

**Phil Acord
President and Chief Executive Officer
Children's Home
Chattanooga, TN**

**Testimony before the
Subcommittee on Children & Families
Health, Education, Labor & Pensions Committee
United States Senate**

**CCDBG Reauthorization: Helping to Meet the Child Care Needs of American Families
July 26, 2012**

My name is Phil Acord and I am the President/CEO of the Children's Home/Chambliss Shelter in Chattanooga, Tennessee. The Children's Home has been serving children in Chattanooga and surrounding area for over 140 years. On any given day we have responsibility for the care and education of over 700 children and serve well over a 1,000 children annually. I have been with this organization since 1971.

The question I have been asked to answer is "what are the critical improvements that can be made to CCDBG, with limited resources and without substantially disrupting families currently receiving CCDBG".

I was on the state advisory committee back in 1990 when we received the CCDBG Regulations. We spent hours reading the regulations and trying to figure out how we could serve the most children and improve the early childhood education community. For most of us that operated programs that served predominantly low income children we were so excited about receiving a subsidy for those families that could only afford to pay us \$25 or \$30 a week. Most of our budgets had only one source of revenue and that was parent fee payments. These new dollars were going to allow us to provide our staff with benefits and maybe even increase their salaries above minimum wage. Not only were these funds going to help us recruit more qualified staff but we were also able to purchase curriculums for our classrooms and upgrade our equipment and other materials.

The State of Tennessee took some of the quality funds and started the Tennessee Early Childhood Training Alliance, which provided all new staff entering the field a 30 clock hour training program on early childhood development. They also increased the amount of annual training required and made that training available to the ECE community.

Over the next ten years lots of new programs sprung up across Tennessee providing ECE services in rural areas. Many programs expanded their services to serve infants and toddlers in addition to the 3 and 4 years they served. This was all made possible because of CCDBG funds. Poor parents could not afford to pay the cost of care for children under three but Tennessee paid a higher reimbursement for younger children. Tennessee also was faithful to do an annual Market Survey and reimbursed at the 75th percentile of that rate.

During the good economic times Tennessee was able to provide a CCDBG subsidy to almost every low income parent that applied. The state then started focusing on the quality issue. They upgraded their licensing standards and reduced the ratio of child to teacher. They lower the case loads of the licensing counselors and increased the monitoring to 6 unannounced visits per year. We all were concerned about these changes because it took away from the funds we had to improve our services, our salaries and our facilities. But we also understood that every low income child deserved access to a good quality ECE program and that a poor quality program was actually harmful to a young child's development.

The next step Tennessee took, in the name of quality, was to develop a Quality Rating and Improvement Scale that took a closer look at the quality of a program in addition to the licensing standards. As an incentive to programs serving CCDBG children the State agreed to pay above the subsidy market rate if a program achieved a one, two or three star rating.

Then the economy had its' downturn and we began to experience a reduction in the number of parents that could get a subsidy. My program which serves about 225 families went from 120 of those families on subsidy to less the 50 parents on subsidy. Programs that served significant numbers of low income children started to close their doors because they couldn't sustain themselves with certain number of subsidized children.

We had worked hard to build an infrastructure that supported quality ECE programs and gave low income children access to quality ECE services. The state stopped doing their Market Surveys and could no longer pay at the 75th percentile. Next they froze intake for those poor parents trying to get a subsidy allowing only TANF clients, teen parents in high school and foster children access to the CCDBG funded subsidy.

I would have parents in my office crying because they couldn't get a CCDBG subsidy and they couldn't afford to pay my fee which is based on a sliding fee scale according to the parent's income. A lot of my parents had their pay cut and without a subsidy could not afford to pay for care.

Tennessee has about half the number of regulated programs they had 6 or 7 years ago. Although the CCDBG funds were decreased the quality requirements they had put in place continued. There was less grant money for program improvement, less money for training and less money for support services.

CCDBG totally changed the Early Childhood Education community in Tennessee, Chattanooga and at my agency and the programs we managed. Because we did not want to reduce the quality of our services we began to raise money to subsidy the fees of the parents that could not get on CCDBG. We worked with the United Way to obtain additional funding, we appealed to local government for assistance and we began to do fund raisers. In order to maintain the quality of our services and still make it available to the low income families, that could no longer access a CCDBG subsidy, we were now subsidizing the fees of those parents.

We also entered into collaborations with Head Start and Early Head Start as well as Pre K programs to help off set our cost of operation. We also took on five small agencies that were in

danger of going out of business without our help. Some of those programs served 100% low income children.

I listed in my outline some of the things that would streamline some of the CCDBG requirements in Tennessee. Like only requiring parents to go through eligibility redetermination annually, allow them to do it by phone or on line. In Tennessee we might have to cut back on some of our quality monitoring to put more money into the accessibility pot. Ask states to direct more of their resources to supplement CCDBG. Continue to encourage Head Start, Pre K and the Early Childhood Education community to collaborate and partner around shared space, monitoring and training.

To be honest with you it is a really hard problem to address without adding more resources or disrupting the present families receiving CCDBG subsidy.

If we are serious about economic development then we should understand that CCDBG is one of the best economic development programs the Federal Government has out there. It allows parents to work, it helps support an ECE workforce of approximately 1.5 million nationwide and it is giving poor children access to quality early childhood educational services which will equip them with the skills to be successful in school and ultimately successful in life as a contributing member of a skilled workforce.

Presently only 1 out of every 6 poor children that need a CCDBG subsidy has assistance. We don't know where the other 5 children are and what type of preparation they are receiving as they prepare to enter school. CCDBG is an investment in the future of America, we need all six of those children to be successful in school and ready to be members of America's workforce of the future.

Thank you for giving me the opportunity to address your question and to share the story of the Children's Home and its' quest to provide quality early childhood education services to the children of Chattanooga, Tennessee...home of Senator Bob Corker.