PREPARED STATEMENT OF JANET SCHALANSKY

Good morning, Mr. Chairman and members of the Committee. I am Janet Schalansky, secretary of the Kansas Department of Social and Rehabilitation Services. Thank you for the opportunity to testify on the subject of child care, helping parents work, and the wellbeing of children.

Background Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, states' investments in child care have exceeded all expectations.We have seen a dramatic increase in the number of families and children served as evidenced by the unprecedented growth in child care expenditures. Between 1996 and 1999, there was an 80 percent increase in the number of children receiving a monthly child care subsidy.

States have programmed every dollar available for child care. The child care story is a Child Care and Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) story. Nationally, we have doubled spending on child care. In FY 2000, states expended over $9 billion in combined federal and state dollars on child care. This includes $7 billion from CCDF and TANF dollars transferred, plus $2 billion in direct TANF spending. States have increased TANF spending on child care from $189 million in FY 1997 to $4.3 billion in FY 2000. TANF funds spent on child care exceeded the entire federal portion of the CCDF allocation in FY 2000.

Under CCDF, states have met or exceeded the 100 percent maintenance-of-effort requirement each year. States have matched all available federal funds. While allowed under federal law to spend up to 5 percent of CCDF on administrative costs, states, on average, spent just 2.6 percent on administrative costs in FY 2000. This represents a decrease of $3 million in administrative costs from the previous year. If TANF caseloads increase due to the current economic downturn, the amount of TANF funds available for child care may be reduced. In addition, if Congress mandates new welfare reform work rates or hours, then federal child care funding must increase as well. We need $4 billion in addition to the CCDF funding to maintain our current investment. If Congress wants states to increase quality and increase access, then additional funds will also be needed.

THE CHILD CARE STORY IN KANSAS

The child care program in the state of Kansas is administered by the Kansas Department of Social and Rehabilitation Services. Kansas ranks 15th in geographical size as compared to other states. The state population of 2,688,418 includes both urban and rural communities. In population, Kansas ranks 32nd in the nation—26.5 percent of the population is under 18 years of age; 7 percent is under the age of five. The median household income is $36,488, which is fairly consistent with the national median. In Kansas, 10.9 percent of the population and 15.4 percent of the children are living in poverty.

In federal FY 2002, Kansas received a TANF block grant of $101.9 million. Kansas has historically spent, and is projected to continue spending, the entire amount of the TANF block grant. Of the block grant, almost $17.9 million was transferred to CCDF to cover child care expenditures. Quality initiatives accounted for 19.8 percent of Kansas' total child care budget.

In Kansas, 15,313 children are served monthly, by child care subsidy. Approximately 16 percent of those eligible for subsidy payments are served. Child care subsidy payments are available to families with incomes below 185 percent of the federal poverty level (FPL). Families who receive a subsidy payment, however, may be required to contribute a copayment for their child care based on a sliding-fee scale. For example, a family of three—a mother and two children—with an income at 150 percent of FPL ($1,829 monthly/$21,948 annually), would have a total monthly copayment of $177. TANF families and those whose children are at risk of abuse and neglect have no fee. Kansas has no waiting list at this time. Kansas spends $53,206,577 annually on subsidy payments.

This year, in an attempt to promote both quality and access, child care provider rates were adjusted based on state norms. Rates were set at the 65th percentile for licensed providers and at the 60th percentile for registered providers.

Approximately $14 million is spent annually on child care quality in Kansas. Of that, $7.9 million is for Kansas Early Head Start, which serves 825 children and families and has an impact on another 2,000 children. Kansas was the first state in the nation to devote TANF funds to this comprehensive state-funded program.

Kansas supports flexibility in using CCDF funds. This allows us to partner with other agencies and funding sources, focusing on initiatives targeted as issues important to Kansas. Each state has its own unique issues and needs the flexibility to develop partnerships and programs to meet these needs. Several important state collaborations have produced the following: After-school programs developed with the Kaufman Foundation—for inner-city programs in Kansas City; An apprenticeship project designed and implemented with the Department of Labor through a federal grant—administered through a community college; Kansas Head Start and Early Head Start Programs—which bring together year round child care and Head Start services; A statewide Resource and Referral network providing core services to all 105 counties; Initiatives for programs to provide literacy, school readiness, teen parenting and fatherhood services for families—through Early Head Start centers and community services; and The Midwest Child Care Research Consortium, a three-year project to define and evaluate child care quality involving Kansas, Nebraska, Iowa, and Missouri.

Kansas also embraces the emphasis of quality, which CCDF has supported. In Kansas we consider quality to combine enhanced services delivered by well-trained professionals with the availability and access to those services. Our success in this area is demonstrated by:

Caseload and Rates. We have funded caseload growth (with no waiting list) and set eligibility for subsidy at 185 percent of FPL in order to serve the working poor and TANF recipients. We have increased rates to providers who care for children with special needs, while maintaining provider rates that sustain a competitive level with local market rates to ensure access for families receiving child care subsidies.

Professional Development. Our infant/toddler project trains and supports child care providers and families by improving the quality and supply of infant/toddler care by working directly with infant/toddler professionals. These supports include funding professional development initiatives to raise quality of care and reduce staff turnover; funding TEACH scholarships that enable providers to increase their professional knowledge of the best early child hood practices; working with community colleges and universities to coordinate early childhood curricula and credit requirements; and providing support/information on child development to nonregulated/relative care providers by direct contact and educational materials.

Access and Safety. Centers receive funding grants for expansion, start-up, and to meet licensing requirements/improving and to improve service quality. Grants are also given to family home providers to help meet licensing requirements and improve quality of care.

Public Education and Awareness. We provide education and training on early brain development and other research through open workshops in collaboration with the Kansas Departments of Education and Health and Environment. The state also sponsors a statewide public awareness campaign on quality childcare targeted at parents, businesses, and providers.

The Institute for Social and Economic Development recently completed a study of TANF leavers in Kansas. The results of this study indicate that access to high-quality child care is an important factor in families maintaining employment upon leaving TANF assistance. Fewer than 20 percent of leavers participate in the child care subsidy program and 15 percent of families who return to TANF, who originally left due to earnings, do so As a result of child care problems.

While Kansas has been able to achieve some degree of success in our child care programs, we strongly support increased funding. In Kansas these dollars would be used for the most pressing needs facing us today: Increase access for low-income children and lower eligibility rates and copayments; Increase slots for infants and toddlers; Outreach to low-income families and funding to support caseload growth; Recruitment and retention of quality providers; and Increase provider payment rates above the current percentiles.

HELPING WORKING PARENTS

As chair of the American Public Human Services Association (APHSA) Child Care Committee, I know state investment in quality has been impressive. For example, states have made a variety of investments to support working parents by focusing on odd-hour and after school care. Maine and New Mexico have introduced rate adjustments for children served during nontraditional hours. In New Mexico, 35 percent of families with children in care are utilizing care during nontraditional hours. Maine also provides funding for the state's school-age care alliance to support efforts to provide technical assistance to schools and other entities considering starting a school-age care program. And in Connecticut, a partnership with the University of Connecticut, the state's schoolage child care alliance and the Connecticut Charts-A-Course career development systems has resulted in a project on establishing a Child Development Associate credential certificate for school-age providers.

States are also launching initiatives to increase capacity for infant and toddler care. Alabama has launched an Office of School Readiness to develop prekindergarten programs and develop Head Start Collaborations at the state and local levels. Missouri provides start up and expansion grants for programs that serve children from birth to age three. Massachusetts funds distance learning courses in infant and toddler care through the Child Care Resource and Referral network. Courses have been developed for providers of both center- and family-based care with an emphasis on including children with disabilities.

States have developed programs to focus on the special needs of.infants and toddlers. In New Hampshire, both family- and center-based providers can participate in intensive training and receive equipment grants to increase the capacity and improve the quality of infant and toddler care. North Carolina funds a quality enhancement project that seeks to expand community-based child care health consultations, provide online support for web-based training, provide support for quality enhancement grants to providers, and evaluate the impact of child care health consultations on the health status of infants and toddlers. Missouri provides start up and expansion grants for programs that serve children from birth to age three. Wyoming and Vermont provide statewide training to assist caregivers in obtaining infant care credentials.

Quality

At least half of the states are conducting activities focusing on the issue of caregiver wages and retention. For example, both Maine and Minnesota use training, minigrants, and capital improvement loans to increase retention. Maine also funds Maine Roads to Quality, a child care and early care and education career development center, responsible for developing a 180-hour Core Knowledge Training program, which also maintains registries for providers and approved trainers, and administers scholarships and an accreditation support project.

In Massachusetts, child care providers receive quality awards for achievement in quality programming, innovation in child care service delivery, and assistance for providers in achieving accreditation. Maryland has implemented a child care credential and tiered reimbursement system. The Maryland Child Care Credential is a six-level system that recognizes a provider's achievement of a specified number of training hours, years of experience and professional activities, which leads to quality care. Cash bonuses are given as incentives to move up through each level and vouchers to defray the cost of training are available. Washington has a Career and Wage Ladder Pilot Project in its third year. The state pays centers for incremental wage increases for teachers who have completed education milestones. The centers contribute additional pay based on teacher experience. North Carolina has developed a licensing system based on levels of quality.

Child care licenses now show one to five stars, reflecting the levels of standards achieved. Increased subsidy payment rates for higher star ratings have been an incentive and support for providing quality care.

States are concentrating on early learning initiatives. Arkansas has developed ELLA, the Early Learning Literacy in Arkansas initiative, a literacy training program for prekindergarten teachers. Massachusetts has funded the development of state-approved literacy standards and the establishment of a tiered rating scale that offers incentives for providing literacy activities.

Ohio has also worked on increasing collaboration between Head Start and child care. The state has formed a workgroup to identify barriers to collaboration and propose policy changes to increase opportunities to leverage resources, improve quality, and expand access. In Rhode Island, the state has certified Comprehensive Child Care Service Networks that include center-based and family child care programs that deliver comprehensive child care services at an augmented rate to disadvantaged children.

Five years ago, Congress made a decision to invest in child care, streamline funding, and devolve authority to the states. Unprecedented success has been achieved to date. We urge you to keep the promise made in 1996 and resist adding new requirements and expectations without the resources necessary to implement them.

Thank you for the opportunity to testify. I would be pleased to respond to any questions you may have.