

**"The Foundation for Success:  
Strengthening the Child Care and Development Block Grant Program"**

**Hearing Before the Subcommittee on Early Childhood, Elementary, and  
Secondary Education**

**U.S. House of Representatives Committee on Education and the Workforce**

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Chairman Rokita, Ranking Member McCarthy, Members of the Subcommittee, I am pleased to be here to discuss the successes of the Child Care and Development Block Grant (CCDBG) Act and strategies to strengthen it. I am Olivia Golden, Executive Director of the Center for Law and Social Policy (CLASP). I have spent my career working to improve outcomes for vulnerable children and their families. Previously, I have served in senior positions at the local, state and federal levels including as Assistant Secretary for Children and Families at the U.S. Department of Health and Human Services.

My testimony will cover four topics:

- the reasons why CCDBG is so important to enabling parents to work and children to gain access to the safe and high-quality early education experiences they need;
- the elements of the state-federal partnership that is at the core of CCDBG;
- the strengths and gaps of today's CCDBG program; and
- important improvements to CCDBG included in the Senate CCDBG reauthorization bill, particularly the provisions to strengthen the health and safety of care and improve quality and access to care and continuity for low-income children and their families.

**Why CCDBG Matters to Low-income Working Parents and Their Children**

The Child Care and Development Block Grant or CCDBG is an essential work support for low-income parents. Every day it provides access to child care for 1.4 million children whose parents could not otherwise afford the high costs of care.

For these parents, working long hours for very little pay, help with child care is necessary to be able to work and meet other basic expenses. The average annual costs of center-based care for a 4-year-old range from \$4,515 in Tennessee to \$6,448 in Indiana to \$10,664 in Minnesota to \$12,355 in New York.<sup>1</sup> In comparison, a full-time minimum wage employee earns only \$15,080 annually—less than the federal poverty level for a family of three. The costs that child care providers must bear don't allow for much flexibility. The bulk of child care fees are personnel costs and yet child care providers make very low wages.

Parents are working hard and yet are barely able to make ends meet. More than 30 percent of poor children and over half of low-income children (in families earning less than twice the federal poverty level) live with at least one parent who is employed full-time, year-round.<sup>2</sup> Higher income families with young children on average spend 8 percent of their household income on child care while poor families who don't get any help spend 36 percent.<sup>3</sup>

For these low-income working parents, child care assistance helps them get and keep a job, increases earnings, and strengthens their economic health and security. Compared to families without subsidies, studies have demonstrated fewer job disruptions due to child care problems and better job retention for families with subsidies, less return to welfare, a greater likelihood of working, and higher earnings. Researchers have also found that child care assistance helps low-wage working families stretch their paychecks further, buying food and clothing, and paying down debt.<sup>4</sup> All good things for children.

Its importance for these families cannot be overstated. In July 2012, Rita Ngabo, a child care case worker in Maryland, talked about the importance of child care assistance for her and her child: "These federal investments were a quite serious lifeline for me and I know it has been for a lot of low-income families out there. I know where I came from and I do not want to go back." After the dissolution of her marriage, Rita was able to afford child care with the help of CCDBG for her then 9-month old baby and attend classes to develop work skills and go on interviews to secure a job. She now helps other families get the help they need to develop job skills and go to work.<sup>5</sup>

CCDBG does not just help parents, it helps children. Quite simply, children do better in school and in life when their parents work and have more income. In addition to a work support program, CCDBG provides an early learning experience for approximately 1 million children under age 6 each month. It stands out for its ability to reach the children of working parents, because it can provide full-day, year-round care. It also helps approximately 400,000 school-age children each month gain access to safe after-school programs, because it can cover children up to age 13. When CCDBG is strong, parents are able to keep their jobs and support their families and children receive consistent care that fosters healthy development. Together, these two goals support our nation's economic competitiveness now and in the future.

Specifically, child care assistance helps children because it can make higher *quality* child care more affordable. Decades of research show that high-quality early childhood programs can have long-term positive implications on later school success and that such programs have particular importance for vulnerable children.

For low-income parents, financial access to high-quality programs can be difficult or impossible without assistance but are far more attainable with assistance. A recent study confirmed that parents receiving child care assistance can access better quality care than comparable parents who were unable to get help.<sup>6</sup> Earlier studies of families on waiting lists for child care assistance

have shown that families without access to assistance are often left with low-quality or unsafe options for their children's care.<sup>7</sup> Most children (83 percent) receiving CCDBG assistance are cared for in licensed settings with the majority in center-based care. Child care assistance also supports children's development by promoting stability in care arrangements, which is an important aspect of quality, particularly for young children. CCDBG also helps parents who work nonstandard hours on the weekends and evenings by allowing them to use more informal care settings that can meet their needs. Because more low-wage workers have unpredictable and nonstandard work schedules, this support is increasingly important.

### **The State-Federal Partnership Under CCDBG**

Since its inception, CCDBG has been a state-federal partnership. The federal government sets broad parameters for the program, including income eligibility limits and a floor for basic health and safety, while the states make policy decisions within those broad parameters, including who to serve, what rates to pay to providers, what share of the costs parents pay, and what health and safety standards to set above the minimum safety floor. States provide eligible parents with help in paying for child care, with the provider of their choice.

In addition to providing direct help to families, CCDBG provides the bulk of the funding that supports quality improvement for child care and early education, as well as supply building efforts in the states. Among the key uses of CCDBG quality dollars are inspections of child care programs to monitor compliance with health and safety standards; the development of Quality Rating and Improvement Systems (QRIS) that provide a path for child care programs to improve quality and also give parents information on child care quality to inform their choice of providers; training, professional development, and scholarships for early childhood educators to help them acquire the skills to best support children's early learning and development; and the purchasing of materials and equipment for centers and family child care providers.

### **Challenges Facing CCDBG Today**

As just noted, CCDBG plays a crucial role in supporting parents' work, enabling children of working parents to gain access to safe and high-quality early education and after-school care, and providing support for monitoring and quality improvements that benefit all children.

At the same time, despite the importance of these funds and accomplishments in many states, significant gaps remain:

- Since 2006, more than 260,000 children have lost CCDBG-funded child care assistance, bringing the number of children served down to a 14-year low.<sup>8</sup> Only one in six children eligible under federal rules are served in CCDBG.
- The rates paid to providers caring for children are extremely low. Only three states pay providers at the federally recommended level.<sup>9</sup> Even states that pay higher rates to programs that offer higher levels of care still do not pay at the recommended level. Low

rates make it difficult for providers to stay afloat much less to keep qualified teachers and make quality improvements in their programs.

- Many states fall short of ensuring the most basic health and safety protections for children. Some states fail to regularly monitor providers through on-site visits and also fail to have minimal training requirements.
- In many states, parents have difficulty getting and keeping child care assistance even when they remain eligible. On average, parents get help for as few as three to seven months—even though studies show they may still qualify for assistance after that time. The result for children is instability in their child care arrangement, which contributes negatively to children’s development.<sup>10</sup>

### **Improvements to CCDBG**

Improvements to the program could strengthen CCDBG. The Senate Reauthorization of CCDBG is an important step in the direction of improving continuity for children and their parents, ensuring children’s health and safety, strengthening the quality of care and the skills of child care teachers, focusing particularly on infants and toddlers -- the most vulnerable children -- while promoting program integrity. Key provisions include:

- Improvements to the health and safety of child care through requirements for pre-licensure and annual inspections for licensed child care providers; training requirements for child care providers; and comprehensive background checks for child care providers serving children receiving CCDBG.
- Improvements to make it easier for families to get and keep child care assistance, which helps parents stay and move up in their jobs, while also supporting children’s development by providing more continuity in their child care arrangement.
- Strengthening the quality of care by increasing the share of CCDBG funds spent on quality; dedicating funding for improving the quality of infant-toddler child care; encouraging a system of supports for early childhood teachers to improve their skills and knowledge; and providing parents with better information about the quality of available child care.

### **Conclusion and Next Steps**

It has been nearly twenty years since the CCDBG has been reauthorized and we know a lot more about the importance of the early childhood years and how children benefit when their parents work and can earn increased income. The importance and understanding extends far beyond the early childhood community and parents, with a broad set of leaders from business to economists to law enforcement recognizing the importance of high-quality early childhood education to improve child outcomes in school and in life.

We also know more about the importance of making it easier for parents to get and keep child care assistance for retaining jobs and supporting children’s development. And that’s why CCDBG would be strengthened by increasing its focus on health and safety and quality and allowing parents easier and more sustained access to assistance.

To do all of this, given the terribly low payment rates and the decline in children served, increasing resources for child care must also be a top priority to help states make up the lost ground as they make improvements to the program. States will need resources to improve quality and to ensure that low-income families are able to retain access to vital help in paying for child care.

For all these reasons, I urge the Committee to seriously consider these improvements to CCDBG.

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<sup>1</sup> Child Care Aware of America, *Parents and the High Cost of Child Care 2013*,

[http://usa.childcareaware.org/sites/default/files/cost\\_of\\_care\\_2013\\_103113\\_0.pdf](http://usa.childcareaware.org/sites/default/files/cost_of_care_2013_103113_0.pdf).

<sup>2</sup> U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2012*, September 2013.

<sup>3</sup> U. S. Census Bureau, *Who's Minding the Kids? Child Care Arrangements Spring 2011*, 2013.

<sup>4</sup> For a review of the research see Gregory Mills, Jennifer Compton, and Olivia Golden, *Assessing the Evidence About Work Support Benefits and Low-Income Families*, Urban Institute, 2011,

<http://www.urban.org/UploadedPDF/412303-Work-Support-Benefits.pdf> and Hannah Matthews, *Child Care Assistance: A Program That Works*, CLASP, 2009, <http://www.clasp.org/resources-and-publications/publication-1/0452.pdf>.

<sup>5</sup> Alison Channon, *Listen to Rita: Child Care Helps Families Get Back on Their Feet*, National Women's Law Center, 2012, <http://www.nwlc.org/our-blog/listen-rita-child-care-helps-families-get-back-their-feet>.

<sup>6</sup> Johnson, Ryan, and Brooks-Gunn, "Child-Care Subsidies: Do They Impact the Quality of Care Children Experience?" *Child Development*, June 2012.

<sup>7</sup> Brooks, Fred. "Impacts of Child Care Subsidies on Family and Child Well-Being." *Early Childhood Research Quarterly*, 17(1), 498–511. (See also Errata to "Impacts on Child Care Subsidies on Family and Child Well-Being." *Early Childhood Research Quarterly*, 18(1), 159; Schulman, Karen and Blank, Helen. *In Their Own Voices: Parents and Providers Struggling with Child Care Cuts*. 2005; Berger, Mark C. and Black, Dan A. *Child Care Subsidies, Quality of Care, and the Labor Supply of Low-Income Single Mothers*. 1992.

<sup>8</sup> Stephanie Schmit and Hannah Matthews, *Child Care Assistance Spending and Participation in 2012: A Record Low*, CLASP, 2014.

<sup>9</sup> Karen Schulman and Helen Blank, *Pivot Point: State Child Care Assistance Policies in 2013*, National Women's Law Center, 2013.

<sup>10</sup> Gina Adams and Monica Rohacek, *Child Care Instability: Definitions, Context, and Policy Implications*, Urban Institute, 2010.