Early Care and Education Consortium Federal Policy Agenda for the 113th Congress

About Child Care

More than 12 million children under age 5 are in out-of-home care every week[1], spending an average of 32 hours per week in child care[2] and the quality of that care is of critical importance to a child's healthy growth and development.[3] Child care *is* early learning, and these opportunities matter to young children. And, child care gives parents the support and peace of mind they need to be productive at work. The child care industry is also an important sector of the economy in its own right: on average, for each new dollar spent in the child care sector, the broader statewide economic impact is $2.[4]

The majority of tuition and fees for child care comes from parents (considered "private pay" because costs are paid by the family directly to the provider). Financial assistance (also called "subsidy") is also an option for families of eligible income levels, when public funding is sufficient. Whether through private pay or public assistance, enrollment is critical to determining the funds that will be available to operate and ensure high-quality program opportunities.

About The Early Care and Education Consortium

The Early Care and Education Consortium (ECEC) is a non-profit alliance of America's leading national, regional, and independent providers of high-quality child care and early learning programs for young children. ECEC members include private non-profit organizations and for-profit companies who offer full-day, full-year programs for children birth through age 6, and before- and after-care programs for school-age children. ECEC's membership also includes organizations committed to, and involved in, the development of high-quality early learning experiences for young children.

ECEC was created to be a provider voice to shape public policy in support of high-quality care and education. ECEC represents those who implement the policies created in Congress and in the states, and advocates for smart policies and investments for children and families. ECEC is the only national organization exclusively representing the voice of child care providers on Capitol Hill and in the states.

ECEC members operate nearly 8,000 centers across all 50 states and the District of Columbia, and employ tens of thousands of early educators and other professionals who are the crucial backbone of quality in ECEC member centers. One-third of parents in ECEC centers are able to access care because of public investment in child care assistance for low-income working families, Head Start, and state-funded prekindergarten initiatives. ECEC members also participate in Quality Rating and Improvement Systems, the Child and Adult Care Food Program, and after-school initiatives. ECEC member centers are economically, socially and culturally diverse settings with a commitment to continuous quality improvement.

More information about ECEC members can be found at www.ececonsortium.org.

Every day, ECEC members implement the policy decisions made in Congress and the states. With that day-to-day experience in mind, we promote these priorities to the 113th Congress.

School-age children need great care, too

More than 28 million parents of school-age children are employed, including 23 million who work full time. (U.S. Department of Labor, 2010) However, only 8.4 million K-12 children (15 percent of school-age children in the U.S.) participate in afterschool programs.

Working families often need before- and after-care once elementary education begins. These are important extended learning opportunities for these children, and a place to be safe and secure. Many of the 800,000 children enrolled in ECEC member centers are school-age.

ECEC supports investments and smart policy for school-age child care to ensure access and meaningful educational opportunities including:

Child Care and Development Block Grant: **federal law allows child care assistance ("subsidy") eligibility through age 12 so that working families have the support they need and a choice among program providers, and children are safe and learning. Unfortunately, because of limited dollars, increasing numbers of states are targeting school-age children for cuts from the subsidy program.**

21st Century Community Learning Centers: **Authorized through the Elementary and Secondary Education Act, 21st Century grants make it possible to provide academic enrichment – and a safe place – for children in high-poverty communities attending low-performing schools. 21st Century Community Learning Centers can be at public schools or offered by private, community-based entities.**

The Child Care and Development Block Grant

The Child Care and Development Block Grant (CCDBG) is a partnership between the federal government and states, creating policies and directing funding to child care services.
The major role of CCDBG is to help low-income families with the cost of child care. Eligible families can participate in their state subsidy program if funding is sufficient to meet the need, if parents can find a participating provider, and if the amount of subsidy is sufficient to purchase child care in the area. CCDBG is the primary source of funding for child care assistance for children from low-income families, for whom research demonstrates the most benefit from high quality early learning opportunities.

CCDBG is also the funding source and starting place for policy rules regarding operating regulations, which providers get licensed by the state, and other important matters of health, safety and quality. These federal policies and investments are about all child care, not just those who participate in the subsidy program.

Every state has choices within a broad framework of the federal CCDBG law. So, the rules look quite different from state to state. Congress has an important role to play in improving these rules. CCDBG was last authorized in 1996, and Congress has not reviewed the legislation since that time. With the exception of the one-time and important investment through the American Recovery and Reinvestment Act, funding has been all but frozen since 2002. The reach of the program has narrowed as state budget cuts limited the number of families eligible to receive subsidies and constrained the efforts of state agencies to regulate, support and monitor basic health and safety, as well as quality improvements, in child care settings. Meanwhile, demand for services has increased.

Helping Families Access Quality Care and Learning Opportunities

Congress can help eligible families afford care that offers them peace of mind while they are at work, and offers their children learning opportunities that matter. Congress can do this by investing in the subsidy program and by investing in tax credits to offset the cost of care.

Congress should invest in and improve the Child Care and Development Block Grant:

- Invest to ensure eligible children from birth through age 12 are reached and able to enroll in licensed programs of their families' choice.
- Invest in a plan for reimbursement rates to be set at the 75th percentile of current market rate.
- Establish eligibility policies to promote continuity of care.
- Establish minimum health and safety standards and provide funds for states and child care providers to implement those standards and limit exemptions to state child care regulations.
- Develop and implement strategies for increasing the supply of licensed child care, particularly for infants and toddlers, school-age children, children with special needs, and English Language Learners, and to support parents who work non-traditional or irregular hours.

Congress should invest in after-school learning and care opportunities to ensure programs are offered in community-based settings as well as public schools, and with needed resources to enroll eligible children.

Congress should improve and expand the Dependent Care Tax Credit to keep pace with inflation and the price of child care, to help offset the costs of high-quality care.

Pre-Kindergarten Education

Research shows that 80 percent of brain development occurs before age five, making the care, education, and experiences of the first five years crucial for healthy development and success in school and in life. Economic research has demonstrated the significant return on the public investment in early childhood education, with money immediately flowing in the economy and savings in future remedial education and more. The quality of the early care and education settings is the key to these health and economic outcomes.

Successful prekindergarten policy and investment strategies for four year olds must consider:

- **Existing capacity:** Maximizing the participation of community-based child care partners in the delivery of preK taps expertise in working with young children, saves on facility and construction costs, and supports working parents' need for full-day care while providing continuity for their children. Including providers of high-quality child care programs means including experts in child development in settings where children already are enrolled. The more than 107,000 licensed child care centers in this country can be a resource for moving state-funded preK forward and reaching more families.

The early years are critically important

Research shows that 80 percent of brain development occurs before age five. Learning begins at birth, and the experiences and care young children receive during these years matters to their healthy growth and development, as well as their success in school and in life. Children develop across multiple domains from the time they are born, including cognitive, social, emotional and physical development. Effective programs for young children must acknowledge and address all the domains of child development.

- **Age-appropriate education:** The field of early childhood education is not simply a "pushed down" version of K-12 education. Curriculum, instruction, and assessment must be age- and developmentally-appropriate. Four year olds are quite different from fourth graders, and the teaching and assessment of progress must take this into account. In addition, effective programs for young children must acknowledge and address all the domains of child development.

- **Working families:** A preK opportunity for a four-year-old must meet the need of a full work day so that families can participate, while still having the peace of mind that children are in reliable, high quality care while they are at work. Part-day programs are a barrier to participation for working families, and parents with children of other ages need high-quality care, too.

Please contact ECEC to arrange a visit to a member center to see policies in practice

Building a System of High-Quality Care and Education

Through funding and program policy, the federal government plays an important role in shaping early childhood education across the country. The major programs – the Child Care and Development Block Grant, Head Start, the Individuals with Disabilities Education Act, and Title I of the Elementary and Secondary Education Act – support early childhood education for millions of young children in a variety of public and private settings including family child care homes, community-based centers, and public schools.

These foundation programs provide the building blocks for a system of early care and education. They are delivered through local and state partners, and their continued funding is a critical national priority.

Federal initiatives should:

- Promote a "seamless system" for children birth to age 5 and not narrowly target one age group or program type.
- Balance necessary improvements and funding for existing early childhood programs with resources and policies for new initiatives.
- Ensure the initiative complements and supports existing state efforts, and does not create a parallel system.
- Set attainable standards and quality requirements that are sustainable, and fund supports to help programs and the early childhood workforce to achieve those goals.
- Reflect the needs of working parents.

Congress can support programs in the drive toward quality improvement with fair child care subsidy reimbursement rates, additional and sufficient financial incentives such as rate enhancements for achieving accreditation or reaching a higher QRIS level, and with a strong approach to consumer (parent) education.

The federal Race to the Top Early Learning Challenge is underway in several states. This initiative will be successful and far-reaching with sufficient investment and attention to the existing, foundation programs like the Child Care and Development Block Grant and Head Start. As the numbers of children served by these programs continues to shrink instead of grow, attention must be paid to who will be served as new initiatives are created.

This is important as ECEC member organizations report that the number one thing holding back quality improvement in programs that serve low-income families are child care subsidy reimbursement rates.

Strengthening the Early Childhood Workforce

Training and education requirements not only vary state to state, but within a state they often vary by program setting and funding initiative. In any one child care center, directors seeking to hire a teacher may be faced with meeting different requirements for state licensing, QRIS and accreditation goals, and a preK partnership, all in the hiring of one individual. In addition, many ECEC members have internal policies regarding teacher and center director qualifications and professional development that must align with these other guidelines.

Directors and program managers know that qualifications aren't just about transcripts and job history. Skills in child interaction and engagement, effectiveness in the classroom, and a commitment to working with children are of enormous importance.

To recruit and retain these teachers, program operators must be able to invest in those individuals and the classrooms in which they work.

To support the early childhood workforce, Congress should:

- **Invest in the Child Care and Development Block Grant.** Dollars from parents and the state go right into use in a child care center, and one of the biggest monthly costs is staff wages. Higher subsidy reimbursement rates can mean higher wages, rewards for training and educational achievements, and a way to recruit and retain qualified staff.
- **Create tax credit strategies** to reward teachers for achieving higher levels of education.
- **Design teacher qualification and professional development requirements** with an eye toward the resources necessary for centers to

competitively recruit and retain teachers, and to support the current workforce in obtaining a degree or credential. For instance, an increase in training hours required must be accompanied by a thoughtful increase in training budgets, effective trainers, and facilities to provide such training.

- **Design professional development programs** to be accessible to all early childhood educators regardless of whether they work in child care, Head Start, or public education.

- **Invest in scholarship programs** like T.E.A.C.H.® Early Childhood and loan forgiveness opportunities, tools to support the workforce in attaining higher credentials and qualifications.

Supporting Health and Nutrition: *Child and Adult Care Food Program (CACFP)*

CACFP is important not just because it provides enough food but because it provides the right foods. But providers are struggling to participate in part because reimbursement levels are not keeping up with the increasing price of food, and the unreimbursed expense may be more than a center can cover. CACFP program requirements and paperwork mean that time and funds have to be diverted from other efforts.

As CACFP providers prepare to implement a new set of standards in the "meal pattern" and as Congress considers more opportunities to ensure health and nutrition in child care, priorities should include:

- Increasing program access by expanding eligibility and ensuring consistent eligibility of program providers.

- Increasing reimbursement for meals and snacks to meet new, higher "meal pattern" requirements.

- Implementation of recommendations of the "Paperwork Reduction Work Group" to streamline operations and increase flexibility, allowing providers to focus more on children and less on paperwork.

- Add reimbursement for an additional meal or snack each day (currently, CACFP reimburses for two meals and one snack each day).

- Children who are hungry need to be fed and the tax status of the child care center should not be a barrier to providing nutritious meals. Streamline and reduce the frequency and quantity of paperwork involved in verifying that "for-profit" child care centers are maintaining the proper threshold of eligibility; especially those centers that serve 50% or more low-income families.

Tax Credits to Improve Access and Quality

While programs need funding to deliver child care and early learning services, tax policies can provide incentives for parents, providers and employers. Tax credits can help working parents choose and afford higher quality; can help providers with the financial ability to continuously improve quality; and can help employers to support their own workforce by offering a much-needed employee benefit.

For parents:

Congress should improve and expand the Dependent Care Tax Credit. DCTC is intended to offset the cost of child care for working parents, and to encourage them to choose higher quality settings. This tax credit could be more meaningful:

- The amount a family can claim hasn't been updated in 25 years, but the price of care has increased significantly in that time.
- The credit should be refundable.

For early education providers:

Congress should authorize tax credit strategies to assist and reward higher levels of quality.

For employers:

Congress should authorize tax credit strategies for employers to incentivize sponsoring child care and early learning programs or defraying the cost of care for their employees.

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[1] *Who's Minding the Kids? Child Care Arrangements: Spring 2005/Summer 2006*. United States Census Bureau, Aug. 2010.

[2] Ibid.

[3] Vandell, Deborah L., Jay Belsky, Margaret Burchinal, Laurence Steinberg, and Nathan Vandergrift. "Do Effects of Early Child Care Extend to Age 15 Years? Results From the NICHD Study of Early Child Care and Youth Development." *Child Development* 81.3 May (2010): 737-56.

[4] Mildred Warner, "Child Care Multipliers: Stimulus for the States," Linking Economic Development and Child Care Research Project, accessed October 10, 2010, http://government.cce.cornell.edu/mirror/documents/publications/159.pdf.

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AND EDUCATION
CONSORTIUM

1313 L ST NW, SUITE 120, WASHINGTON, DC 20005 • PHONE (202) 408-9626 FAX (202) 408-9627 • WWW.ECECONSORTIUM.ORG