve child care across the state. Among the more important aspects of the plan: \$2 million is earmarked to help renovate child care facilities in rural areas and to increase money for child care subsidies. Colorado also overhauled its child care licensing laws to make them more effective. State inspectors will now visit centers that have a history of problems more frequently and inspect those that have achieved accreditation less often. A new law requires all centers to post their latest inspection report so parents can see the results.

Colorado also overhauled its child care licensing laws to make them more effective. State inspectors will now visit centers that have a history of problems more frequently and inspect those that have achieved accreditation less often. A new law requires all centers to post their latest inspection report so parents can see the results.

CONNECTICUT



★ **Number of children one adult can care for:** 4 infants • 4 toddlers • 10 preschoolers • 10 school-agers. **Group size:** Good standards. **Caregiver training:** Center directors: 12 college credits to start, plus 1,080 hours of experience; annual hours of training equal to 1% of hours worked per year. **Master teachers:** 12 college credits to start, plus 1,080 hours of experience; annual hours of training equal to 1% of hours worked per year. **Center staff:** None to start; annual hours of training equal to 1% of hours worked per year. **Family child care providers:** None. **Adult supervision:** Good. **Size at which family child care is regulated:** 1+ children. **Immunizations:** +. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers have unannounced inspections every 2 years; family child care homes have unannounced inspections at least every 3 years. ☺ A broad new pre-K initiative will serve thousands of children. The state also increased funding for child care slots for low-wage working families. **State investment:** 48¢ for every \$100. **R&Rs:** No statewide network. ♥ Governor John Rowland is taking action to expand and improve child care.

Connecticut remains a leader among the states on the child care front. Even with a tight state bud-

HOW DOES YOUR STATE RATE

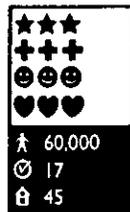
get, the governor and state lawmakers have pledged \$10 million in new funds for early education. This means as many as 2,500 children will now have access to prekindergarten programs in four school districts.

The governor is also committed to establishing many more child care programs across the state by the year 2000. Caregiver training and more pre-K programs are high on the agenda, according to advocate Jude Carroll of the Connecticut Association for Human Services. As we went to press, state lawmakers had just passed a bill to pay a higher rate to caregivers who meet NAEYC training requirements—giving them incentive to meet these higher standards.

In the past year, the state also improved its rules for immunizations—now all kids in child care must have hepatitis shots before they enroll in a program.

Despite these impressive strides, however, the state has taken a step back, drastically cutting funds for inspecting child care facilities. As a result, centers will merely be required to "register" with the state, rather than meet stricter licensing standards, and child care facilities will no longer be inspected on a regular basis, unless they receive a complaint.

DELAWARE



★ **Number of children one adult can care for:** 4 infants • 10 toddlers • 12 preschoolers • 25 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: High school vocational program and 9 credit hours to start, plus 3 years experience; 15 hours annually. **Center staff:** 60 hours to start, plus 1 year of experience; 15 hours annually. **Family child care providers:** 15 hours to start; 12 hours annually. **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 1+ children. **Immunizations:** +. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Good. **Healthy Child Care America:** -. **Inspections:** Centers and 20% of family child care homes have announced inspections at least once a year. ☹ The state eliminated its waiting list for child care and expanded school-age child care programs. **State investment:** 38¢ for every \$100. **R&Rs:** No statewide network. ♥ Delaware maintains its commitment to both expanding and improving child care.

Governor Tom Carper kept his promise to expand child care funding so that all families on the state's waiting list for care would be served. This means that more than 9,000 children now have care.

Delaware's ambitious caregiver training program, called Delaware First, continues to grow. Thousands of caregivers used the program's services last year, taking courses in areas such as early education and child development.

The state has also expanded care for school-age children. Over the past few years, more than 1,000 new slots have opened up across the state. "It's growing slowly, but steadily," says Jan Rheingold of the Family & Workplace Connection, a statewide resource and referral agency. "We realize we still have a long way to go." Child care advocates have been working with the governor to encourage school districts to make their buildings available for more before- and after-school programs—an excellent idea!

DISTRICT OF COLUMBIA

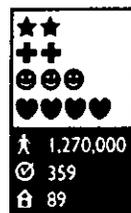


★ **Number of children one adult can care for:** 4 infants • 4 toddlers • 8 preschoolers • 15 school-agers. **Group size:** Mediocre standards. **Caregiver training:** Center directors: At least 2 years college to start; none annually. **Center staff:** 9 college credits, plus 3 years experience; none annually. **Family child care providers:** None. **Adult supervision:** Good. **Size at which family child care is regulated:** 1+ children. **Immunizations:** ++. **Playground surfaces:** +. **Hand-washing:** Good. **Healthy Child Care America:** +. **Inspections:** All licensed programs have 1 to 3 unannounced inspections a year. ☹ The supply of child care here has decreased, due to the district's budget problems. **State investment:** NA. **R&Rs:** No district-wide network. ♥ Child care in the nation's capital is suffering due to the District of Columbia's fiscal woes.

Washington, D.C., has good health, safety and staffing standards in place. But 830 fewer kids under the age of six had access to child care this year because of a \$4 million budget cut over the last two years.

Even with its money problems, Washington, D.C., did manage to give 10 grants last year for school-age care, creating slots for 200 kids in 1996. That, at least, was a help for both working parents and their children. And the District promises that previously cut funding will be restored next year.

FLORIDA



★ **Number of children one adult can care for:** 4 infants • 11 toddlers • 15 preschoolers • 25 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: 30 hours to start; 8 hours annually. **Center staff:** 30 hours to start; 8 hours annually. The state requires that for every 20 children enrolled, at least one teacher have special training in child development. **Family child care providers:** 3 hours within 60 days of registration or licensing; none annually. **Adult supervision:** Poor. **Size at which family child care is regulated:** 2+ children. **Immunizations:** - (no HepB). **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Centers: Fair. **Family child care homes:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers have inspections at least 3 times a year (2 unannounced); family child care homes are not inspected by the state. ☹ This state has taken bold steps to expand child care at all levels. **State investment:** 74¢ for every \$100. **R&Rs:** Statewide network (+). ♥ Governor Lawton Chiles has been an impressive leader in both expanding the supply and boosting the quality of child care in his state.

Florida stands out among the Southern states for its aggressive action to improve and expand child care. As we went to press, the governor had asked state lawmakers for a significant increase in state funds to create new child care slots. Some \$49 mil-

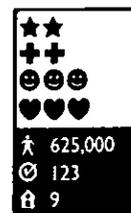
lion would be earmarked for a very important group—16,000 children of low-wage workers.

In the past year, the state also boosted funding for its prekindergarten program by \$4 million, bringing its pre-K spending to \$107 million. This translates into free pre-K for 27,000 kids, about 2,000 more than last year. This program is funded with state lottery money and is available in all of Florida's 67 school districts.

The state has also improved its requirements for playground surfaces in child care settings. As of March 1997, all centers were required to have soft surfaces under playground equipment. This is a vital change, given that injuries from falls are the most common in child care.

Finally, lawmakers approved a new program to recognize quality child care programs. Any facility that attains state or NAEYC accreditation can now post a "Gold Seal" certificate and will be listed in a state database as a "Gold Seal" program—to show it meets high standards of care. So far, about 370 centers have received certificates, and about 800 more are in the pipeline.

GEORGIA



★ **Number of children one adult can care for:** 6 infants • 10 toddlers • 15 preschoolers • 25 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: None to start; 10 hours annually. **Center staff:** 10 hours in the first year; 10 hours annually. **Family child care providers:** None to start; 10 hours annually. **Adult supervision:** Poor. **Size at which family child care is regulated:** 3+ children. **Immunizations:** +. **Playground surfaces:** +. **Hand-washing:** Centers: Fair. **Family child care homes:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers and 10% of family child care homes have unannounced inspections once a year. ☹ The major commitment here is still to pre-K; otherwise this state lags behind others. **State investment:** 65¢ for every \$100. **R&Rs:** Statewide network (+). ♥ The state's commitment to prekindergarten continues to be impressive. However, Georgia still needs to put more effort into other areas, such as caregiver training.

No state does a better job of funding prekindergarten than Georgia, thanks to its lottery, which pays for the program. Last year, the state allocated \$211 million to provide care for about 62,000 children. And now the state has created a formal agency, the Office of School Readiness, to oversee prekindergarten initiatives across the state. Eventually, every four-year-old in Georgia will have free prekindergarten education.

As we went to press, state lawmakers had just begun to consider changes in Georgia's child care licensing laws. Most important, the proposals would impose safety standards on more providers.

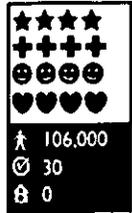
The state also decided to use federal funds to pay for a public awareness campaign on the need for quality child care. State officials are asking communities around the state to identify one person—a local elected official, a parent, a caregiver—who can be a champion for child care in that community. Those designated will be given materials and support to advocate for the expansion and improvement of child care. This sounds like a good model to inspire community activism.



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HOW DOES YOUR STATE RATE

HAWAII



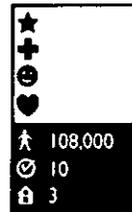
★ **Number of children one adult can care for:** 4 infants • 8 toddlers • 12 preschoolers • 20 school-agers. **Group size:** Good. **Caregiver training:** Center directors: 2 years of college in early-childhood education, plus four years of experience; none annually. Center staff: 2 years of college in early-childhood education, plus experience; none annually. **Family child care providers:** None. **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 3 children. **Immunizations:** - (no HepB). **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Centers: Good. **Healthy Child Care America:** +. **Inspections:** Centers and family child care homes have announced inspections once a year. ☹️ The state funds school-age care in every elementary school. Hawaii is also working on a plan to make child care a universal service for all its residents. **State investment:** 75¢ for every \$100. **R&Rs:** Statewide network (+). ❤️ Hawaii remains a model for other states, with its plan for a universal system of child care.

Hawaii remains steadfastly committed to improving and expanding child care, despite growing budget pressures. The state already funds after-school care in every elementary school, as well as a variety of other initiatives. It is one of the only states to develop a plan to guarantee care for every child who needs it.

To reach that goal, state lawmakers pressed ahead with the Good Beginnings initiative, a partnership with private businesses to expand child care options for working parents. Under the auspices of this program, every island now has community

councils that are charged with assessing local child care needs and meeting them. The state has directed \$300,000 to these councils.

IDAHO



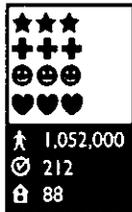
★ **Number of children one adult can care for:** 6 infants • 12 toddlers • 12 preschoolers • 18 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: None to start; 4 hours annually. Center staff: None to start; 4 hours annually. **Family child care providers:** None. **Adult supervision:** Poor. **Size at which family child care is regulated:** 13+ children. **Immunizations:** +. **Playground surfaces:** -. **Hand-washing:** Good. **Healthy Child Care America:** +. **Inspections:** All licensed programs have announced inspections every 2 years. ☹️ This state has no broad initiatives to increase the supply of child care. **State investment:** 14¢ for every \$100. **R&Rs:** Statewide network (-). ❤️ Idaho deserves recognition for finally passing a law to improve infant care. However, this state still stands out as one of the worst in the nation.

The big news from Idaho is that state lawmakers voted to give infants a little more protection in child care. In the past, it was perfectly legal for one adult in Idaho to care for as many as 12 infants at a time—an impossible task. Last winter, the legislature cut that number in half. That's still too many babies for one adult to handle, as any parent knows! It's also unsafe. Fire-safety experts, for example, recommend a ratio of one adult to three children, because it's hard for one adult to carry more than two or three infants out of a building in an emergency.

Idaho is eligible for \$1 million in federal child care funds—but advocates are concerned the state won't ante up enough of its own money, which it must do in order to get these federal funds.

One bright spot: Employers have contributed \$500,000 to a fund for caregiver training, a program administered by a state advisory group.

ILLINOIS



★ **Number of children one adult can care for:** 4 infants • 8 toddlers • 10 preschoolers • 20 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: 10 to 18 college credits, plus some experience; none annually. Center staff: 6 college credits; 15 hours annually. **Family child care providers:** None. **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 4 children. **Immunizations:** ++. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Good. **Healthy Child Care America:** +. **Inspections:** All licensed programs have unannounced inspections once a year. ☹️ Illinois spends \$112 million on pre-K programs. The state has also created new subsidies for working parents. **State investment:** 97¢ for every \$100. **R&Rs:** Statewide network (-). ❤️ Illinois continues to be more dedicated to child care than many of its neighbors.

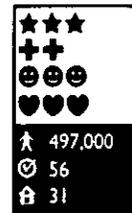
Illinois has made a serious commitment to early

education, funding prekindergarten programs to the tune of \$112 million, almost a 10 percent increase over last year. Some 3,500 more kids now attend pre-K. State officials approved another \$40 million in child care subsidies, which will enable many moms with lower-paying jobs to stay in the work force. As we went to press, the state was also considering a proposal that would make workers earning 40 to 60 percent of the median income in the state eligible for new child care subsidies.

Illinois has also launched a new caregiver training program, modeled after the Teacher Education and Compensation Helps program (T.E.A.C.H.) in North Carolina. Under this initiative, caregivers can apply for scholarships to take courses in early education. Once they have completed the coursework, they are eligible for raises or bonuses.

There's still plenty of room for improvement in the child care picture in Illinois, as in other states, however. An important bill called "Start Early" which would have expanded the funding for prekindergarten programs, only made it as far as the House. This is the third year in a row lawmakers have failed to approve this initiative. This money would have gone toward, among other things, expanding pre-K from a half-day to a full-day program.

INDIANA



★ **Number of children one adult can care for:** 4 infants • 5 toddlers • 10 preschoolers • 20 school-agers. **Group size:** Good standards for infants and toddlers; no standards for preschoolers and school-agers. **Caregiver training:** Center directors: BA with 15 hours in early-childhood or related field; 12 hours annually. Center staff: None to start; 12 hours annually. **Family child care providers:** None. **Adult supervision:** Good. **Size at which family child care is regulated:** 6+ children. **Immunizations:** - (no HepB). **Playground surfaces:** -. **Hand-washing:** Centers: Good. **Family child care homes:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers have inspections 3 times a year (most are unannounced). Family child care homes have inspections once a year (most are unannounced). ☹️ Indiana law requires every school district to offer school-age care. Former governor Evan Bayh's "Step Ahead" initiative continues to expand the supply of child care. **State investment:** 19¢ for every \$100. **R&Rs:** Statewide network (+). ❤️ Indiana continued to break new ground on child care financing. But the state failed to move ahead with several important initiatives that could have improved family child care.

Indiana has come up with some innovative ways to tackle the tough issue of how to pay for child care. About two thirds of the state's 92 counties are now drawing up plans to expand and improve child care with help from private businesses. This new effort grew out of former governor Evan Bayh's Step Ahead initiative, which got all of Indiana's counties to draw up comprehensive plans for child care and other children's services. The program was developed in cooperation with the Child Care Action Campaign, a national advocacy group. Each county is now developing its own approach, with some interesting results. In Howard county, for example, businesses donated toys, supplies and furniture to local child care programs. In Miami county, several employers

Panel of EXPERTS

These nationally recognized experts supplied us with invaluable support, information and advice and helped us choose **WORKING MOTHER'S 10 Best States:** Gina Adams and Helen Blank, Children's Defense Fund; Sheri Azer and Gwen Morgan, Wheelock College; Ellen Galinsky, Families and Work Institute; Kay Hollestelle, The Children's Foundation; Evelyn K. Moore, National Black Child Development Institute; Barbara Reisman, Child Care Action Campaign; Michelle Seligson, School-Age Child Care Project at the Center for Research on Women, Wellesley College; Yasmine Vinci, National Association of Child Care Resource and Referral Agencies; Barbara Willer, National Association for the Education of Young Children.

We would also like to extend special thanks to the following experts for helping us develop a protocol for evaluating state health and safety rules: Susan Aronson, MD, American Academy of Pediatrics, and Jane Coury, U.S. Public Health Service, Health Resources and Services Administration's Maternal and Child Bureau.

HOW DOES YOUR STATE RATE

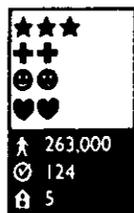


To bolster its prekindergarten program, Georgia created a formal Office of School Readiness. Shown here: members of the pre-K class at a Sheltering Arms center in Atlanta.

helped pay for a new child care center and are planning to open another in the future.

At the same time, however, Indiana officials weakened rules for family child care, allowing providers to care for larger groups of children than in the past. Some caregivers can now take in as many as 16 kids at a time. State lawmakers also vetoed a proposal to require family child care providers to have six hours of annual training.

IOWA



★ Number of children one adult can care for: 4 infants • 6 toddlers • 8 preschoolers • 15 school-agers. Group size: No standards. Caregiver training: Center directors: 10 continuing education units, 3 years of experience, and 1 year of experience in administration

to start; 10 hours in the first year, then 6 hours annually. Center staff: None to start; 10 hours in the first year, then 6 hours annually. Family child care providers: None to start; 10 hours annually (2 hours after 3 years). Adult supervision: Good. Size at which family child care is regulated: 7 children. Immunizations: - (no HepB). Playground surfaces: -. Hand-washing: Centers: Fair. Family child care homes: Poor. Healthy Child Care America: +. Inspections: Centers have inspections at least once a year (some visits are unannounced); 20% of family child care homes have inspections each year (some visits are unannounced). State created thousands of new child care slots. State investment: 37¢ for every \$100. R&Rs: Information on network not available. Iowa continues to take modest steps to improve both the quality and supply of child care.

State lawmakers approved a \$6 million increase in child care funding this past year, enough to create new slots for several thousand children across the state. A task force made up of state officials and advocates had recommended a \$10 million infusion of state money to expand child care pro-

grams. So while the legislature didn't go the whole way, this is concrete progress.

Iowa also modestly improved training requirements for family child care providers—they must now learn CPR and basic first aid procedures.

Part of the reason Iowa keeps moving ahead in its efforts to improve child care is the number of lively and creative activists. In one recent campaign, for example, the Iowa Child Care Coalition and the state's resource and referral agency produced about 3,000 dolls and displayed them in the rotunda of the state Capitol. Each doll had a note attached that described the needs of a real child in the state.

KANSAS



★ Number of children one adult can care for: 3 infants • 7 toddlers • 12 preschoolers • 16 school-agers. Group size: Mediocre to poor standards.

Caregiver training: Center directors: 12 college credits to start, plus 6 months experience; 5 hours annually. Center staff: 12 college credits and 6 months experience to start; 10 hours annually. Family child care providers: None. Adult supervision: Good. Size at which family child care is regulated: 1+ children. Immunizations: - (no Hib or HepB). Playground surfaces: -. Hand-washing: Good. Healthy Child Care America: +. Inspections: All licensed programs have unannounced inspections at least once a year. Kansas recently expanded its R&R statewide. State investment: 43¢ for every \$100. R&Rs: Statewide network (+). Kansas took some small steps ahead, especially in the area of helping parents find care.

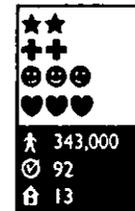
Kansas used federal money to expand its network of resource and referral services, making it easier for parents to learn about child care programs. By December 1997, a statewide R&R network should be in place.

The state is also developing a new career-development program for child care workers. A task

force made up of child care advocates and experts are designing new courses to be used statewide. Kansas already has good standards for training and adult supervision—far better than other Plains states. Its standards on infant care are among the best in the country.

Last spring, the state also set up a system to produce background checks on caregivers and other staff in child care facilities within 48 hours. Under the old system, this process would take weeks or months, during which time the caregivers could already be working.

KENTUCKY



★ Number of children one adult can care for: 5 infants • 10 toddlers • 12 preschoolers • 15 (6 yrs), 20 (7-9 yrs) school-agers. Group size: Mediocre to poor standards. Caregiver training: Center directors: None to start; 12 hours annually. Center staff: None to start; 12

hours annually. Family child care providers: 6 hours of training in first 3 months; 6 hours annually. Adult supervision: Poor. Size at which family child care is regulated: 4+ children. Immunizations: - (no HepB until August 1998). Playground surfaces: -. Hand-washing: Fair. Healthy Child Care America: +. Inspections: All licensed programs have unannounced inspections once a year. The state boosted spending on pre-K programs this year, which are available in every school district. But Kentucky simultaneously reduced funding for other programs and raised fees for some subsidized child care slots. State investment: 86¢ for every \$100. R&Rs: Statewide network (-). Kentucky made a bigger commitment to prekindergarten this year, but unfortunately also lowered its total child care spending.

State legislators agreed to spend an additional \$1 million on prekindergarten programs, bringing total funding to more than \$38 million. This boosted the number of children served in pre-K to about 21,000—about 1,000 more than last year. The lawmakers are also earmarking any surplus in the state education budget for pre-K—a wonderful innovation.

At the same time, however, they voted to lower overall child care spending by \$6 million over the next two years and to raise fees for families that use state-sponsored child care. This will impose a hardship on many families who depended on such subsidized child care.

Still, children who do find a space in child care will be safer from disease. Within 30 days of enrolling in a child care program, every child must now have a shot to prevent meningitis. By this time next year children will be required to have a hepatitis shot as well.

LOUISIANA



★ Number of children one adult can care for: 6 infants • 12 toddlers • 14 preschoolers • 25 school-agers. Group size: Poor standards. Caregiver training: Center directors: 30 hours to start, plus 1 year of experience; none annually. Center staff: None. Family child care

HOW DOES YOUR STATE RATE

The 10 BEST states

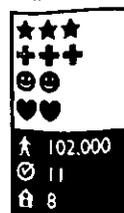
California	Massachusetts
Colorado	Minnesota
Connecticut	Vermont
Hawaii	Washington
Maryland	Wisconsin

providers: None. **+** Adult supervision: Poor. Size at which family child care is regulated: 7 children. Immunizations: **++**. Playground surfaces: Centers: **+**. Family child care homes: **-**. Hand-washing: Centers: Good. Family child care homes: Poor. Healthy Child Care America: **+**. Inspections: Centers have unannounced inspections at least once a year; family child care homes are inspected only upon complaint. **☺** The state has no comprehensive initiatives to increase the supply of child care. State investment: 17¢ for every \$100. R&Rs: No statewide network. **♥** State officials have proposed some serious steps to improve child care, a welcome move in a state that ranks among the worst in the nation.

Officials at the state's department of social services have proposed the following: lowering the child/staff ratios, requiring TB tests and mandating more training for caregivers, especially for family child care workers who presently have no training requirements. "We're finally on the verge of having some good things happen this year," says Steve Phillips, director of the bureau of licensing in Louisiana's Department of Social Services.

State officials and activists have also been working to create a career-development program for child care workers. A special advisory council, made up of a group of child care professionals, advocates, state education officials and others will run focus groups and workshops in an effort to design new caregiver training programs. The state's resource and referral agency, as well as local universities and community colleges, will then offer the courses to interested caregivers.

MAINE



★ Number of children one adult can care for: 4 infants • 5 toddlers • 10 preschoolers • 13 school-agers. Group size: Mediocre to poor standards, except for school-age. Caregiver training: Center directors: 2 years of college including 9 credit hours in child-related topics, plus 6 months experience, to start; 24 hours annually. Center staff: None to start; 24 hours annually. Family child care providers: None to start; 6 hours annually. **+** Adult supervision: Good. Size at which family child care is regulated: 3+ children. Immunizations: **+**.

Playground surfaces: **+**. Hand-washing: Fair. Healthy Child Care America: **+**. Inspections: All licensed programs have unannounced inspections once a year. **☺** This state still has no broad-based plan or funding to expand child care services. State investment: 29¢ for every \$100. R&Rs: Statewide network (**-**). **♥** Maine launched a statewide program to improve caregiver training this year.

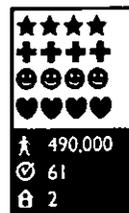
State officials here put together an ambitious career development program that includes courses, degrees and a formal career ladder for caregivers. By next year, the state hopes to develop a computer database that caregivers can use to find out about training opportunities. "Finally, caregivers are being recognized as something more than babysitters," says

Kathy Carey, a child care center director and president of the Central Maine chapter of NAEYC.

Just as important, the state plans to eventually make a caregiver's educational record available to parents via a computer database. Caregivers will be asked to voluntarily provide these records; it will not be mandatory.

As we went to press, state lawmakers were also considering a bill that would require all family child care homes to obtain certification, limit the size of the groups of children they care for and receive state inspections. Without such a law, about 1,351 family child care homes are "registered" with the state, but are not required to follow even minimal safety requirements.

MARYLAND



★ Number of children one adult can care for: 3 infants • 6 toddlers • 10 preschoolers • 15 school-agers. Group size: Mediocre to poor standards. Caregiver training: Center directors: 6 college credits to start; 6 hours annually. Center staff: 6 college credits to start;

3 hours annually. Family child care providers: 9 hours to start; 6 hours annually. **+** Adult supervision: Good. Size at which family child care is regulated: 1+ children. Immunizations: **++**. Playground surfaces: **+**. Hand-washing: Good. Healthy Child Care America: **-**. Inspections: Centers have 1 announced inspection a year. Family child care homes have 1 announced inspection every other year. **☺** Maryland increased its child care budget by \$1 million, even though funds across the state were tight. State investment: 56¢ for every \$100. R&Rs: Statewide network (**+**). **♥** Despite budget constraints, Maryland strengthened its support for child care. The state's impressive resource and referral service will expand this year.

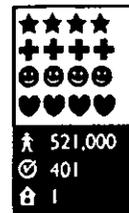
Like officials in many states, those in Maryland found themselves under severe pressure to make budget cuts. Yet even while the over-all state budget declined for the first time since the Depression, child care funding increased by \$1 million last year.

Nevertheless, advocates fear the state will still have trouble meeting the growing demand for child care. "In two years, as more people are moved off welfare, we fear we won't have enough money or

space to provide child care for everyone who needs it," says Sandy Skolnik, executive director of the Maryland Committee for Children.

Maryland has been ahead of most other states in providing extensive child care resource and referral services—and it continues to be a pioneer in this area. Data on child care providers is now being computerized; the Maryland Committee for Children is working to make special software available in a variety of settings, from libraries to businesses to government offices.

MASSACHUSETTS



★ Number of children one adult can care for: 3 infants • 4 toddlers • 10 preschoolers • 15 (6&7 yrs), 13 (8&9 yrs) school-agers. Group size: Mediocre to poor standards. Caregiver training: Center directors: 14 college credits to start, plus management training;

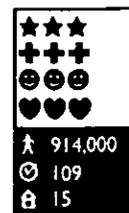
none annually. Master teachers: 12 college credits to start; 20 hours annually. Center staff: High school vocational program to start; 20 hours annually. Family child care providers: None to start; 5 hours annually. **+** Adult supervision: Good. Size at which family child care is regulated: 1+ children. Immunizations: **++**. Playground surfaces: **+**. Hand-washing: Good. Healthy Child Care America: **+**. Inspections: Centers have announced and unannounced inspections every 2 years. Family child care homes have announced and unannounced inspections every 3 years. **☺** Massachusetts supports a broad array of child care programs and increased the funding for them this year, despite a tight state budget. State investment: \$1.18 for every \$100. R&Rs: Statewide network (**+**). **♥** Massachusetts continues to increase funding for child care, significantly boosting the number of children served. Pre-kindergarten and other early education programs got an additional \$10 million.

Governor William Weld proposed increasing spending by \$23 million this year, which would bring the total child care spending in Massachusetts to \$283 million by 1998. Such funding is badly needed in the face of ever-increasing demand for child care across the state.

The state also allocated \$25 million to improve salaries for caregivers in many child care programs, a move that should help reduce turnover in centers. Other states should follow this example.

As long as they hire an assistant, family child care providers here will soon be able to take in up to four more children (for a total of 10). This move increases the supply of care and also boosts its quality. In effect, the new assistants will improve the adult-to-child ratio in many homes.

MICHIGAN



★ Number of children one adult can care for: 4 infants • 4 toddlers • 10 preschoolers • 20 school-agers. Group size: No standards. Caregiver training: Center directors: 60 college credits to start; none annually. Center staff: None. Family child care providers: None. **+**

Adult supervision: Good. Size at which family child care is regulated: 1+ children.

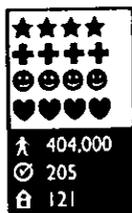
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Immunizations: Centers: +. **Family child care homes:** Not regulated. **Playground surfaces:** -. **Hand-washing:** Centers: Good. **Family child care homes:** Poor. **Healthy Child Care America:** -. **Inspections:** Centers and large family child care homes have announced and unannounced inspections in alternating years; 10% of small family child care homes have unannounced inspections each year. ☺ Michigan gave child care a lift this year with \$44 million in new funds, creating 14,000 new slots. **State investment:** 37¢ for every \$100. **R&Rs:** Statewide network (+). ♥ Michigan has dramatically increased funding for child care this year, and, so far, maintained its commitment to use the money only for licensed programs.

Michigan increased its spending on child care by \$44 million, which means that nearly 14,000 more kids will be served this year. Next year, child care funding is slated to reach \$201 million, a \$16 million boost over 1997 spending. One key part of the budget: a special program to recruit caregivers who want to specialize in infant care, since demand for such care is so great here.

In this state, as in so many others, there has been a raging controversy over how to expand child care options without diluting the quality of programs. Governor John Engler had previously considered a radical approach to child care, which would have allowed parents to use state funds to pay unlicensed caregivers. Child care activists and providers managed to convince Engler that this was a bad idea, and it was never officially proposed. Another idea the governor floated—an elimination of background checks for caregivers—was also shelved.

MINNESOTA



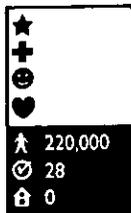
★ **Number of children one adult can care for:** 4 infants • 7 toddlers • 10 preschoolers • 15 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: 9 college credits, plus 6 months supervisory experience, to start; annual training equal to 2% of hours worked. **Center staff:** 24 college credits, plus 2 years experience, to start; 40 hours annually. **Family child care providers:** 6 hours to start; 6 hours annually. + **Adult supervision:** Good. **Size at which family child care is regulated:** 2+ children. **Immunizations:** - (no HepB). **Playground surfaces:** -. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** All licensed programs have 1 unannounced inspection every other year. ☺ Minnesota increased its funding of child care this year, investing \$192 million in new funds. **State investment:** 61¢ for every \$100. **R&Rs:** Statewide network (+). ♥ Minnesota continues to be a leader on child care, with state lawmakers authorizing significant funds to expand and improve parents' options.

Last spring, Minnesota's legislature approved a major package of laws that granted more than \$200 million to child care. This translates into 13,000 more families getting help paying for child care this year. State lawmakers also designated funds to expand resource and referral services to help families find care, and approved Governor Arne Carlson's proposal to give \$1 million in new state money to train and recruit caregivers to meet the new demand.

Minnesota had several other important initiatives pass this year. One new law significantly boosts care-

giver training across the state by funding scholarships for caregivers to get on-the-job training. Another new law gives grants for nontraditional care—such as programs for kids with special needs and care during weekends and other off hours.

MISSISSIPPI



★ **Number of children one adult can care for:** 5 infants • 12 toddlers • 14 preschoolers • 20 school-agers. **Group size:** Mediocre. **Caregiver training:** Center directors: None to start; 15 hours annually. **Center staff:** None to start; 15 hours annually. **Family child care providers:** None. +

Adult supervision: Poor. **Size at which family child care is regulated:** 6+ children. **Immunizations:** - (no HepB). **Playground surfaces:** +. **Hand-washing:** Centers: Fair. **Family child care homes:** Not regulated. **Healthy Child Care America:** -. **Inspections:** All licensed programs have announced and unannounced inspections once a year. ☹ Mississippi still lacks a plan to expand its supply of child care. **State investment:** 4¢ for every \$100. **R&Rs:** No statewide network. ♥ Despite modest gains, Mississippi still trails most states on important measures of quality in child care.

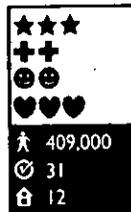
This state's low standards make for some dangerous situations. The licensing director, for example, tells us that she learned of one situation where a woman was looking after 17 children at once in her private home. This was perfectly legal under state law, since restrictions affect only nonrelated children, and all these children were related to the caregiver in some way.

In the past, Mississippi had as few as three inspectors to oversee the 1,500 licensed centers in the state. But this year, lawmakers tripled the budget for inspection, to hire 12 more inspectors and thus reduce caseloads from as many as 500 centers per person to 100. The legislature deserves recognition for this move.

More good news from the legislature: It voted to increase the state tax credit from 25 to 50 percent for employers who work to improve child care. This means companies can write off 50¢ on the dollar for investments in community child care programs or initiatives they undertake themselves.

Finally, the state has also actively worked to improve the training of child care center directors. This year, Mississippi paid tuition for well over 100 directors to take courses in early education and center management, a move that should improve the quality of care for children in this state.

MISSOURI



★ **Number of children one adult can care for:** 4 infants • 8 toddlers • 10 preschoolers • 16 school-agers. **Group size:** Mediocre to poor standards; no standards for preschoolers or school-agers. **Caregiver training:** Center directors: 12 college semester hours, plus 2 years experience, to start; 12 hours annually. **Center staff:** None to start; 12 hours annually. **Family child care providers:** None to start; 12 hours annually. +

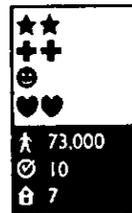
Adult supervision: Mediocre. **Size at which family child care is regulated:** 5+ children. **Immunizations:** +. **Playground surfaces:** +. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** All licensed programs have inspections twice a year (1 unannounced). ☺ Missouri continues to fund some local initiatives to expand care. **State investment:** 32¢ for every \$100. **R&Rs:** Statewide network (-). ♥ Missouri is making some modest progress toward improving the quality of care in some child care programs.

More and more school-age programs in Missouri are earning state accreditation, under a grants program developed three years ago by the state department of education. Happily, the Missouri Center for Accreditation reports it is now swamped with applications for accreditation, which means school-age programs are meeting higher standards. These new rules are not the same as those required for NAEYC accreditation, but they are far better than having no standards at all.

Advocates here managed to beat back a bill in the state legislature that would have hurt many family child care providers by requiring them to be in compliance with all local business zoning laws—a problem that plagues many child care providers across the country.

Child care programs in religious institutions are now subject to inspection, and state officials have asked for funding to hire more inspectors to visit these centers.

MONTANA



★ **Number of children one adult can care for:** 4 infants • 8 toddlers • 8 preschoolers • 14 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: None. **Center staff:** 8 hours to start; none annually. **Family child care providers:** None. +

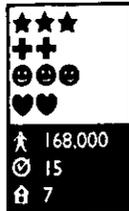
Adult supervision: Mediocre. **Size at which family child care is regulated:** 3+ children. **Immunizations:** - (no HepB). **Playground surfaces:** -. **Hand-washing:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers have inspections twice a year (1 unannounced); 20% of family child care homes have unannounced inspections once a year. ☹ Montana makes only modest investments in expanding child care. **State investment:** 11¢ for every \$100. **R&Rs:** Statewide network (+). ♥ Montana took some modest steps to improve the quality of care this year.

A proposal to require additional training for family child care providers across this rural state was tabled by the legislature this year, but the state did institute an important safety rule: Play areas at family child care homes will now be required to have soft surfaces, which should protect children who fall from jungle gyms, swings and other equipment.

State officials continued to wrangle over requirements that all children have their shots before they enroll in a child care program. Child care providers housed in churches and other religious institutions asked to be exempt from such rules and provoked a heated debate. So far, state officials have resisted the pressure to loosen requirements.

HOW DOES YOUR STATE RATE

NEBRASKA



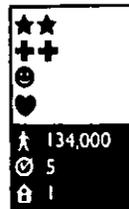
★ **Number of children one adult can care for:** 4 infants • 6 toddlers • 10 preschoolers • 15 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: None to start; 12 hours annually for those who work with children. **Center staff:** None to start; 12

hours annually. **Family child care providers:** None to start; 10-12 hours annually, depending on date of licensure. **Adult supervision:** Good. **Size at which family child care is regulated:** 4+ children. **Immunizations:** - (no HepB). **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** Child care centers have inspections every 2 years (may be announced or unannounced). Family child care homes are inspected only upon complaint. ☺ This state increased its spending to expand the supply of child care. **State investment:** 63¢ for every \$100. **R&Rs:** No statewide network. ♥ Nebraska is working to improve caregiver training. But the state lacks a comprehensive plan to improve and expand care.

Nebraska expanded the offerings at its caregiver training center this year. The center, located in Omaha, has a lending library and information hotline as well as classes. Through these classes, child care workers can meet licensing requirements and work toward gaining credentials in early-childhood education. Nebraska's training standards still lag behind those of its neighbors, however—especially Kansas. That state requires all child care center teachers to take college courses in child development before they start work.

The Nebraska legislature is expected to pass a bill that will require annual unannounced inspections of all child care programs. Currently, centers must only be inspected once every two years. And there is good news for parents of preschoolers in eight communities: The state funds collaborative preschool projects in one urban and seven rural areas.

NEVADA



★ **Number of children one adult can care for:** 6 infants • 10 toddlers • 13 preschoolers • 13 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: Combination of child-related education and experience to start; 3 hours in the first 6

months, then 3 hours annually. **Center staff:** None to start; 3 hours in the first 6 months, then 3 hours annually. **Family child care providers:** None to start; 3 hours in the first 6 months, then 3 hours annually. **Adult supervision:** Poor. **Size at which family child care is regulated:** 5+ children. **Immunizations:** - (no HepB). **Playground surfaces:** +. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** All licensed programs have unannounced inspections twice a year. ☺ This state still has no broad initiatives to expand child care services. **State investment:** 17¢ for every \$100. **R&Rs:** No statewide network. ♥ Governor Bob Miller's leadership on child care has become stronger, but the state legislature has not shown the same improvement.

Governor Miller is showing new interest in child care: He is now the co-chair of the National Governors Association's Children's Task Force. He has also urged the legislature to increase child care funding, which among other benefits would allow the state to apply for federal child care money. To do that, however, state lawmakers must pledge to put up state matching funds, a move which had not yet been approved by the state legislature as we went to press. Advocates in this state describe the legislature as apathetic on child care issues.

Licensing standards here remain inadequate, but there has been an effort to improve them. The state's child care licensing board has proposed new rules, including one that would require more training for directors and teachers at child care centers.

A statewide summit on child care and economic development looked at how high-quality child care helps a community's economy. The meeting was sponsored by a private child care organization in conjunction with the governor's office. Participants vowed to make child care better by improving licensing standards. These plans are still vague, however.

NEW HAMPSHIRE



★ **Number of children one adult can care for:** 4 infants • 6 toddlers • 8 preschoolers • 15 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: None. **Master teachers:** 144 hours of workshops to start; none annually. **Center staff:** 72 hours of workshops to start; none annually.

Family child care providers: None. **Adult supervision:** Good. **Size at which family child care is regulated:** 4+ children. **Immunizations:** +. **Playground surfaces:** +. **Hand-washing:** Good. **Healthy Child Care America:** +. **Inspections:** All licensed programs have inspections once a year (may be announced or unannounced). ☺ New Hampshire still does little to expand child care services for its residents. **State investment:** 52¢ for every \$100. **R&Rs:** Statewide network (+).

♥ This conservative state continues to have a mixed record on child care.

New Hampshire is one of the few remaining states that doesn't provide public kindergarten for its kids. But Governor Jeanne Shaheen, a working mother of three, says she wants to change that. We hope she does—and then turns her attention to the education and care of even younger children.

State lawmakers seem divided about their commitment to child care. On the one hand, a bill which would have provided more money to pay for caregiver training was defeated. But more families are now eligible for child care help, and standards for caregivers who receive state funds have been improved slightly.

NEW JERSEY



★ **Number of children one adult can care for:** 4 infants • 7 toddlers • 10 preschoolers • 18 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: None. **Master teachers:** 6 college credits in early-childhood education and 4 years experience

to start; none annually. **Center staff:** 15 college credits to start; none annually. **Family child care providers:** None. **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 6+ children. **Immunizations:** - (no HepB). **Playground surfaces:** -. **Hand-washing:** Good. **Healthy Child Care America:** -. **Inspections:** Centers have inspections every 3 years; 20% of family child care homes have monitoring visits once a year (may be announced or unannounced). ☺ The state will expand its supply of child care under the governor's new budget. **State investment:** 50¢ for every \$100. **R&Rs:** Statewide network (-). ♥ Prodded by welfare reform changes, New Jersey is taking a greater interest in child care than it has in the past.

New Jersey Governor Christine Todd Whitman highlighted children's issues in her budget proposal this year, increasing child care spending by about \$27 million. "A budget is always a competition for prior-



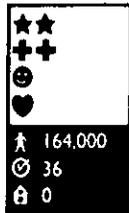
Tienne Anderson creates a loving, safe environment for babies, thanks to special infant/toddler training. She's one of just over 1,000 North Dakota caregivers who've received the training.

HOW DOES YOUR STATE RATE

ities, and we're pleased that children were one of her priorities," says Ciro Scalera, executive director of the Association for Children of New Jersey.

The governor wants to spend the great majority of the money to help thousands more families with the cost of child care. Like many states, New Jersey wants to move some women from welfare to work as child care providers—a controversial concept. New Jersey is approaching the idea with some important safeguards, however. These new providers will have to meet health and safety standards and take special training sessions. The state will also pair providers with mentors and pay for them to join an association of family child care providers.

NEW MEXICO



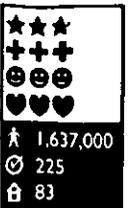
★ **Number of children one adult can care for:** 6 infants • 12 toddlers • 12 preschoolers • 15 school-agers. **Group size:** No standards. **Caregiver training:** 24 hours annually. **Center staff:** None to start; 24 hours annually. **Family child care providers:** None to start; 6 hours annually. ⚡

Adult supervision: Poor. **Size at which family child care is regulated:** 5+ children. **Immunizations:** +. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Good. **Healthy Child Care America:** +. **Inspections:** All licensed programs have unannounced inspections twice a year. ☹️ This state still has no major initiative to expand the supply of child care. **State investment:** 24¢ for every \$100. **R&Rs:** Statewide network (-). ❤️ State officials here have not made child care a high priority.

New state rules for child care facilities went into effect last spring. The maximum number of toddlers one teacher can care for was reduced from 12 to 10 in many centers. That's still too many, but it's a start. New Mexico also launched a new measure to promote quality: child care centers meeting higher standards can now get more state money.

But parents may have trouble finding these centers: The state has completely eliminated funding for resource and referral. Existing state-funded R&Rs no longer help families find care; they are now devoted to training and technical assistance for caregivers and some consumer education for parents. Such training and education is valuable, but now parents will have a harder time finding good care even when they know what it is.

NEW YORK



★ **Number of children one adult can care for:** 4 infants • 5 toddlers • 7 preschoolers • 10 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: Bachelor's degree with 18 credits in early-childhood education and experience to

start; 15 hours in first year and then 15 hours every 2 years. **Master teachers:** Bachelor's degree with 6 courses in early-childhood education to start; 15 hours annually. **Center staff:** None to start; 15 hours annually. **Family child care providers:** None to start; 15 hours in the first year, then 7.5 hours annually. ⚡ **Adult supervision:** Good. **Size at which family child care is regulated:** 3+ children. **Immunizations:** ++. **Playground sur-**

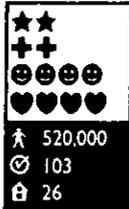
faces: -. **Hand-washing:** Good. **Healthy Child Care America:** -. **Inspections:** Centers and large family child care homes have unannounced inspections every 2 years; 20% of small family child care homes have unannounced inspections once a year. ☺️ **New York funds many child care programs, but funding did not increase by much this year. State investment:** 90¢ for every \$100. **R&Rs:** Statewide network (+). ❤️ Governor George Pataki's commitment to child care continues to be weak, but an infusion of federal funds will probably help the state expand the supply of care this year.

Governor Pataki recommended that child care aid be available only to parents with kids under the age of six. This proposal would obviously save New York State money—but it would be a blow to many working moms, and a big loss to school-age programs across this state.

State lawmakers did provide some minimal help for many families. In 1996, the legislature expanded the state child care tax credit by allowing it to be added to parents' tax refunds. That will provide many families with a refund as high as \$432.

Over all, child care in New York seems to be in a holding pattern. Nearly a million kids in this state will need state-subsidized child care in 1997; so far, only 110,000 receive it.

NORTH CAROLINA



★ **Number of children one adult can care for:** 5 infants • 10 toddlers • 15 preschoolers • 25 school-agers. **Group size:** Mediocre standards. **Caregiver training:** Center directors: None to start; 20 hours annually. **Center staff:** None to start; 20 hours annually. **Family child care providers:** None. ⚡

Adult supervision: Poor. **Size at which family child care is regulated:** 3+ children. **Immunizations:** +. **Playground surfaces:** -. **Hand-washing:** Centers: Good. **Family child care homes:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers have 1 announced inspection a year; 5% of family child care homes have announced inspections every 2 years. ☹️ The state continues to expand its supply of child care, with more than \$21 million in new funding. **State investment:** 58¢ for every \$100. **R&Rs:** Statewide network (+). ❤️ Governor Jim Hunt remains staunchly committed to improving child care across the state. His ambitious "Smart Start" program has led to new child care spaces for thousands of kids.

No state has more action or more enthusiasm for improving child care than North Carolina. And no governor deserves more credit for fighting for child care than Jim Hunt. His "Smart Start" program has as its goal affordable, quality early-childhood education for every child who needs it. In the past four years, the state has created more than 30,000 new slots for child care and improved care for more than 150,000 kids.

The program ran up against some resistance in the state legislature in the past, but now a solid majority embrace the core tenets of Smart Start. This year, for example, state lawmakers decided to award permanent funding for the state's caregiver training program. Teacher Education and Compensation Helps (TEACH)—more than \$1 million a year in recurring funds. That means child care advocates won't have to come back every

year to fight for money for early education. The TEACH program is now being copied by other states, including Illinois.

With all this progress, it's a shame that North Carolina's key standards aren't better. One adult is still allowed to care for up to five babies, and caregivers are not required to have any education or training before they start work (a bill now before the legislature may change this). This state could do better on these critical aspects of child care.

NORTH DAKOTA



★ **Number of children one adult can care for:** 4 infants • 5 toddlers • 7 preschoolers • 18 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: Some college credits and experience to start; none annually. **Center staff:** None to start; 10 hours annually. **Family child care providers:** None to start; 5 hours annually.

⚡ **Adult supervision:** Good. **Size at which family child care is regulated:** 6 children. **Immunizations:** - (no HepB). **Playground surfaces:** -. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** Centers and family child care homes have inspections (some unannounced) every 2 years. ☹️ This state still lacks a plan to expand its supply of child care. **State investment:** 11¢ for every \$100. **R&Rs:** No statewide network. ❤️ North Dakota legislators have not made child care a priority.

North Dakota's child care advocates do manage to make important progress, though often without much support from state lawmakers. Most impressive in recent years: The state now has a training program dedicated to caregivers who work with infants and toddlers—a crucial issue across the country. Over the last two years, more than 1,000 caregivers attended the \$1 million infant/toddler development program, funded by a private foundation. The principles of that program are now being incorporated into state licensing laws and voluntary guidelines for caregivers across the state, which should improve care for babies.

A bill introduced into the legislature in early 1997 could have improved services in this state: It proposed a \$4 fee on birth certificates to create a Children's Fund. Half the money would be earmarked for child care. The bill was defeated, but will be resubmitted next year.

OHIO



★ **Number of children one adult can care for:** 5 infants • 7 toddlers • 12 preschoolers • 18 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: 4 college courses to start; none annually. **Center staff:** None to start; 15 hours annually

for 3 years. **Family child care providers:** None to start; 12 hours of training in the first year, then 6 hours annually until they have completed 30 hours. ⚡ **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 7 children. **Immunizations:** - (no HepB). **Playground surfaces:** +. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** All licensed programs have inspections (at least 1 unannounced)

HOW DOES YOUR STATE RATE

twice a year. ☺ Child care slots are rapidly expanding here, thanks to a big infusion of new state funds. **State investment:** 68¢ for every \$100. **R&Rs:** Statewide network (+). ♥ Ohio maintains a strong commitment to child care under Governor George Voinovich's leadership.

Ohio has been working hard to create child care for its residents and has put serious money into the effort. As we went to press, the governor and state lawmakers appeared ready to boost funding significantly, so that 80,000 kids would receive care by 1998, an increase of 20,000 in two years. That's real progress. Ohio also expanded its pre-K programs.

The state now helps to fund an innovative program called RISE (Resources and Instruction for Staff Excellence) to train child care teachers to build closer relationships with parents. The \$1.25 million grant is being used to create parent-teacher sessions on child development. Such sessions not only cement relationships between teachers and parents, but also help answer parents' questions about discipline and development.

OKLAHOMA

★★
+++
☺☺
♥♥
↑ 292,000
⌚ 38
🏠 7

★ Number of children one adult can care for: 4 infants • 8 toddlers • 12 preschoolers • 20 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: Approved child care training program and some management training to start; 20 hours annually. **Master teachers:** None to start; 12 hours annually. **Family child care providers:** None to start; 10 hours annually. **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 1+ children. **Immunizations:** - (no HepB). **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Good. **Healthy Child Care America:** +. **Inspections:** All licensed programs have unannounced inspections three times a year. ☺ This state continues to make child care funding a low priority. **State investment:** 79¢ for

every \$100. **R&Rs:** No statewide network. ♥ Oklahoma's commitment to child care remains relatively weak, especially on requirements for caregiver training.

Oklahoma's Governor Frank Keating and state lawmakers have done little to expand or improve child care options for their constituents this year. State child care officials have promoted some measures, however, which could eventually improve the quality of care and help parents find care. Hearings were held this winter on the need to expand the state's resource and referral agencies: At the moment, the state has only three R&Rs, and they cover only half the state. Oklahoma is now planning to use federal funds to add six more R&Rs.

School-age care got a modest boost: The state hired two consultants to work with local communities to develop before- and after-school programs. This is a baby step, but it deserves recognition.

OREGON

★★
+++
☺☺☺
♥♥♥♥
↑ 288,000
⌚ 27
🏠 4

★ Number of children one adult can care for: 4 infants • 4 toddlers • 10 preschoolers • 15 school-agers. **Group size:** Good standards. **Caregiver training:** Center directors: None to start; 15 hours annually. **Master teachers:** None to start; 15 hours annually. **Center staff:** None to start; 15 hours annually. **Family child care providers:** None. **Adult supervision:** Good. **Size at which family child care is regulated:** 4+ children. **Immunizations:** - (no HepB). **Playground surfaces:** -. **Hand-washing:** Centers: Good. **Family child care homes:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers and larger family child care homes (7 or more children) have inspections twice a year (at least 1 unannounced); smaller homes are inspected only upon complaint. ☺ The state launched no significant new initiatives to expand the supply of care. **State investment:** 68¢ for every \$100. **R&Rs:** Statewide network (+). ♥ Oregon has laid out its goals for improving child care in its

"benchmark" program—and steadily works to meet them.

Oregon has taken a number of small steps to improve child care: A new background check on caregivers has been instituted, which includes an FBI check for criminal offenses. The state has also mandated an orientation session for anyone who wishes to open a family child care business. The two-hour briefing offers an overview of what it takes to make a home-based child care business work, and what training and support is available from the community and the state. The idea is to put the brakes on anyone who might enter the profession thinking it's an easy job and then close up shop and leave parents in the lurch—a fairly common scenario. The innovation seems to be working. "Our certifier said she has not yet had to go out on a complaint for anyone who has gone through this overview," says Janis Sabin Elliot of the state's Child Care Division.

Oregon has also stepped up its efforts to insure children's health and safety. For instance, it now has more power to revoke the licenses of child care providers in serious violation of rules.

Family child care could be improved in this state if a bill pending before the legislature becomes law. Among other things, it would require providers to have training in CPR and first aid, which should be a basic standard for any good child care program.

PENNSYLVANIA

★★★
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↑ 1,006,000
⌚ 126
🏠 17

★ Number of children one adult can care for: 4 infants • 6 toddlers • 10 preschoolers • 12 school-agers. **Group size:** Good standards. **Caregiver training:** Center directors: Associate's degree with 30 credit hours in early-childhood education or a related topic, plus 4 years experience, to start; 6 hours annually. **Master teachers:** Associate's degree with 30 hours in early-childhood education or a related topic, plus 2 years experience, to start; 6 hours annually. **Center staff:** None to start; 6 hours annually. **Family child care providers:** None to start; 12 hours every 2 years. **Adult supervision:** Good. **Size at which family child care is regulated:** 4+ children. **Immunizations:** +. **Playground surfaces:** +. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** Centers have announced inspections once a year; 5% to 10% of family child care homes have inspections once a year (may be announced or unannounced). ☺ The state aims to create a statewide R&R system this year. **State investment:** 41¢ for every \$100. **R&Rs:** No statewide network. ♥ Governor Tom Ridge has talked a lot about child care, but hasn't always backed up his words with action—or money.

The situation in this state is a mixed bag: Ratios and training requirements are quite good, but child care centers and family child care homes rarely get surprise inspection visits, and there's no statewide resource & referral (R&R) system to help parents find care. But change is in the works. The state is using some of its federal money to create an R&R network this year, and legislation is pending to require unannounced inspections. Both would be welcome developments.

As we went to press, parents and child advocates here were responding to Governor Tom Ridge's latest budget proposal. He says he's made the largest-ever increase in child care funds—\$68 million. But nearly all of that is federal money, the governor

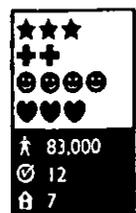


This young artist is cared for at a family child care home in Bothell, Washington. The state is recruiting more of these caregivers, since they are often willing to provide off-hours care.

HOW DOES YOUR STATE RATE

allotted only \$1 million in new state funds for child care aid to parents in low-income jobs. Meanwhile, 11,700 children needing subsidized care are on a waiting list, and the state has a budget surplus of nearly \$500 million!

RHODE ISLAND



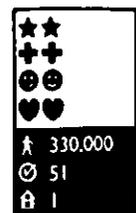
★ Number of children one adult can care for: 4 infants • 6 toddlers • 9 preschoolers • 13 school-agers. **Group size:** Good standards. **Caregiver training:** Center directors: None to start; 20 hours annually. Master teachers: Bachelor's degree, must meet standards for

Rhode Island Early Childhood certification; 20 hours annually. **Center staff:** Bachelor's degree, must meet standards for Rhode Island Early Childhood certification; 20 hours annually. **Family child care providers:** None to start; 10 hours every 2 years. **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 4+ children. **Immunizations:** - (no HepB). **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Centers: Good. **Family child care homes:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers have unannounced inspections twice a year; family child care homes have inspections every 2 years (may be unannounced). ☺ This state eliminated its waiting list for child care this year and created an innovative program to expand the supply of family child care. **State investment:** 46¢ for every \$100. **R&Rs:** Statewide network (+). ♥ Rhode Island has taken several steps this year to improve the quality and supply of child care. Most notably, the state has made a pledge to serve all families on a waiting list for subsidized care.

This state has managed to pull off a remarkable innovation—one that should be immediately copied by other states. Rhode Island is now offering paid health insurance to licensed family child care providers who care for children who receive state child care aid. This effort is meant to—and surely will—enhance the appeal of the child care profession and help keep providers in the field. One of the big reasons many caregivers abandon the work is poor pay and lack of benefits, especially health insurance. It may also encourage providers to get a license and meet health and safety standards.

Child care advocates here are also excited about a new program called Rhode Island Quality Childcare 2000, a collaborative effort of many agencies involved in early-childhood education. The plan is to educate the public about the need for quality care through a sophisticated public relations campaign, and also to help child care providers gain accreditation. Both are important goals and deserve the attention Rhode Island is giving them.

SOUTH CAROLINA

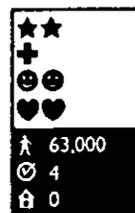


★ Number of children one adult can care for: 6 infants • 10 toddlers • 13 preschoolers • 23 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: None to start; 15 hours first year, then 20 hours annually. **Center staff:** None to start; 10 hours first year, then 15 hours annually. **Family child care providers:**

None. **Adult supervision:** Poor. **Size at which family child care is regulated:** 2+ children. **Immunizations:** -. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Centers: Good. **Family child care homes:** Poor. **Healthy Child Care America:** +. **Inspections:** Centers have unannounced inspections twice a year; family child care homes are inspected only upon complaint. ☹ This state makes expansion of child care a low priority. **State investment:** 45¢ for every \$100. **R&Rs:** No statewide network. ♥ The governor and legislators here have been uneven in their support of child care.

This state does little to protect children in family child care: Current rules don't even insist on electricity or working smoke detectors. The state is reworking the rules and will submit them to the legislature next year. If lawmakers agree to the changes, family child care providers will have to meet stricter health and safety standards and complete eight to 10 hours of training per year. Still, South Carolina has a long way to go: Governor David Beasley requested \$4 million for child care so the state could get \$9 million in federal money. At first, the legislature balked. Eventually, they agreed to put up \$2.5 million and have two state agencies raise the remaining funds.

SOUTH DAKOTA

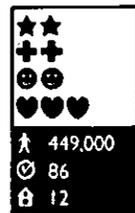


★ Number of children one adult can care for: 5 infants • 5 toddlers • 10 preschoolers • 15 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: None. Master teachers: None to start; 20 hours annually. **Center staff:** None to start; 20 hours annually. **Family child care providers:** None.

Adult supervision: Mediocre. **Size at which family child care is regulated:** 13 children. **Immunizations:** - (no HepB). **Playground surfaces:** -. **Hand-washing:** Fair. **Healthy Child Care America:** -. **Inspections:** All licensed programs have unannounced inspections once a year. ☹ The state provides only modest support for child care programs, but is working to recruit more child care providers. **State investment:** 11¢ for every \$100. **R&Rs:** Statewide network (-). ♥ South Dakota still trails most other states in its commitment to child care.

Child care advocates hope that Loila Hunking, the state's new child care services coordinator, will take action to improve child care in South Dakota. To date, neither Governor William Janklow or state lawmakers have made it a priority. In an interview earlier this year, Hunking said she hopes to involve both business leaders and educators in efforts to upgrade the quality of care. Many advocates hope her great enthusiasm to create new caregiver training programs will effect their implementation.

TENNESSEE



★ Number of children one adult can care for: 5 infants • 8 toddlers • 10 preschoolers • 25 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: None to start; 12 hours annually. **Center staff:** None to start; 6 hours annually. **Family child care providers:** None to start; 2 hours annually.

Adult supervision: Mediocre. **Size at which family child care is regulated:** 5+ children. **Immunizations:** ++. **Playground surfaces:** +. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** All licensed programs have inspections (1 unannounced) twice a year. ☺ The state boosted funding so that 4,000 more children will get child care this year. **State investment:** 26¢ for every \$100. **R&Rs:** No statewide network. ♥ Tennessee has increased funding for child care, but has yet to make key quality improvements recommended by a committee of experts several years ago.

Like so many other states, Tennessee has boosted its funding for child care in the face of welfare reform. In his budget for the next fiscal year, Governor Don Sundquist has pledged \$10 million in new funds. Much of that money will go to boost payments to caregivers—which may in turn lower parents' bills. At the same time, state officials are still dragging their feet over new rules that were proposed three years ago to improve the quality of care for Tennessee's kids. The rules would upgrade caregiver training and lower adult-to-child ratios—important changes that studies show make programs better for kids. It looks as if the rules will soon be approved, but they'll then be phased in over nearly four years—an unfortunate delay. "A lot of us are really distressed that the state has not implemented these standards yet," says Phil Acord of the Children's Home and Shelter, a 24-hour child care center in Chattanooga.

TEXAS



★ Number of children one adult can care for: 4 infants • 13 toddlers • 17 preschoolers • 26 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: 9 college credits in child development and 9 in business management, plus 3 years experience, to start; 20 hours annually. **Center staff:** 8 hours to start; 15 hours annually. **Family child care providers:** None to start; 20 hours annually. **Adult supervision:** Poor. **Size at which family child care is regulated:** 4+ children. **Immunizations:** - (no HepB). **Playground surfaces:** -. **Hand-washing:** Good. **Healthy Child Care America:** +. **Inspections:** Centers have inspections 1 to 3 times a year, based on past performance; family child care homes have inspections every 1 to 3 years, based on past performance (most unannounced). ☹ The state continues to keep its strong commitment to pre-K programs, but still lacks a broad-based plan to serve children of other ages. **State investment:** 71¢ for every \$100. **R&Rs:** No statewide network. ♥ Texas improved its infant standards this year by lowering the number of children one adult may care for, but still has some distance to go on upgrading quality for older children. The state's extensive support of prekindergarten education remains the bright spot here.

This year, the Texas Licensed Child Care Association lobbied heavily against proposed standards that would have improved the adult-to-child ratios in many programs. Unfortunately, it prevailed. Lawmakers delayed adoption of the new rules.

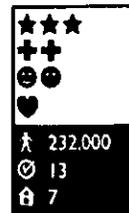
Texas may finally get statewide resource and referral services, however, with new federal funds coming into the state. In addition to helping parents

HOW DOES YOUR STATE RATE

find care, R&Rs may handle both caregiver training and consumer education—a positive development.

Providers across the state may also get low-interest loans to buy new equipment, upgrade their facilities and do other things to improve the quality of care, under a bill pending in the state legislature that looked likely to pass as we went to press.

UTAH



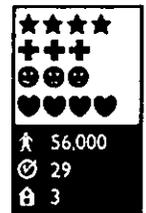
★ Number of children one adult can care for: 4 infants • 7 toddlers • 12 preschoolers • 20 school-agers. Group size: Mediocre to poor standards. Caregiver training: Center directors: Combination of child-related course work and experience to start; 20 hours annually. Center staff: 40 hours in first year; 20 hours annually. Family child care providers: 2 hours of state-approved training to start; 12 hours annually. † Adult supervision: Mediocre. Size at which family child care is regulated: 4 children. Immunizations: – (no HepB). Playground surfaces: –. Hand-washing: Centers: Good. Family child care homes: Poor. Healthy Child Care America: +. Inspections: Centers have 1 announced and 2 unannounced inspections a year. Family child care homes have at least 1 announced inspection a year. ☹ The state still invests relatively little in expanding child care. State investment: 73¢ for every \$100. R&Rs: No statewide network. ♥ Utah lawmakers continue to be stingy in child care funding. The state is one of the few to actually lower its spending on child care, which could cause it to forfeit a chunk—\$1.6 million—of federal money for child care.

Utah has delayed new child care standards, after a fractious battle over them. The state recently shifted child care oversight to a new government agency—the department of health, and officials must now

start the rule-revision process from scratch.

In a more positive move, Utah officials are exploring ways to expand care for school-age kids. One interesting proposal: The state will offer \$500,000 to communities willing to put up matching funds to create new slots for school-age care. Half the money would be for programs run by private caregivers. This is an interesting approach, since it uses both public and private resources to help kids.

VERMONT



★ Number of children one adult can care for: 4 infants • 5 toddlers • 10 preschoolers • 13 school-agers. Group size: Good standards, except for school-age care. Caregiver training: Center directors: 4 college courses to start; 9 hours annually. Master teachers: 4 college courses to start; 9 hours annually. Center staff: One college course to start, plus one year experience; 6 hours annually. Family child care providers: None to start; 6 hours annually. † Adult supervision: Good. Size at which family child care is regulated: 3+ children. Immunizations: – (no HepB). Playground surfaces: Centers: +. Family child care homes: –. Hand-washing: Centers: Good. Family child care homes: Fair. Healthy Child Care America: +. Inspections: Centers have 2 unannounced inspections a year; family child care homes have inspections only upon complaint. ☹ Vermont offers modest assistance to start up new child care programs. State investment: \$1.09 for every \$100. R&Rs: Statewide network (+). ♥ This state continues to be a leader in quality child care.

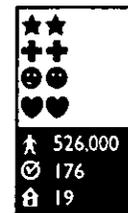
Good rules and tenacious advocates mean child care here is high quality—and still improving. When legislators wanted to cut funding for child care training last year, parents and caregivers mobilized. They

spent a day at the capital explaining why training is so important—and legislators agreed to restore 90 percent of the money they had proposed cutting.

The state recently began requiring that family child care homes be inspected before they're registered with the state. State officials spend two hours with new caregivers, offering training and guidance, explaining rules and making sure homes are safe. This is an excellent way to approach the job of state oversight.

Vermont has also published a set of "core standards" for all child care programs. These standards are voluntary, but serve as a guideline for centers looking to improve quality.

VIRGINIA



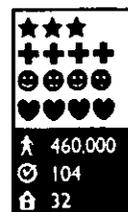
★ Number of children one adult can care for: 4 infants • 10 toddlers • 10 preschoolers • 20 school-agers. Group size: No standards. Caregiver training: Center directors: Some early-childhood education and experience to start; none annually. Master teachers: Combination of education and experience to start; 8 hours annually. Center staff: None to start; 8 hours annually. Family child care providers: None to start; 6 hours annually. † Adult supervision: Mediocre. Size at which family child care is regulated: 6+ children. Immunizations: – (Hib is required only for children under 30 months. HepB is required only for children born after January 1, 1994.) Playground surfaces: Centers: +. Family child care homes: –. Hand-washing: Centers: Good. Family child care homes: Fair. Healthy Child Care America: –. Inspections: All licensed programs have inspections twice a year (at least 1 unannounced). ☹ This state launched no significant new initiatives to expand its supply of child care. State investment: 24¢ for every \$100. R&Rs: Statewide network (–). ♥ Controversy continues to dominate the child care scene in Virginia, with very little accomplished in terms of improving or expanding options for families.

Child care advocates and Governor George Allen remained at odds all year, fighting over standards for child care. At one point members of a child care council that Allen had appointed proposed lowering standards for caregiver training and reducing some adult-to-child ratios for preschool children. Fortunately, the proposals were beaten back in the state legislature.

On the positive side, the state did finally put up matching funds to secure its full share of federal child care funds (although there is concern among advocates over how these funds will be distributed). Virginia also set aside some modest funds for caregiver training.

On the positive side, the state did finally put up matching funds to secure its full share of federal child care funds (although there is concern among advocates over how these funds will be distributed). Virginia also set aside some modest funds for caregiver training.

WASHINGTON



★ Number of children one adult can care for: 4 infants • 7 toddlers • 10 preschoolers • 15 school-agers. Group size: Mediocre to poor standards. Caregiver training: Center directors: 45 college quarter credits in early-childhood education or equivalent to start; none annually. Center staff: None to start; some annually. Family child care providers: None. † Adult



Florida Governor Lawton Chiles has been a true champion of child care. Recently, he proposed that the state spend an additional \$49 million to make care available to more kids.

HOW DOES YOUR STATE RATE



New training rules in Washington State will improve care for kids in homes and centers.

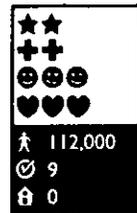
supervision: Good. **Size at which family child care is regulated:** 2+ children. **Immunizations:** ++. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Centers: Good. **Family child care homes:** Poor. **Healthy Child Care America:** +. **Inspections:** All licensed programs have announced inspections every 3 years. ☺ **Washington State** made a significant new investment to expand child care, allocating \$100 million in new funds. **State investment:** 65¢ for every \$100. **R&Rs:** Statewide network (+). ♥ **Washington State** continues to be an innovator on child care, with the legislature and governor committed to improving and expanding care across the state.

Washington State officials are working hard to expand the supply of child care this year. Governor Gary Locke's proposed budget earmarked \$350 million for child care, including \$100 million in new dollars and \$9 million for nontraditional care, such as off-hours programs for parents who work swing shift or nights. This is an especially important innovation; child care advocates across the country report that parents with nontraditional hours find it nearly impossible to obtain care for their children. Last year, state lawmakers earmarked about \$10 million in state funds to eliminate a waiting list for state-sponsored child care.

New funds have been made available for resource and referral, caregiver training and parent-education efforts. Training requirements for all caregivers have been strengthened as part of the program. All providers in the state will soon have to

have 20 hours of training during their first year on the job, and 10 hours annually after that. Currently, most caregivers need no training at all before they start caring for kids.

WEST VIRGINIA



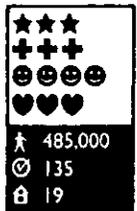
★ **Number of children one adult can care for:** 4 infants • 8 toddlers • 10 preschoolers • 16 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: 9 hours to start; none annually. **Center staff:** None to start; unspecified number of hours required annually. **Family child care providers:** None.

✚ **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 4 children. **Immunizations:** Centers: ++. **Family child care homes:** +. **Playground surfaces:** -. **Hand-washing:** Centers: Good. **Family child care homes:** Fair. **Healthy Child Care America:** +. **Inspections:** All licensed programs have announced inspections once a year. ☺ **This state** expanded its supply of family child care and continued to support its network of family resource centers. **State investment:** 21¢ for every \$100. **R&Rs:** No statewide network. ♥ **West Virginia** expanded the supply of family child care this year.

The big news here: West Virginia is expanding its resource and referral network statewide. By next year, every parent in the state will have access to an R&R agency offering help finding child care. In the face of growing demand for child care, the state has created a new class of family child care homes. In these homes, which started opening this month, two adults may care for seven to 12 children. While this is a lot of kids for two adults to supervise, the new rules do limit the number of children under two that can be cared for in the home. These large homes are a workable solution for this rural state, since small, spread-out communities often can't sustain child care centers.

Thanks to the previous governor, Gaston Caperton, West Virginia had an extra \$2 million to spend on child care this year—a sizable chunk for a small state. West Virginia used the money to add licensing staff, support a school-age summer care program and help fund the R&R expansion.

WISCONSIN



★ **Number of children one adult can care for:** 4 infants • 6 toddlers • 10 preschoolers • 18 school-agers. **Group size:** Mediocre to poor standards. **Caregiver training:** Center directors: None to start; 39 hours annually. **Center staff:** 80 hours to start; 39 hours annually. **Family child care providers:** 40 hours to start; 15 hours annually.

✚ **Adult supervision:** Good. **Size at which family child care is regulated:** 4+ children. **Immunizations:** +. **Playground surfaces:** Centers: +. **Family child care homes:** -. **Hand-washing:** Good. **Healthy Child Care America:** +. **Inspections:** All licensed programs have unannounced inspections once a year. ☺ **This state** boosted its child care supply significantly; it now serves 17,000 more children. **State investment:** 33¢ for every \$100. **R&Rs:** Statewide network (+).

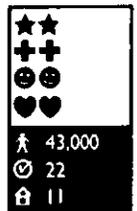
♥ **Wisconsin** is making a big push to expand the supply of care, but some of the expansion may come at the expense of quality.

Governor Tommy Thompson's welfare reform effort, "Wisconsin Works," included sweeping changes in the state's child care rules and funding. On the positive side, state funding is increasing by \$36 million this year alone, which means all families on the waiting list for child care subsidies have now received them. In 1996-97, the state pumped \$89 million in new state money into child care. By 1998, the number of children receiving aid will zoom from the current 17,000 to 60,000. This is a remarkable achievement.

The state also gave a big one-time boost to efforts to increase supply and quality, to the tune of \$5 million. That money will translate into more staff for licensing, improved resource and referral services and more grants for caregiver training.

At the same time, however, Wisconsin has created a new class of providers, known as "provisional" caregivers. These providers will not be required to have any training, and the state will reimburse them at half the rate it pays those who are certified and have credentials in early education. Many advocates are worried that these policies—paying caregivers less and lowering training standards—could hurt the quality of child care in Wisconsin.

WYOMING



★ **Number of children one adult can care for:** 5 infants • 8 toddlers • 10 preschoolers • 25 school-agers. **Group size:** No standards. **Caregiver training:** Center directors: None to start; 8 hours annually. **Center staff:** None to start; 8 hours annually. **Family child care providers:** None to start; 8 hours annually.

✚ **Adult supervision:** Mediocre. **Size at which family child care is regulated:** 3+ children. **Immunizations:** +. **Playground surfaces:** -. **Hand-washing:** Fair. **Healthy Child Care America:** +. **Inspections:** Centers and family child care homes have unannounced inspections once a year. ☺ **This state** has no broad initiatives to increase the supply of child care. **State investment:** 18¢ for every \$100. **R&Rs:** No statewide network. ♥ **State lawmakers** took a step backwards this year, delaying new rules that would have made significant improvements in the quality of child care across the state.

The state's Department of Family Services worked long and hard to improve child care licensing rules. The final proposals would have lowered adult-to-child ratios and required caregivers to have more training—two significant steps that are known to boost the quality of child care programs.

The new rules had received plenty of support when they were circulated to local child care associations. But lawmakers retreated from the rules in the face of vocal opposition from a few family child care providers who complained such improvements would ruin them financially. The legislature also proposed a moratorium on changes to licensing rules until 2001—fortunately, this failed to pass.

Betty Holcomb is a WM contributing editor; Catherine Cartwright is senior editor; Shaun Dreisbach is associate editor; Anne L. Fritz is assistant editor.

CHRIS BERNHORN

Bruce/Cynthia/Ten -

This is interesting and should
be very useful for the NGA
speech. Etera

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Policy Briefing

July 18, 1997

Welfare-To-Work And Child Care

A Survey Of The Ten Big States

Margy Waller

Less than a year after Washington launched an historic experiment in welfare reform, state decisions about child care benefits are undermining one of the key principles of reform: that work must pay more than welfare. A PPI survey of the states with the 10 largest caseloads, completed in early July, shows that some states are diverting child care funds from the working poor to welfare recipients, jeopardizing the ability of the working poor to stay off welfare rolls. This trend, if sustained, would represent a perverse twist to welfare reform by penalizing the very families who are working hard to stay off welfare.

A sound welfare policy should not only require work, but should also "make work pay." To reward work over welfare, states must offer supports, including child care, health care, and transportation subsidies, to enable the working poor to remain in the job market. The risk for low-wage workers who lack child care for their children is obvious: without someone to watch the children, a parent can't go to work.

That is why the success of welfare reform depends on the existence of accessible, affordable, quality child care for all low wage workers: those on welfare, those moving from welfare to work, and those who were never on welfare. The best way to achieve this is to create a system that does not make distinctions between workers based on their connections to the welfare system. But just the opposite is occurring in states like Georgia and Ohio, which are focusing on services to welfare recipients at the expense of other low-wage workers.

Christine Ferguson's story is illustrative. Ferguson, a Wal-Mart cashier earning \$6.80 an hour in Union Township, Ohio, lost her child care subsidy when her county welfare department ran out of state funds for the program and eliminated eligibility for assistance to 110 families like hers, those whose earnings are higher than 125 percent of federal poverty guidelines. Like other states, Ohio has saved money as its welfare caseload has fallen. But Ohio has refused to reallocate these savings for child care to the working poor and has reduced overall state funding for child care this year, even as it has passed some of those savings on as tax cuts.

Meanwhile, Ferguson's child care costs have increased from \$65 a month (her copayment with the subsidy), to \$400 a month. "I'm really glad [President] Clinton wants to do this welfare reform," she says.

identical to Christine's.

Lacking a federal model for work-based welfare reform, states are experimenting -- and the results are decidedly mixed. A few states have moved a long way in the direction of creating a system that does not make distinctions between workers: Illinois has the best

of creating a universal system of child care for all model. Two states, and possibly a third, will reduce state funding for child care this year, while others have made a significant new state investment as they attempt to reach more families. Many states prioritize child care support to families currently receiving welfare or transitioning from welfare to work. Most states have created incentives to child care providers who fill gaps in delivery to infants and workers with a nontraditional schedule.

This report is a part of PPI's continuing effort to monitor those experiments -- and determine if states are truly replacing welfare with a system that supports people who work. It is critical for states to make that investment now, while caseloads are dropping, the economy is strong, and states have new resources for investment in the bridge to work.

It is all the more critical because as work requirements for welfare recipients increase under the new federal law, the demand for child care assistance to working welfare recipients will too. If states meet the work requirements, and provide child care to those working families, it should not come at the expense of reducing or eliminating funding for working poor families. It would be unfortunate if states use the flexibility provided by the new law to maintain the inequities of the old system when they have the opportunity to design a seamless employment system for all entry-level workers.

This paper examines the decisions about child care that have, or are, being made in the 10 states with the largest welfare populations. It begins with a review of the circumstances that states find themselves in under the new welfare law and the need for child care as an integral part of the employment system for all low-wage workers. Then it reviews some of the major findings of the survey. Finally, the paper makes five recommendations for developing a child care system for all low-wage workers.

The Background

New Welfare Law Requires Work Last year, historic legislation eliminated the guaranteed system of cash assistance to poor families and replaced it with block grants to states. These block grants are based on a formula that requires the federal government to send states the amount of money they received at a time when caseloads were at an all-time high. Although states are permitted to reduce state spending, a House Ways and Means Committee report found that the states now have 34 percent more federal resources per welfare family than they would have had under the old program.²

States need to use these new resources to move a steadily increasing number of welfare recipients into "work activities" to meet new federal guidelines. In 1997, 25 percent of the welfare caseload must be working; 50 percent of the caseload must be working by 2002. Caseload reduction can help states meet the goals. For example, if a state's caseload this year is 10 percent less than it was in 1995, the state can meet the work participation rate by having just 15 percent of the current caseload in work activities.

child care programs, targeted to different populations, into one flexible block grant. Each of these separate and categorical funding streams was added to the existing Child Care and Development Block Grant, now called the Child Care and Development Fund (CCDF). The block grant provides states with \$4 billion more in federal child care funds per year than has ever been spent before. However, the Congressional Budget Office (CBO) estimates that if states continue to spend the same amount on the working poor, there will be a \$1.4 billion funding shortfall for children of welfare recipients.

Because of increased federal requirements for welfare recipients, states feel pressure to target new child care funds toward working welfare recipients, in order to meet increasing work participation rates. Over time, such a decision has great potential to increase welfare rolls as working poor families lose jobs for lack of child care.

Infant Care and Child Care for Third Shift, Part-Time and Weekend Workers does not Meet Demand, and Demand is Increasing Communities are generally not meeting current demand for infant care. A report from the United States General Accounting Office (GAO) on the supply of infant care found that the percentage of current demand that is met by the known supply (excluding informal options) ranges from 16 to 67 percent. The report notes that the gap is greatest in poor communities.³ The new federal law eliminates the exemption from work requirements for parents with children under age three, and creates an option for states to exempt parents of children under age one. Since the old rule accounted for as much as 75 percent of the exempt population, the new law increases the need for infant care.

Most child care providers are available only during traditional work hours, while poor working mothers in entry level positions often need odd-hours child care because their new jobs do not have 9-to-5 work day hours. A recent GAO survey of child care providers in four communities found that the percentage of providers offering care during nontraditional hours ranged from 12 percent to 35 percent.⁴ Most sites offering odd-hours care are providers who operate child care homes (private homes with few slots), not child care centers which have a higher capacity.⁵

The Child Care Crunch

Many studies cite the importance of accessible and affordable quality child care for workplace success. A GAO report found that if welfare recipients received child care subsidies, work participation rates would increase from 29 percent to 44 percent, at a time when there were no time limits and more flexible work requirements.⁶ Researchers report that a primary barrier to work participation among welfare recipients is lack of child care access.⁷ A GAO study of participants in welfare-to-work programs in 38 states found 60 percent of respondents reported that a lack of child care is a barrier to work.⁸

Welfare recipients who leave welfare for low-wage positions need the support of child care assistance to retain the new jobs. A GAO report on the impact of welfare reform on child care needs, says that a former welfare recipient may be unable to keep a job and

earn enough to support her family without assistance, if her child care subsidy ends before she has moved up the career ladder to self-sufficiency.⁹ Two earlier reports for state welfare departments found that at least twenty percent of mothers in transition from welfare to work who lost child care assistance returned to welfare.¹⁰

The cost of care is a significant factor limiting access for low-wage workers. Family child care costs can be hard to estimate because they vary depending upon type and quality of care, geographic location, and number of children in care. A survey of the Wisconsin welfare caseload found that for over two-thirds of the caseload, the market cost for child care would be more than half of minimum wage earnings.¹¹ A U.S. Census report showed that child care costs take an average of 18 percent of household income for families below the federal poverty level, while non-poor families used only 7 percent of household income for care.¹² The same report says that the average cost is \$3,856 per year.¹³

Mothers who want, but cannot afford, center or home-based care must turn to family or friends, and sometimes older children as care givers. Fifty-five percent of poor parents use informal care arrangements, while only 21 percent of nonpoor families do so.¹⁴ These options can be less reliable and stable than center-based care. Finally, new work requirements may decrease the availability of informal care arrangements when family members who were able to provide care have work requirements themselves.¹⁵

Employers say child care problems make employees unreliable when parents are forced to stay home, or take work time, to deal with care problems. The National Conference of State Legislatures reports that 80 percent of employers surveyed found child care problems force parents to use work time.¹⁶ A report from the Colorado Business Commission on Child Care Financing concludes that lost work-time and reduction in productivity due to child care problems results in a \$3 billion annual loss nationwide.¹⁷

Making work pay requires a comprehensive employment system with many components: child care, health care, transportation, earned income tax credits, etc. This survey reviewed only the child care aspect of the employment systems states are developing.

The PPI Survey: States Have Not Taken Full Advantage of New Block Grant Flexibility

The Progressive Policy Institute (PPI) conducted this survey in May, June and July of 1997 to gather information about the decisions made in the 10 states with the largest welfare caseload (California, Florida, Georgia, Illinois, Michigan, New York, Ohio, Pennsylvania, Texas, and Washington). These states include almost two-thirds (65 percent) of the national caseload.¹⁸ In late May, PPI sent a written survey to each state. A large group of key informants from state administrations, state legislatures, and child care policy organizations participated in follow-up telephone interviews as state legislatures debated the passage of welfare reform use laws. While the survey results provide information available through the first week of July, several states had not finished work, and others anticipate changes or have left some issues to the state agency. Before passage of the new federal law, many states urged that federal funding for child care permit creation of

seamless systems so that one set of rules -- for eligibility and application -- would apply to all child care applicants. State administrators were frustrated by gaps in service and artificial distinctions created by narrowly targeted and categorical funding.¹⁹ In fact, the expressed intent of Congress in passing the law was to treat all working families the same. A welfare reform guide for Members of Congress on welfare reform notes that the purpose

seamless systems so that one set of rules -- for eligibility and application -- would apply to all child care applicants. State administrators were frustrated by gaps in service and artificial distinctions created by narrowly targeted and categorical funding.¹⁹ In fact, the expressed intent of Congress in passing the law was to treat all working families the same. A welfare reform guide for Members of Congress on welfare reform notes that the purpose of the law is to "eliminate gaps, disruptions, and paperwork caused by the old child care system that established separate child care programs for each of these groups of parents."²⁰

It seemed likely that given more flexibility, states would eliminate artificial distinctions and finally create a system basing eligibility on income. All poor families would be eligible for services, *if they are working* -- whether in an unsubsidized low wage job, a community service job or workfare position. Unfortunately, only a few states in the PPI survey have done what was expected. PPI found that states so far have largely declined to take advantage of the flexibility in the new law, and are focusing resources on working welfare recipients to the detriment of other low-wage workers.

Ohio plans to significantly decrease state funding in the face of gaps in service to working poor; Illinois plans to increase state funding by 80 percent. Two states have reduced state spending on child care assistance overall: Ohio and Pennsylvania. Governor George Pataki of New York proposes to decrease spending by 5.4 percent, but the legislature proposes an increase of 13.6 percent. In Pennsylvania, the decrease is relatively small, only 1 percent. The decrease in Ohio amounts to nearly 11 percent of state funding for child care. Every state surveyed plans to provide state matching funds for all available federal dollars, thereby increasing overall child care spending. However, at a time when there is an influx of new federal resources relative to welfare caseloads, it is difficult to understand why any state would reduce its general revenue funding for working families.

Two states plan to increase state funding by only 1 percent: Georgia and Washington. Other states have recognized the value of an increased investment in child care. California and Michigan plan to increase state spending on child care by 12 and 13 percent respectively. Texas plans a 24 percent increase next year. President Clinton recently recognized Florida for its significant new state investment in child care -- 40 percent overall. Illinois is the big leader here, increasing state funding by 80 percent over last year.

Half of the states prioritize available funding to families connected to the welfare system; three states guarantee funds for welfare families and provide services to other low-wage workers only if funding permits. Five of the 10 states surveyed intend to provide assistance to welfare recipients and those in transition to work *before* assisting other low-wage working families. This is surprising, given the number of state administrators, governors, and others who have said that such a system is inherently inequitable given the relative similarities between these families, and the incentive it creates to enter the welfare system to ensure eligibility for child care assistance.

PPI's survey asked whether states intend to guarantee assistance for child care to any groups. PPI defined a guarantee as a promise to all who met eligibility criteria that

child care assistance would be available, no matter how many families apply during the year. (We did not ask whether the guarantee is an entitlement by state law.) Two states, Ohio and Georgia, plan to guarantee child care to welfare recipients and those in transition to work, while making assistance available to other working poor, "if funding permits." Texas will guarantee assistance only to families in transition from welfare to work.

Three states say they will "guarantee" funding for transitional assistance for one year after leaving welfare for work; four other states say transitional families are eligible for assistance if funding permits within budget limits. The Georgia, Ohio and Texas child care plans "guarantee" transitional child care support for one year after welfare recipients leave welfare for work. However, if these former welfare recipients exceed newly created income ceilings, they will lose assistance before the end of the year.

Four states will provide such transitional assistance to as many families as possible within state funding limits: California, Florida, New York, and Pennsylvania. In New York, Governor Pataki and the Legislature have competing proposals; the Governor would allow local welfare administrators to set an income ceiling for eligibility (up to the state maximum), but would not require a time limit. The Legislature would limit transitional child care support to one year, with an income ceiling. Florida proposes a two-year time limit for transitioning welfare recipients. California has two transitional programs: one has a two-year time limit and no income ceiling, the other program limits assistance based on income, but not time.

Michigan, Illinois, and Washington (beginning this fall) cover recipients in transition to work as part of their income-based programs. Transitional workers are treated just like other low-wage workers -- they are eligible until they reach the income ceiling.

Only three states have moved to create a seamless system of child care support for all low-wage workers; seven of the largest states have so far chosen to keep the old system. Only three states surveyed by PPI have moved to develop a child care system with eligibility based on income: Illinois, Michigan and Washington. Households with income below 50, 60, and 52 percent of the respective state median income (SMI) are eligible for child care services. In Michigan, working welfare recipients will get priority, but the state does not anticipate a funding shortfall. There is no time limit on assistance in any of these states.

Some states create expectations of services for working poor, but may not be able to meet them. In order to compare the income levels that states use to determine eligibility for child care support, PPI converted the varying state standards to a percentage of state median income. Some states choose to use SMI as their yardstick for eligibility, others base eligibility on a percentage of federal poverty guidelines. PPI uses SMI to adjust for wide cost of living differences, allowing for a more accurate cross-state comparison of eligibility.

Federal law limits the use of the child care block grant to households with incomes below 85 percent of state median income. Nevertheless, the PPI survey found income ceilings ranging from a high of 100 percent of SMI in one California program (using some state funding) to a low of 50 percent of SMI in Illinois.

However, when it comes to child care for the working poor (as in other categories where support is not guaranteed), it is critical to distinguish between eligibility for, and access to, services. States with a high income ceiling may not provide services to many of the families below the ceiling. In the past, states often were forced to close intake for services, and many states maintained long waiting lists. One state administrator commented that children would be in college before they reached the top of a waiting list.

Michigan (60 percent of SMI), Illinois (50 percent of SMI), and Washington (52 percent of SMI) have set eligibility relatively low compared to other surveyed states -- but, the state legislatures in those states have allocated funding that they believe will cover all eligible families likely to apply. Illinois has increased state funding by a whopping 80 percent since last year. These states have moved closest to creating a seamless child care program with universal access for eligible families, determining eligibility by income rather than making artificial distinctions based on a recent connection to the welfare system.

Most states have created incentives for filling gaps in services to parents of infants and workers with nontraditional hours. Six of the 10 states surveyed offer, or are considering, an incentive for child care providers who supply odd-hours care or infant care. Usually the incentive is a higher rate of payment (recognizing the higher costs of such care). In California, providers with nontraditional hours get contractual priority. Six states will provide incentives for infant care: California, Florida, Michigan, New York, Ohio, and Washington. Three states will provide incentives for odd-hours care: California, Florida, and Ohio. Illinois is considering various incentives and three states are not currently planning to provide incentives targeted to creation of infant or odd-hours care: Georgia, Pennsylvania, and Texas. Pennsylvania will ask for local input on whether to use new funds for infant care or nontraditional care.

States are also providing incentives to alleviate other shortages, such as care for special needs and school-age children (before and after school hours). Finally, some states are encouraging collaborative approaches for child care and Head Start centers. (While there are also many issues related to provider payment rates and licensing that will affect quality and availability of care, the PPI survey did not address these issues, beyond enhanced rates paid as an incentive to create care for targeted populations.)

Three states require parents to return to work when their infant is three months old; nine states fail to take full advantage of the federal option to exempt parents of children under age one. All states surveyed have a newborn work exemption. Illinois provides up to one year for each newborn -- the federal maximum. Georgia, Ohio, Pennsylvania, and Washington all create a twelve-month lifetime exemption. Governor Pataki's proposal guarantees a three month exemption for the birth of each child, subject to twelve month lifetime limit for the parent; local welfare administrators would have discretion to extend the three month exemption.

Florida and the New York legislature provide a three-month exemption for each child, with no lifetime limit. Michigan requires parents to work when an infant is thirteen weeks old. In contrast, Texas will retain its current provision, permitting an exemption for

parents of children under age six, until September 1997, when the exemption will be only for parents of children under age five. At this writing, the debate over this issue is raging in California. While the Democratic proposal creates a one year exemption for new parents, California Governor Pete Wilson has proposed a twelve-week exemption.

States have developed confusing family copayment requirements. All states require some families to pay part of the cost of their child care; California, Georgia and Washington have complicated formulas for calculating family child care copayments. Washington uses a complex set of rules that require a family earning less than 74 percent of the federal poverty level to pay \$10.00 a week. But once the household income exceeds 74 percent of federal poverty, the weekly copayment will be the greater of \$20.00 or 47 percent of the household income over 100 percent of the federal poverty level. Georgia's formula has three separate categories for eligibility and two different copayments. From the worker's perspective, it may not be easy to figure out which of the three categories applies, or which sources of income the state will count. In California, the copayment may vary depending on the original source of funds (federal or state), a fact the worker is not likely to know.

States have set reasonable copayments for families at the poverty level. Copayment rates are important to an assessment of access to care because if the family share of the cost of child care is too high (as a percentage of household income), the family will not be able to get care even if they are eligible according to the state eligibility rules. The Child Care Bureau at the federal Department of Health and Human Services recommends a copayment of no more than 10 percent of the household income.

The state copayment formulas are complicated and difficult to evaluate for their impact on families. The best way to compare what the family will be required to contribute is to ask each state about the cost of care for the same hypothetical family; we asked about a family with one parent and two children in child care with income at 100 percent of the federal poverty guidelines, \$13,330. (PPI's survey did not ask about copayments for other income levels or household sizes and makes no finding on the appropriateness of copayment levels for these other family circumstances.) Only one state reported a copayment above the recommended level: Texas has a copayment formula that requires the family to pay 11 percent of household income. All other states surveyed have set copayments for PPI's hypothetical family of three below the recommended level.

PPI'S Five Action Steps for States

This survey highlights a problem that we hope will be addressed quickly by a determined effort of national and state leaders. It is a vital principle of PPI that welfare reform should not disadvantage the working poor. Many state legislatures are still in session or will be meeting again in the coming months; state legislators and Governors should re-examine the state child care plans and eliminate any artificial distinctions that have been made between working poor families. Success in these 10 large states would lead the way for smaller states and is critically important because the big states represent nearly two-thirds

of the national welfare caseload. Still it is important to note that some smaller states have created systems of child care basing eligibility on household income.

1) Create a seamless system of child care. As families move from welfare, to workfare, to low-wage, unsubsidized positions -- they should not have to change child care providers, worry about reapplying, or deal with a new set of rules for assistance. A seamless system lets families cross the bridge from welfare to work without disruption in child care services. Employers urge decision-makers to invest in child care because they know an employee with child care difficulties will miss work. Children should be able to count on seeing the same care-giver and friends; parents should focus on successfully making the transition.

Child care assistance systems should be fair and easy to understand. In Illinois there will be one set of rules for all low-wage workers receiving child care assistance. But, California proposes the kind of system that all states should avoid: depending upon the source of the funds, and the state department administering the program -- parents may have different eligibility criteria, income ceilings, time limits, and copayments. The state will have to treat families in identical situations differently, and it will be difficult for parents to anticipate the impact of program regulations.

2) Base eligibility for child care on income, not on current or recent receipt of welfare. All low wage workers need the certainty of affordable, accessible child care. Again, Illinois has the right idea. Creating a system of care that bases eligibility on income level ensures that working welfare parents get assistance, but not at the expense of other low-wage workers -- especially those who have long managed to avoid asking for welfare. Those families transitioning from welfare to work will get child care -- until their income reaches the ceiling set by the state. Careful monitoring to evaluate the impact of the loss of child care assistance when families hit the "cliff" of the income cap will be critical. If states find that the level is set too low or too high, they can adjust it. Michigan and Washington propose a system that bases eligibility for child care on household income, although Michigan's plan has a priority for service to welfare recipients. Decision-makers in these three states believe the allocated funding will be sufficient to assist all families below the income ceiling.

A system that determines eligibility based on current or previous receipt of welfare ignores the reality that low-wage workers are likely to return when informal child care arrangements fail. In the first years of block grants, pressure on available funds will be less, because work requirements will be at the lowest levels. In the current economy, many families who would otherwise be forced to rely on welfare are working in low wage jobs. Helping these families now may enable them to stabilize and move up the career ladder so that they do not fall back into the system when the economy falters.

3) Make copayments affordable and understandable. All families should have the responsibility of contributing to the cost of care. But, eligibility for child care that is not affordable is deceptive. It is an empty promise to say that all low-wage working families

will be *eligible*, if the copayment is set so high that families cannot afford to access the child care. The Child Care Bureau at the Department of Health and Human Services recommends a copayment of no more than 10 percent of household income. The national average payment is 7.5 percent of household income for all families.²¹

Families should be able to understand the copayment formula and easily budget for child care expenses. Entry level workers often have fluctuating schedules and paychecks, so families may have to calculate their share of the cost with some frequency.

4) *Limit gaps in service by offering incentives to providers and taking advantage of the federal option to exempt parents of children under age one.* States can enhance the capacity of the child care system to meet the needs of parents of infants, as well as third-shift, weekend and part-time workers by providing incentives to providers.

Communities are generally not meeting current demand for infant care. Demand for infant care will also increase, as the exemption for parents of young children is narrowed significantly in most states. Another way to limit demand for infant care, reduce costs and support families, is to take advantage of the work exemption for parents of children under age one. Since the national average subsidy rate for infant care is almost \$2,200 more per year than the subsidy for toddler care, offering a work exemption for parents of infants is a fiscally prudent step to take in a time of limited resources.²² More importantly, it is consistent with recent findings in the research on child development. At a Congressional hearing on July 10, 1997, Dr. Edward Zigler, Sterling Professor of Psychology at Yale University and Director of the Bush Center in Child Development and Social Policy, stated, "Parents and their new babies need time together to establish the rhythms of life, to reach a level of sensitive attunement and to become securely attached."

5) *Use block grant funds and savings from caseload reductions to build the child care system for all low-wage workers.* In a weekly radio address, President Clinton noted that all states have ended the old welfare program, and that caseloads represent the lowest percentage of our population on welfare since 1970. President Clinton urged states to invest the resources available from caseload reduction in a system that will enable welfare recipients to get and keep work -- specifically by providing child care.

The PPI survey asked states about their plans to increase overall funding for child care. All of the states indicated an intention to use the total available federal matching dollars. Some states are transferring funds from the Temporary Assistance for Needy Families (TANF) block grant to the Child Care and Development Fund. As caseloads continue to drop and while the work participation rates are relatively low, states can afford to make transfers from the TANF block grant. States can transfer up to 30 percent of the TANF block grant, and assistance provided by the transferred dollars is not subject to the federal five year lifetime limit.

Most states are increasing state funding (PPI's definition of state funds does not include transfers from federal block grants) for child care. The only exceptions are Ohio and Pennsylvania which will probably experience a decrease from the prior year's state spending. In Ohio, the state chose not to continue spending \$10 million from caseload

reduction savings that was incorporated into the state's budget for the prior year when counties began to run out of funds for the working poor. Given Ohio's "guarantee" of assistance to families with a recent connection to the welfare system, working poor families will experience a reduction in available child care slots. In New York, Governor Pataki proposes a 5.4 percent decrease, while the legislature proposes a 13.6 percent increase. Pennsylvania's reduction is less than 1 percent of state funding.

Conclusion

The PPI survey on child care shows a trend for states to overlook the flexibility available to them and retain a child care system with gaps and inequities as if the federal government were still insisting on this flawed program design. Unfortunately, this tendency will punish working poor generally by failing to invest new resources in their access to child care. Every new law has potential for unintended consequences; hurting low-wage workers would be an unfortunate outcome of the historic legislation passed last year. States have the resources to follow the lead provided by Illinois: create a seamless child care system for entry level workers and fund it adequately to ensure universal access for all eligible families. Welfare reform requires many difficult decisions, and it has only been eight months since the federal law passed. Although states have filed their first child care plan and many states have completed a legislative debate on this issue, legislators and Governors have an ongoing opportunity and responsibility to improve the state employment system. We think they will. In the meantime, Congress should carefully monitor state actions and make changes in the federal law when necessary.

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