



Testimony of

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Chairwoman Mikulski, Ranking Member Burr, and members of the Subcommittee, I am pleased to appear at this hearing to discuss reauthorization of the Child Care and Development Block Grant (CCDBG) Act. It is my honor to serve as the Deputy Assistant Secretary and Inter-Departmental Liaison for Early Childhood Development at the Administration for Children and Families, U.S. Department of Health and Human Services, which administers the CCDBG. Prior to joining ACF, I worked for nearly 10 years as the Executive Director of the National Association of Child Care Resource and Referral Agencies (NACCRRA). I also spent a significant portion of my career at the Department of Defense helping to develop the military child care system.

Reforming the CCDBG Act is a critical part of our nation's efforts to support low-income working families and to close the achievement gap by improving the early learning opportunities of children at risk of falling behind in school. Over the past three years, the Obama Administration has worked to ensure that more low-income children receive high-quality early care and education. The Department of Health and Human Services (HHS) has partnered with the Department of Education to administer the Race to the Top Early Learning Challenge grant competition. This partnership is currently supporting nine states' efforts to transform their early learning and development programs from a patchwork of disconnected programs with uneven quality into coordinated state systems that prepare children for success in school and in life. At the same time, HHS has implemented the bipartisan reforms Congress called for in Head Start to direct taxpayer dollars to Head Start programs that provide the best available early education services to children in every community. Reauthorizing the CCDBG Act

provides an opportunity to build upon these efforts by improving the early learning and afterschool opportunities for millions of low-income children in all 50 states, U.S. territories, and hundreds of tribal communities.

Because child care is both an essential work support for parents and a critical early learning program for children, shoring up our investments in child care will improve the lives of families and promote the economic success of our country. First, child care allows millions of parents to go to work every day. As the nation's economy continues to recover from the deepest recession in decades, it is critical for families to have access to quality care so that parents have the peace of mind to seek and retain employment that will fuel the recovery. But due to the high cost of care, many low-income families cannot afford to pay for child care by themselves. Child care subsidies allow these families to access care that they could not otherwise afford. Research shows that parents who receive subsidies to help them pay for child care are more likely to work, work more hours, maintain employment, and earn more (Schaefer, Kreader, and Collins, 2006).

Second, investing in child care pays dividends because quality care promotes children's development and learning—helping to ensure that the next generation has the skills and abilities necessary to compete in an increasingly global economy. Unfortunately, many children, particularly low-income children, have already fallen behind even before kindergarten starts. Research has shown that disparities between low-income and more advantaged children start as early as at nine months of age, so that low-income

children enter school unprepared to learn and keep pace with their peers (Halle, et al., 2009). By promoting critical cognitive and social-emotional abilities, quality child care can help close this school readiness and achievement gap. Recent findings from the National Institute of Child Health and Human Development (NICHD) find that the quality of child care children receive in their preschool years has effects on their academic success and behavior all the way into adolescence (HHS National Institutes of Health, 2010). Programs with the highest quality of care have the largest positive impact later in life. For example, a recent follow-up study to the well-known Abecedarian Project, which began in 1972 and has followed participants from early childhood all the way through young adulthood, found that adults who participated in high quality early childhood education are still benefiting. Participants have significantly more years of education than peers and were four times more likely to earn college degrees. (Frank Porter Graham Child Development Institute, 2012). Similarly, for school-age children, research shows that participation in high quality afterschool programs is correlated with positive outcomes, including improved academic performance, study skills, and work habits (Vandell, 2005).

Simply stated, quality early care and education is a fiscally sound investment in our future. Research by Nobel Prize-winning economist, Professor James Heckman of the University of Chicago shows significant returns on investment for early childhood education, particularly in a child's earliest years. Arthur Rolnick of the Federal Reserve Bank of Minneapolis, who testified before the Subcommittee last summer, has concluded that early care and education is the best investment that this country can

make. Although we currently face tight budgetary constraints, the Administration, in its Fiscal Year (FY) 2013 budget request, has prioritized significant investments for child care, along with key reforms to maximize their effectiveness.

The Subcommittee's progress in moving towards reauthorization of the CCDBG Act provides an important opportunity to improve the lives of children and families. The Child Care and Development Fund (CCDF), which is comprised of federal funding for child care under the CCDBG Act and the Social Security Act, provides both subsidies to families as well as resources to raise the quality of care and is therefore well-positioned to be the centerpiece of quality reform efforts. In 2010 (latest available data), CCDF provided child care assistance to 1.7 million children from nearly 1 million working families and families attending school or job training. All of the children served are low-income, and half are living at or below poverty level. These children are all at risk of falling behind in school. In addition to funding child care subsidies, states spend \$1 billion of CCDF each year in quality improvement efforts, exceeding the amount required by law. States are using CCDF to build Quality Rating and Improvement Systems (QRIS), which set voluntary higher standards for child care and provide financial incentives and technical assistance to meet them. QRIS helps families find quality care and assists providers with moving up the levels of quality. States also are investing in professional development and workforce initiatives to improve the qualifications of child care providers. These quality investments improve the level of care for millions of children, including children whose care is not directly subsidized by CCDF. Together with states, territories, and tribes, we are working to meet the

Administration's overarching goal of helping low-income families access high quality child care that fosters healthy development, school success, and meets the diverse needs of families.

However, in order to realize the full promise of CCDF, we must make overdue reforms to ensure that children are in safe, high quality care. New research finds that families receiving child care subsidies are able to access higher quality care compared to families without subsidies, but the quality of care is still lower compared to Head Start and state Pre-K programs (Brooks-Gunn, Johnson, and Ryan, 2012). Although the children served by child care subsidies and Head Start are demographically similar, Head Start children receive a wider range of support services in addition to higher quality care and early education, giving them and their families more tools for success in later life. While Head Start prioritizes school readiness and helps parents gain the skills necessary to be effective educational partners with schools, children receiving child care subsidies sometimes receive care that fails to meet basic health and safety standards and to provide the early education they need to succeed in kindergarten and beyond.

To be sure, there are wonderful child care programs that provide high quality care to low-income children, and those children gain the pre-academic and social and emotional skills they need to succeed. But, there are many low-income children receiving CCDF-funded care that are in poor quality programs where providers lack the skills and resources necessary to provide high quality early care and education.

Currently, we fall short in our efforts to provide stable support for work and child development. Families in many states “churn” on and off child care assistance programs every few months, even when they remain eligible, because of the burden of the eligibility re-determination process. This churning of clients threatens the employment stability of parents and undermines child development by severing children’s relationships with their caregivers.

More troubling, some child care providers who receive CCDF subsidies fail to meet health and safety safeguards, which I know has been a significant concern to you, Senator Burr. Parents understandably assume that providers funded by subsidies are safe. However, because the current statute does not define health and safety standards, some states lack basic requirements such as comprehensive criminal background checks, or training on First Aid/CPR and safe sleep practices. In fact, there are 12 states that do not require CPR training and 10 states that do not require First Aid courses for teachers in child care centers. Further, 29 states do not require SIDS prevention training. Far too often, this lack of accountability leads to tragedy.

Unfortunately, in too many cases, it takes well-publicized deaths in child care settings to prompt state action to strengthen their licensing standards to better address children’s safety. These tragic losses emphasize the importance of health and safety standards and building a strong foundation for high quality care.

The HHS Office of Child Care has been moving forward within the authorities we have to address these concerns and to focus on the goal of ensuring that low-income children

have access to high-quality care. A year ago, we revised the CCDF Plan, which serves as the application for CCDF funds and requires states, territories, and tribes to describe their child care program and services. The CCDF Plan revisions enhanced the focus on health and safety, child care program improvement, and the training and education of the child care workforce. We now also ask states to set goals for improving their child care programs over the two-year life of the Plan. For the first time, we are asking states to track improvement in child care quality by reporting their annual progress on their goals, as well as key data about their efforts to upgrade child care monitoring, offer grants to programs, and provide training and scholarships to teachers.

In addition, states now will report data on state-defined quality measures for each child receiving a subsidy. For example, States that are implementing a QRIS will report the QRIS level of programs caring for children receiving subsidies, allowing us to chart improvements over time. Working through the application and the data reporting processes, we are encouraging states to be more purposeful and strategic in their spending and increasing accountability for federal funds. To support their efforts, we recently launched a redesigned technical assistance network to help states, territories, and tribes achieve the goals that they have set for their child care programs. We also expect that states funded through the Race to the Top Early Learning Challenge will serve as models for how to implement and use QRIS to improve program quality.

Despite these improvements, key reforms in the statute would have a much greater positive impact on children and families who rely on child care. The CCDBG Act, last

reauthorized over fifteen years ago, does not reflect recent research findings about brain development in the early years and the critical importance of facilitating children's learning from birth. The statute also does not acknowledge current state practices, such as the implementation of QRIS and career pathways for early childhood and afterschool educators. We believe reauthorization of the CCDBG Act is an opportunity to build on state innovation, learn from new research in the field, and drive best practices. As such, we think that CCDBG reauthorization should be based on these key principles:

- Improving Quality - The Administration's reauthorization principles preserve state flexibility inherent within the block grant structure, while establishing a foundation that will assure health and safety in child care and a systemic framework through which states and communities can improve the quality of child care. This includes increasing the share of dollars dedicated to quality improvement and incorporating into statute existing quality set-asides included in appropriations language. Currently, the four percent minimum quality set-aside in the CCDBG Act and the customary appropriation set-asides combine to establish a quality spending requirement of approximately seven percent. In FY 2010, states reported spending 12 percent of total CCDF expenditures on quality activities. Increasing the share of funds spent on quality while ensuring that the funds are spent on evidence-based efforts to raise the bar on quality will support improvements in state health and safety standards.

Standards alone are not enough. We also need to ensure that states have effective state monitoring systems and protocols to ensure that providers meet regulatory requirements established by the state. Quality funds also should be used by states to support implementation of QRIS for child care programs and to expand professional development opportunities for the child care workforce.

- **Supporting Access** - In an uncertain economy, access to high quality child care is more important than ever. The combination of the end of the Recovery Act CCDBG funding and state fiscal constraints have caused some states to cut back on child care assistance. We should work to counterbalance these pressures and maintain services to families while making critical quality reforms.
- **Facilitating Informed Choices** - Parents also must have access to information on the quality of child care programs, so they can make the best decisions for their families' needs. Increased transparency for parents about the health and safety track records of providers and key indicators of quality are an important component of a system based on parental choice.
- **Promoting Continuity of Care** - The basis of early learning is the relationship between the adult and the child, which takes time to develop. Research tells us that children have better educational and developmental outcomes when they have continuity in their child care arrangements. The constant churn of families on and off CCDF subsidies disrupts these

crucial relationships, undermining children's learning, and making it harder for parents to stabilize their employment and progress in their jobs.

Therefore, we suggest considering changes that would improve continuity for families, such as longer eligibility re-determination periods for families receiving child care subsidies.

- Ensuring Program Integrity - We continue to focus on program integrity efforts and providing technical assistance to states, territories, and tribes to prevent waste, fraud, and abuse.

The key principles of our reauthorization proposal align closely with much of the Administration's work on improving opportunities for early learning in child care and education programs. These principles remove barriers to coordination with programs such as Head Start and state pre-kindergarten to allow states and communities to better address the comprehensive needs of children and families.

The Administration is aligning early care and education programs and raising the bar on quality so that more low-income children have access to high quality early education through our efforts in CCDF, Head Start, and the Race to the Top Early Learning Challenge. While there is much work to be done, states are strong partners in these efforts, with many states leading the way on improving health and safety standards and setting high standards for quality for child care. The diverse range of states engaged in these efforts, including those represented in this Subcommittee, represents the bipartisan interest and support for raising the quality of child care to keep children safe,

healthy, and ready to succeed in school. The Administration thanks the Subcommittee for its leadership, and looks forward to working together as we take the next steps to achieve the CCDBG Act reauthorization.