CHILD CARE STAFFING REQUIREMENTS

HEARING

BEFORE THE

COMMITTEE ON FINANCE

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

S. 2425

A BILL TO FACILITATE AND ENCOURAGE THE IMPLEMENTATION BY STATES OF CHILD DAY CARE SERVICES PROGRAMS CONDUCTED PURSUANT TO TITLE XX OF THE SOCIAL SECURITY ACT, AND TO PROMOTE THE EMPLOYMENT OF WELFARE RECIPIENTS IN THE PROVISION OF CHILD DAY CARE SERVICES

OCTOBER 8, 1975

Printed for the use of the Committee on Finance

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CHILD CARE STAFFING REQUIREMENTS

WEDNESDAY, OCTOBER 8, 1975

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room 2221, Dirksen Senate Office Building, Senator Russell B. Long (chairman) presiding.

Present: Senators Long, Talmadge, Mondale, Curtis, Roth, Jr., and Brock.

The CHAIRMAN. This hearing will come to order.

Staffing standards for child care funded under the Social Security Act, have been written into the law and regulations which were originally scheduled to go into effect on the first of October. It became clear that in many cases those standards were not going to be met. Just yesterday, House and Senate conferees agreed to postpone the effective date of the standards for 4 months. However, it is not the intention of the Senate conferees to wait until next January before acting.

In today's hearing we will hear the proposals of various witnesses concerning child care staffing standards. One proposal pending before the committee is a bill introduced by me and Senator Mondale. This bill would make additional funds available to the States, and it would provide incentives for the hiring of welfare recipients in meeting the higher staffing requirements.

Since we have scheduled a number of witnesses to testify, I am going to repeat our request that witnesses limit their oral remarks to 10 minutes each. In fact, I am going to stress the fact that each witness must limit the time of his remarks to 10 minutes. The timer will be set to ring at the end of the 10 minutes. When speaking in panels, witnesses should limit their oral remarks, to 5 minutes each.

[The press release announcing this hearing and the bill S. 2425, follow:]

PRESS RELEASE

FOR IMMEDIATE RELEASE
October 2, 1975

COMMITTEE ON FINANCE
UNITED STATES SENATE
2227 Dirksen Senate Office Bldg.

FINANCE COMMITTEE SETS HEARINGS ON CHILD CARE STAFFING REQUIREMENTS

The Honorable Russell B. Long (D. La.), Chairman of the Senate Committee on Finance, announced today that the Committee will hold hearings on child care staffing requirements under the Social Services Amendments of 1974.

The hearings will be held on Wednesday, October 8, 1975, at 10:00 a.m. in Room 2221, Dirksen Senate Office Building.

The Chairman stated: "The Social Services Amendments of 1974 set certain specific staffing requirements for child care programs funded under the Social Security Act. The question of what are the proper staffing standards for child care has been debated for a number of years, and it is a question on which there are a variety of strongly-held positions. But it is quite clear that the new standards have not been met by October 1st."

The Chairman noted that the Committee on October 1st had approved an amendment to delay enforcement of the new standards for one month, until November 1, 1975. The purpose of this delay was to allow the Committee time to consider proposals to deal with the new staffing requirements.

The Committee has pending before it a bill (S. 2425) sponsored by the Chairman and Senator Mondale (D. Minn.) which would provide additional Federal funds for child care and would provide incentives for providers of child care to hire welfare recipients in meeting their additional staffing needs. The hearing will concern this and other proposals for dealing with the new staffing requirements.

Requests to testify. -- Senator Long advised that witnesses desiring to testify during this hearing must make their request to testify to Michael Stern, Staff Director, Committee on Finance, 2227 Dirksen Senate Office Building, Washington, D. C. 20510, not later than Monday, October 6, 1975. Witnesses will be notified as soon as possible after this cutoff date as to when they are scheduled to appear. Once the witness has been advised of the date of his appearance, it will not be possible for this date to be changed. If for some reason the witness is unable to appear on the date scheduled, he may file a written statement for the record of the hearing in lieu of a personal appearance.

Consolidated testimony.--Senator Long also stated that the Committee urges all witnesses who have a common position or with the same general interest to consolidate their testimony and designate a single spokesman to present their common viewpoint orally to the Committee. This procedure will enable the Committee to receive a wider expression of views than it might otherwise obtain. Senator Long urged very strongly that all witnesses exert a maximum effort, taking into account the limited advance notice, to consolidate and coordinate their statements.

Legislative Reorganization Act.--In this respect, he observed that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress "to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

Senator Long stated that in light of this statute and in view of the large number of witnesses who desire to appear before the Committee in the limited time available for the hearing, all witnesses who are scheduled to testify must comply with the following rules:

(1) A copy of the statement must be filed by the close of business October 7, 1975.

(2) All witnesses must include with their written statement a summary of the principal points included in the statement.

(3) The written statements must be typed on letter-size paper (not legal size) and at least 50 copies must be submitted before the beginning of the hearing.

(4) Witnesses are not to read their written statements to the Committee, but are to confine their ten-minute oral presentations to a summary of the points included in the statement.

(5) Not more than ten minutes will be allowed for the oral summary. Witnesses who fail to comply with these rules will forfeit their privilege to testify.

Written statements.--Witnesses who are not scheduled for oral presentation, and others who desire to present their views to the Committee, are urged to prepare a written statement for submission and inclusion in the printed record of the hearings. These written statements should be submitted to Michael Stern, Staff Director, Committee on Finance, Room 2227 Dirksen Senate Office Building not later than Friday, October 17, 1975.

94TH CONGRESS
1ST SESSION

S. 2425

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29 (legislative day, SEPTEMBER 11), 1975

Mr. LONG (for himself and Mr. MONDALE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To facilitate and encourage the implementation by States of child day care services programs conducted pursuant to title XX of the Social Security Act, and to promote the employment of welfare recipients in the provision of child day care services.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds and declares—

(1) That the Social Services Amendments of 1974 set standards for child care under the Social Security Act which will require many child care providers to substantially increase their staff over existing levels;

(2) That in such cases compliance with these standards

will require a substantial increase in the present level of expenditures for child care; and

(3) That adequate funding to meet these additional child care expenditures required by the Social Services Amendments of 1974 is not presently available.

(b) It is therefore the purpose of this Act to provide the additional funding which will make possible the implementation of the new child care standards without severely curtailing the availability of child care services.

SEC. 2. Notwithstanding any other provision of law, no Federal funds to which a State is otherwise entitled, with respect to expenditures made during the calendar quarter ending December 31, 1975, under title IV or title XX of the Social Security Act, shall be withheld or denied on account of failure to comply with any requirements imposed by section 2002 (a) (9) of such Act, any regulations promulgated thereunder, or by section 3 (f) of the Social Services Amendments of 1974.

SEC. 3. (a) For purposes of title XX of the Social Security Act, the amount of the limitation (imposed by section 2002 (a) (2) of such Act) which is applicable to any State for any fiscal year, shall be deemed to be equal to whichever of the following is the lesser:

(1) an amount equal to 120 per centum of the

amount of such limitation for such year (as determined without regard to this section), or

(2) an amount equal to (A) 100 per centum of such limitation for such year (as determined without regard to this section), plus (B) an amount equal to the sum of (i) 80 per centum of the total amount of expenditures (I) which are made during such fiscal year in connection with the provision of any child day care service, and (II) with respect to which payment is authorized to be made to the State under such title for such fiscal year, and (ii) the aggregate of the amounts of the grants, made by the State during such fiscal year, to which the provisions of subsection (c) (1) are applicable.

(b) The additional Federal funds which become payable to any State for any fiscal year by reason of the provisions of subsection (a) shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services.

(c) (1) Subject to paragraph (2), sums granted, during any quarter, by a State to a qualified provider of child day care services (as defined in paragraph (3)) with respect

to one or more child day care facilities of such provider shall be deemed, for purposes of title XX of the Social Security Act, to constitute expenditures made by the State, in accordance with the requirements and conditions imposed by such Act, for the provision of services directed at one or more of the goals set forth in clauses (A) through (E) of the first sentence of section 2002(a)(1) of such Act. With respect to sums to which the preceding sentence is applicable (after application of the provisions of paragraph (2)), the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall be deemed to read "100".

(2) The provisions of paragraph (1) shall not be applicable—

(A) to the amount, if any, by which the aggregate of the sums (as described in such paragraph) granted during any fiscal year exceeds the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal year, and

(B) to the amount, if any, by which the aggregate of the sums (as described in paragraph (1)) granted to any particular qualified provider of child day care services, during any taxable year of such provider, exceeds an amount equal to 400 percent of the amount of the tax credit which is allowable to such provider for

the taxable year under section 40 of the Internal Revenue Code of 1954 (or the amount of a payment in lieu of credit under section 50A (e) of such Code) with respect to the Federal welfare recipient employment incentive expenses for individuals employed by such provider in jobs related to the provision of child day care services in the facility or facilities with respect to which such sums were granted.

(3) For purposes of this subsection, the term "qualified provider of child day care services", when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 30 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State's services program conducted pursuant to title XX of the Social Security Act.

(d) (1) In the administration of title XX of the Social Security Act, the figure "75", as contained in the first sentence of section 2002 (a) (1) of such Act, shall, subject to paragraph (2), be deemed to read "80" for purposes of applying such sentences to expenditures made by a State for the provision of child day care services.

(2) The total amount of the Federal payments which

may be paid to any State for any fiscal year under title XX of the Social Security Act, with the application of the provisions of paragraph (1), shall not exceed an amount equal to the excess (if any) of—

(A) the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal year, over

(B) the aggregate of the amounts of the grants, made by the State during such fiscal year, to which the provisions of subsection (c) (1) are applicable.

(e) In applying the provisions of paragraph (1) of subsection (a) of this section with respect to the fiscal year ending June 30, 1976, the figure "120" shall be deemed to be "110".

SEC. 4. (a) Section 50A of the Internal Revenue Code of 1954 (relating to amount of credit for work incentive program expenses) is amended—

(1) by striking out subsection (a) (6) and inserting in lieu thereof the following:

"(6) LIMITATION WITH RESPECT TO CERTAIN ELIGIBLE EMPLOYEES.—

"(A) NONBUSINESS ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or in-

curred by the taxpayer during the taxable year to an eligible employee whose services are not performed in connection with a trade or business of the taxpayer shall not exceed $1,000.

"(B) CHILD DAY CARE SERVICES ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are performed in connection with a child day care services program, conducted by the taxpayer, shall not exceed $1,000.", and

(2) by adding at the end thereof the following new subsection:

"(e) PAYMENT IN LIEU OF CREDIT TO TAX EXEMPT ORGANIZATIONS.—

"(1) IN GENERAL.—In the case of a State, any political subdivision thereof, any oragnization described in section 501(c), which is exempt from tax under section 501(a) for the taxable year, the Secretary shall pay to each such government, subdivision, or organization which files a form during the calendar year in the form, manner, and at the time prescribed by the Secretary or his delegate by regulations, an amount

determined under paragraph (2). The Secretary shall make such payment as soon as possible after the receipt of such form.

"(2) AMOUNT OF PAYMENT.—The amount payable to a State, subdivision, or organization (hereafter referred to as 'tax exempt entities') under subsection (a) for the calendar year shall be equal to the amount of credit which such tax exempt entities would, if they were liable for tax under this chapter, be allowed under section 40, determined under sections 50A and 50B disregarding paragraphs (2) through (5) of section 50A (a), for Federal welfare recipient employment incentive expenses paid or incurred by such entity during such year to an eligible employee whose services are performed in connection with a child day care services program of such entity.

"(3) REPAYMENT.—If an entity which receives a payment under paragraph (1) takes any action which would result in an increase of its tax under subsection (c) or (d) of section 50A if such entity were liable for tax under this chapter, then such entity shall be liable to the Secretary or his delegate for an amount equal to the increased amount of tax which would be imposed under such subsections.

"(4) TREATMENT AS OVERPAYMENT OF TAX.—

For purposes of any law of the United States, including section 101 of the Treasury Department Appropriation Act of 1950, any payment made under this section shall be considered to be a refund of an overpayment of the tax imposed under this chapter.".

(b) Section 50B(a)(2) of such Code (relating to definitions; special rules) is amended to read as follows:

"(2) DEFINITIONS.—For purposes of this section, the term 'Federal welfare recipient employment incentive expenses' means the amount of wages paid or incurred by the taxpayer for services rendered to the taxpayer by an eligible employee—

"(A) before July 1, 1976, or

"(B) in the case of an eligible employee whose services are performed in connection with a child day care services program of the taxpayer, before January 1, 1981.".

(c) The amendments made by this section with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer to an eligible employee whose services are performed in connection with a child day care services program of the taxpayer shall apply to such expenses paid or incurred by a taxpayer to an eligible employee, whom such taxpayer hires after September 30, 1975.

The CHAIRMAN. Our first witness this morning, is the Honorable Dewey Bartlett, Senator from Oklahoma.

Senator Bartlett?

Senator MONDALE. Mr. Chairman, could I just make some brief remarks?

The CHAIRMAN. Yes.

Senator MONDALE. Mr. Chairman, I commend the chairman for the introduction of this measure which I think is a very statesmanlike way to deal with a very tough and complicated——

The CHAIRMAN. Where did that electronic device come from? Where is that radio?

Let me instruct the staff to find where that thing is and see that it is removed from this room.

Please go ahead.

Senator MONDALE. The problem that the chairman's bill seeks to deal with is the difficult problem of reconciling the need for day care for Americans who wish to work with the problems of safety and care in the development of children who would otherwise have their parents with them.

The measure is a good one, and it is based upon a whole range of testimony that has been taken before this committee, and other committees, over several years. These standards are the result of several debates and votes on the Senate floor and have been adopted overwhelmingly on more than one occasion, and were adopted as well by the House.

I am pleased that among those supporting the Long proposal is the AFL–CIO, and I have a letter from Mr. Biemiller that I would like included in the record at this point, strongly endorsing the Long proposal.

[The letter referred to follows:]

AMERICAN FEDERATION OF LABOR,
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., October 6, 1975.

Hon. WALTER F. MONDALE,
Russell Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: I'm writing to convey the support of the AFL–CIO for S. 2425 introduced by you and Senator Long. We have already indicated to you our serious concern over the possible delay or weakening of the minimal level of child-staff ratios required in day care centers funded under Title XX of the Social Security Act.

The AFL–CIO believes that S. 2425 will do much to facilitate and encourage the implementation by the states of the standards necessary for the protection of children.

We commend you and Senator Long for taking the lead in working toward the solution of this long-standing problem.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

Senator MONDALE. I would like to conclude by reading a letter I received this morning from the Commissioner of Institutions of the State of New Jersey, which I think points out the economic implications of this whole effort.

Under the New Jersey Title XX program, 12,600 heads of households were freed for employment estimated at $65 million per year; 5,500 persons were

employed in those centers earning $22 million a year; and 10,700 families formerly on AFDC are now employed, reducing welfare payments by nearly $20 million.

And she further notes:

I note the salutary effect of this proposal to provide employment at day care centers for the AFDC population.

This is a strong letter of endorsement from the State of New Jersey, and I would like that to be in the record at this point.

The CHAIRMAN. That will be inserted in the record.

I would like to read it, because I have not seen it previously. I am pleased to hear about that.

[The letter referred to follows:]

STATE OF NEW JERSEY,
DEPARTMENT OF INSTITUTIONS AND AGENCIES,
Trenton, N.J., October 6, 1975.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I write to record New Jersey's enthusiastic support for S.2425. In an atmosphere where there is talk of reducing the percentage of federal financial participation for social services or of reducing state allocations, your and Senator Long's proposed amendment to Title XX of the Social Security Act is extremely welcome news.

Under Governor Byrne's direction and leadership, my Department has given its highest priority to an expansion of social services eligible for federal financial participation and the New Jersey Legislature has appropriated additional state funds where necessary to help finance the local share. New Jersey's expansion program has already progressed to the point where, in but a few months, it will hit the current federal ceiling for New Jersey of $87.7 million ruling out further expansion and requiring the backward step of funding inflation out of current budgets. This would mean a drop in services. Over one-third of our effort is for child day care, and it has been in this program sector where New Jersey has registered its most dramatic gains. In barely four years since its inception, federally subsidized day care in New Jersey now reaches over 27,000 children. Both the Federal Interagency Day Care Requirements and our own stringent state licensing standards have been adhered to along the way.

But as proud as we are of our record to date, we must face the recognition that we meet far less than 10 percent of the need for child day care services. Right now over 300,000 children, eligible for federally subsidized day care, cannot receive it. Clearly, therefore, a bill such as yours which would earmark additional federal funds for child day care is precisely what is needed.

With respect to those New Jersey residents who are fortunate enough to be enrolled in federally subsidized pre-school day care, our studies have shown that 68.2 percent of the families have all adult members either working or in education or training for employment. Of the balance (31.8 percent) the vast majority of families have severe problem situations in their homes prominent among which are alcoholism, mental retardation, child abuse or neglect, severe physical or mental illness or major family conflict necessitating day care services for the children. Accordingly, it is clear that the Congressional intent for the Titles IV-A and XX programs has been met by New Jersey's employment of its federal funds.

Thus, New Jersey is able with its existing federal allocation to reach barely 10 percent of its population in need for day care services and, secondly, the federally subsidized services it does provide are directed at precisely the priority populations set by the Congress. I want to make a third point as well, which is that day care has extremely positive and calculable economic consequences to society. For example, because of New Jersey's program to date.

(1) 12,680 heads of household were freed for employment estimated at $65.9 million per annum, without taking into account associated multiplier effects of direct employment dollars being spent and taxes being paid;

(2) 5,540 persons (a large number of paraprofessionals) have been employed as teachers, teachers' aides, trainees and technicians in day care centers earning $22.8 million per annum; and

(3) 10,764 families formerly on AFDC are now employed, thereby reducing welfare payments by $19.4 million per annum. (I note that the salutory effect of S. 2425 would be to provide employment at day care centers for the AFDC population.)

All this has been possible for a federal investment in day care in New Jersey of less than $30 million per annum. It is an investment which has paid off handsomely.

We shall watch the progress of S. 2425 with great interest and if I or James G. Kagen, the Director of the Department's Division of Youth and Family Services, can assist with backup material or testimony or in any other way, please do not hesitate to call upon us.

Once again, we in New Jersey are very grateful for your support of day care.

Sincerely,

ANN KLEIN,
Commissioner.

The CHAIRMAN. If there are no further statements at this point, we will now hear from Senator Dewey Bartlett.

STATEMENT OF HON. DEWEY F. BARTLETT, A U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator BARTLETT. Mr. Chairman, thank you very much.

I have with me a statement by Mozell Houser to the Senate Finance Committee on day care legislation. She is here, and she is representing Nell Nale and Jean Glasgow, Oklahoma day care center operators, and I would ask unanimous consent that it be placed in the record. I think it is very pertinent and very helpful to the committee.

The CHAIRMAN. Without objection, agreed.

[The statement referred to follows:]

STATEMENT BY MOZELL HAUSER TO THE SENATE FINANCE COMMITTEE ON DAY CARE LEGISLATION

I am Mozell Houser, owner and director of the Village Play School in Oklahoma City. Our school is licensed by the city, county, and State for 160 children, ages six months through six years.

I am a graduate of the University of Oklahoma and hold the American (AMS) and the international (AMI) montessori certificates. I am the founding president of the Oklahoma Proprietary Day School Association; a board member of the North Oklahoma City Child Care Association; a member of NAEYC; a charter member of the State chapter OAEYC; a board member of the National Association of Child Development and Education; and a member of the alliance.

I am the mother of two sons both of whom are university graduates and presently in graduate school. One son is married and has two children, ages two and five. His wife is at the university pursuing a degree in nursing and the children are in nursery school and kindergarten.

Over twenty years ago when my boys were small I became aware of their need for association with other children their age. I realized that I did not provide a challenge for them, nor did I stimulate their creativity. They begged for someone else to play with. They did not need or want too much intervention from mother. They needed interaction with other children to promote their total growth and development.

I opened my nursery school in my home with two or three neighbor children who gladly came to play each morning. But I soon realized that giving my undivided attention to four or five children was not good for them. It made them too dependent on me. I found myself doing things for them when in fact they should have been learning by "doing" things themselves. After enrolling more children we found the association was much more challenging and stimulating for all the children and they did not compete for adult attention.

My experience has proven to me that lower staff ratios are not good for children. In fact they are harmful. No research has been done to justify the staff ratios proposed by title XX. In my opinion, these ratios would cause children to be intimidated, regimented, and in many cases neglected.

At a meeting in Denver in May, which was called by the Commissioner of Education and attended by fifteen hundred members of State educational departments and H.E.W. employees, most of the speeches were prefaced by the statements "We have just returned from Russia and have found that we Americans are far behind the Russians in early childhood education." They had varying proposals for "catching up" with the Russians. May I ask "Why should we" catch up with the kind of society that will make robots out of children. We have always encouraged our children to become more independent, to take care of their own needs, and to become more resourceful. We Americans have stood up for what we think is right and have achieved goals beyond our ancestors' wildest dreams. So why should we try to "catch up" with a nation that has not yet caught up with America?

Albert Shanker proposed that the empty classrooms be filled with our preschoolers and the unemployed teachers be retrained to care for them. I believe that some of the classrooms should remain empty and some of the unemployed teachers should seek other fields of employment. They do not want to be retrained to care for the physical needs of young children. In fact, the idea is very distasteful to most of them. The unemployed teachers can be used to a much better advantage in public school where the children are failing miserably for lack of individual attention. The unrealistic ratios proposed by title XX will not equip children for the ratios in public school. Child care centers are required to have one teacher for seven kindergarten children while the public schools allow twenty-five to thirty-five pupils to one teacher. In most schools the kindergarten teacher has one group in the morning and another in the afternoon. One teacher may have as many as seventy children to keep track of, but in child care centers only seven. Does that make sense? Where do they need the more individualized attention?

Senate bill 2425 introduced by Mr. Long and Mr. Mondale proposed to cure the ills of title XX by asking for an appropriation of $500,000,000 to pay for the extra staff needed to comply with the regulations. However, for centers to qualify, the stipulations require at least a thirty percent AFDC enrollment and the hiring of welfare recipients as teachers. Perhaps some welfare recipients would be good teachers, but there is no assurance of it. We might be sacrificing quality of child care for quantity of attendants. Senate bill 2425 will not improve child care, nor will any given staff ratio. Child care is only as good as the caregiver and depends on his or her ability to meet the needs of the child.

Monday evening of this week President Ford addressed the Nation calling for help in balancing the national budget. His plans are to cut taxes by 28 billion dollars, but in order to do so he stated plainly that Congress would have to cut their spending by 28 billion dollars.

Of what benefit would the tax cut be to parents who would be forced to pay twice as much for child care under the new regulations?

I am asking you, the Senate Finance Committee, to vote against Senate Bill 2425 as a just measure to balance the budget. I also ask you to vote for the six month postponement of the implementation of title XX staff ratios to give early childhood educators an opportunity to do some research and evaluation of what is really good for children.

Senator BARTLETT. Mr. Chairman, in December of last year the Congress passed into law the Social Services Amendments of 1974, which mandated that on October 1, 1975, every day care center in the United States must meet "rigid staff-child ratios regardless of State laws to the contrary notwithstanding."

Obviously, this law was enacted with a view to enhancing the quality of day care services. Unfortunately, the reaction from the people who know best—the day care providers and the mothers of the children in the day care centers—does not support that desirable goal.

The virtually unanimous reaction from the persons involved in day care in Oklahoma, the day care centers, the mothers, and the State wel-

fare department, is that, rather than enhancing the quality of day care it will eliminate day care for those who need it most. In Oklahoma, the cost to the mother will double, thereby effectively placing it beyond the means of many working mothers.

Oklahoma has had a day care license law since 1953. Since that time, Oklahoma's law has gone through substantial changes; changes brought about by experience, not chance. After some 21 years of licensing day care centers in Oklahoma, there has been no popular uprising of persons who believe that our law is inadequate. To the contrary, during my term as Governor of Oklahoma, and now as Senator, I have yet to hear a complaint against Oklahoma's law.

Yet, if the Federal Government is allowed to impose the standards of title XX, few, if any, day care centers in Oklahoma can continue to operate legally. This is also true in most other States.

Title XX is a classic example of Congress imposing its will on a State without first ascertaining the facts. The law places the cart before the horse.

Under title XX, the staff-child ratios are imposed on October 1; then HEW is mandated to conduct an 18-month study to determine whether those standards are proper. Apparently it would have been too logical to conduct the study and then impose appropriate standards.

Several proposals have been offered to give States some relief from these new staffing standards. I believe the most reasonable approach would be to delay implementation of the standards pending completion of HEW's appropriateness study.

Therefore, I intend to introduce an amendment to Senate bill 2425 to extend for a period of 18 months the status quo of day care staffing requirements prior to October 1, 1975. I cannot support the legislation before this committee—Senate bill 2425—designed to reduce the impact of these standards by providing Federal assistance to day care centers.

In the first place, the new standards are unrealistic. We should be trying to correct them rather than subsidizing them. In the second place, this legislation provides Federal funds to help pay the salaries of welfare mothers who are hired to meet the staffing standards. Such a work program for welfare mothers would ignore the primary criterion on which hiring should be based—the qualifications of the prospective staff member.

Mr. Chairman, it has been the unanimous opinion of those with whom I have discussed the title XX staffing standards, that HEW has assumed an improper role in the regulation of day care centers. I am afraid the legislation before this committee, offered as a remedy to the problem, will only compound it by further expanding the Federal Government's role in this matter.

If this committee is concerned about averting a crisis in day care services, it should direct its efforts toward correcting unrealistic staffing requirements provided under title XX; staffing requirements which demand a 1-to-1 child-staff member ratio for infants, in effect saying that a mother is not competent to care for her infant twins, requirements that would demand of day care centers greater supervision for infants than that provided in the intensive care units of many of our finest hospitals.

With these standards, Congress is second guessing American mothers, and, in my opinion, guessing wrong.

I thank you, Mr. Chairman, for this opportunity to testify. I have attempted to represent the views of those whom I consider experts in these matters: parents, day care professionals, State welfare officials and others. I urge the members of this committee to listen to the people, the experts, as you consider day care legislation.

The CHAIRMAN. Thank you very much, Senator.

Senator Mondale, do you have any questions?

Senator MONDALE. I have no questions.

The CHAIRMAN. I have no questions.

Senator Curtis?

Senator CURTIS. Yes.

Senator Bartlett, is it your understanding that the statute itself, in 1972, fixed the number of supervisors or employees that must be in a day care center?

Senator BARTLETT. It is my understanding that the maneuvering room, as I would put it, the latitude given the Secretary, is very limited, and I think there is very little relief that he could provide for States such as ours, which would suffer under the proposed regulation.

Senator CURTIS. And do you know, how many did that fix?

How many could one person take care of?

Senator BARTLETT. Well, for example, one person could take care of—in one case, 1-for-1, in the case if it was under 6 weeks. This would make those costs extraordinarily high.

I can see, in instances, where a parent would want a staffing ratio that might approach the ratios in this bill, but I think that would be on an individual basis. But as far as requiring it for everybody, I cannot understand it.

Senator CURTIS. And what was the penalty if a State does not comply with what was done in 1972?

And when does that penalty take effect?

Senator BARTLETT. It takes effect right away, retroactively to the first.

Senator CURTIS. The first of what?

Senator BARTLETT. October the first, it is my understanding.

Senator CURTIS. Just this last October first?

Senator BARTLETT. Yes.

Senator CURTIS. What is the penalty?

Senator BARTLETT. The penalty is the loss of Federal aid.

Senator CURTIS. All Federal aid for day care centers?

Senator BARTLETT. Yes.

Senator CURTIS. And that is the emergency that makes it necessary to do something?

Senator BARTLETT. Well, I think that is one of the emergencies.

The other is to have a workable law that will meet the needs——

Senator CURTIS. But timewise—that is what brings it before us right now.

Senator BARTLETT. Yes.

Senator CURTIS. Now as I understand it, the Long-Mondale proposal would continue with certain Federal standards which are somewhat restrictive in the minds of some. Some people might dispute that, but it would also provide more money.

Senator BARTLETT. Yes.

Senator CURTIS. What is your proposal?

What do you recommend we do?

Senator BARTLETT. Well I propose extending the status quo prior to October first for 18 months, which would extend those standards until the HEW study was completed. Then, I think, we would be in a much better position to write meaningful legislation, recognizing that there are great differences between a rural State and an urban State. And this is where I feel that Congress has been negligent in the past of neglecting the needs of the rural constituencies of this country.

Senator CURTIS. Well, now what is the difference between your proposal and the proposal offered by Senator Fannin, which I understand represents the Department's view?

Are you familiar with that?

Senator BARTLETT. I am a little bit familiar with that.

That proposal, as I understand it, would extend the present law, the present regulations for the time of the HEW study, and would give greater latitude to the Department in dealing with States, and having demonstration projects and making exceptions.

But it would keep in effect the present regulations that exist since October first.

Senator CURTIS. It would relieve the penalty provisions somewhat?

Senator BARTLETT. Yes, it does relieve the penalty provision; it makes them very small. And I have forgotten the percentage figure.

Senator BROCK. Three percent.

Senator CURTIS. In other words, it would not go quite as far——

Senator BARTLETT. What I think it still does——

Senator CURTIS [continuing]. In okaying the situation throughout your State as your bill. Is that your understanding?

Senator BARTLETT. I understand that, but it does mandate the present regulations with more leeway for the Secretary. But I think that is still putting the cart before the horse. I think the study should come first, and then the regulation.

Senator CURTIS. I certainly think that before any standards are frozen in, or any new departure, we ought to hear from the Department of what the study is, because that was a decision made by Congress and it is a waste of what they have already undertaken as well.

I think, perhaps, something might be very fruitful from that study.

Senator BARTLETT. I think the administration proposal would at least have the standards jelled, maybe not frozen. I would favor not having the standards in existence until the study is completed, and then create the standards.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Let me just put this thing in perspective as I see it now.

For one thing, I wish I could persuade the administration to steer a straight course. It would be a lot easier to try to figure out where the devil they think they are going, if you could get them to do that.

Now as a Democrat serving under a Republican administration, I have found myself forced to oppose proposals to quadruple the people on welfare, where you would have half the Nation on the rolls, and

make welfare far more attractive than gainful employment in this country for all of the working poor. Now we managed—thank the merciful Lord—to hold back on that.

Now I have no doubt that the overwhelming majority of people in this country would rather pay people to do something useful rather than paying them to do nothing, just to sit around getting in trouble, following the old proverb that an idle mind is the devil's workshop.

All right. Now it was not my idea to have the standards, but the Senate voted on that. I opposed the standards. Senator Mondale took one side, I took the other.

I think, Senator, you voted on my side. Now I am sorry I did not get more help out there, but we lost. And then the House sent something over even more stringent than the Senate proposal, and so this is the law.

Now ordinarily I would feel like saying, well, let us just take another look at this thing; maybe the standards are too stringent. But you have all of these people out of work anyway. You have 10 percent of your work force out of work; if you count all of the partially employed and all of the poor souls who have given up any hope of finding a job, it is a lot more than 10 percent.

With 11 million people on the welfare rolls, I do not see why we cannot simply fund what the Congress has voted over my objection. One thing I have learned to do is to accept the fact that sometimes the Congress might be right even though they don't listen to my advice. And so, about the only thing I can see is, having voted to oppose this——

Senator BARTLETT. Mr. Chairman, I do not want you to give in too often on that. I think you are right.

The CHAIRMAN. So the only thing I can see is to say, well, here we are with this requirement. We imposed it on the States; we imposed it on these nonprofit institutions; we imposed it on all of these good people who are trying to do a job of looking after little children.

Well, now if they are going to have to do this and if they do not have the money for it, it seems to me as though the burden is on us to provide it. Frankly, I admit that it is formidable to say that you have to have one attendant for every child under 6 weeks of age. That used to seem to me to be an unreasonable requirement until my daughter had a baby—I had forgotten how much trouble it is looking after a 6-week-old child, but my daughters have familiarized me with that problem all over again.

So, for the 6-week-old child, they do not have to accept him in the day care school, but if they do, then here is a law that we can very easily comply with. It would not cost a great amount of money unless we are going to hire these $10,000-a-year people, or pay $1,000 a month to have someone look after one child.

But you have a lot of welfare mothers, and you are having to pay them to sit around and look after children anyhow. Why not let a mother that has one child bring the child to the day care center with her and make herself available to help out. This would move that family out of poverty and provide a better life for the child. The child care center may learn some even better techniques since she is familiar with looking after children.

Now that much we can do. And it does not really amount to a great deal of cost as these welfare programs go, and it seems to me that is a logical thing to do.

Now Senator, if you want to, it is all right with me for you to have a try at defeating those same people that beat me when I tried to have a less rigid standard. But I waged that fight, did the best I could, and the Senate did not agree with me. With all these people out of work, I do not see how you are going to have any more hope of success than I had at the time.

Frankly, as far as I am concerned, with all the people we have out of work you might just as well go ahead and put some of those people to work and pay them for it, rather than have these children sent home.

Now I do not see how HEW can, in good conscience, come in here one day with proposals to increase the welfare costs by anywhere from $10 to $20 billion, and then come in a year or so later with something where they are not obeying the law, and try to find some excuse for not obeying it for another 18 months—waiting for what? Another President?

I just do not see the point. I do not see anything to do but go on ahead and provide the funds and put people to work. Take them off the welfare rolls, put them to work doing something useful, and improve the lot of those families, and those children in particular. That is who I think we ought to be looking after.

Now it might seem that you are being fairly restrictive when you require one adult for every four children before 3 years of age—now that might seem a low priority use of manpower. But I would submit that, if you just try sitting around looking after those four children, 3 years old, for a few days, you will want to come back to the U.S. Senate and resume your chores as a legislator. That is my experience.

So I would think that unless you can change the law, having imposed this on the States, we ought to go ahead and fund it.

Let me ask you what I regard as a tough question: Suppose you cannot do it your way, by simply postponing these standards, and you are going to have to live with them. Would you agree that you ought to fund it?

Senator BARTLETT. Let me just say what I believe.

I believe very strongly that the staffing regulations should be changed rather than funded. I certainly want to make it clear that I favor making every effort to place people on the welfare rolls in jobs, and as Governor I was very helpful with the head of the welfare department and others in doing that.

But I do think that the particular capabilities of people on welfare would tend to qualify them for a broader range of things, and not just one particular job. I feel very strongly that the present law we have satisfies Oklahoma and there have been no complaints registered against the law.

And with the present law, it is going to put tremendous hardship on a number of our working mothers—either put them on welfare, or to have for them inferior service because the additional help will be unqualified and untrained and inexperienced. And so, your particular proposal, I think, is one of trying to be all things for all people, and I think it is going to be expensive. I do not believe the people in our

State are wanting to have additional taxes paid for broader care of something they do not want to be broadened.

So, I would like your help, and with your help you might be surprised what we will do, because there is a better knowledge of this law today than when the compromise was made at the end of 1974. I think there is a better realization that this does not meet the needs of this country.

I am not speaking of the urban areas; I am speaking of the States, such as my own, which does have a couple fairly sizable cities in it, but it is classified as a rural State. I do not think it meets the needs of our State, and so I am going to resist it to the fullest, and I have been beaten before, Senator, as you know—we have been together on a number of things—but also, once in a while, we win. So I am going to fight for what I think is right, and I believe that it makes more sense to make the study and then decide what kind of regulation we should have, rather than the reverse.

The CHAIRMAN. Senator, the only votes you picked up that you did not have before is when people look at television and see that some former welfare mother is going to have to go back on welfare, because her child is being put out of a child care center. I do not have any doubt that the average American citizen would look at this situation and say: "Well, do you not think you ought to have some people taking care of those children in that day care center?" And it really would not cost a great deal more to put some of these people to work, helping to look after those children at those day care centers, to keep little children from throwing sand in the other child's face, and one thing or another. It would not cost that much to take some poor souls off the welfare and put them to work helping to referee those fights and keep those little children from abusing one another and take better care of them. And everybody would be better off.

I do not think I can see any problem as far as the majority of people in Oklahoma or Louisiana, because your people really think pretty much the way our people do. I have had some of my relatives who wanted to go out to Oklahoma just because all the good land in Louisiana was taken by the time they got that far along, and they were hoping to find some place they could settle elsewhere.

Senator BARTLETT. We would be glad to have them.

The CHAIRMAN. But they have pretty much the same philosophy. People in north Louisiana are about the same kind of folks as people in Oklahoma. Some of them just sat down a little bit sooner, because they found a place to settle. I believe it is pretty much the same philosophy. I believe the people would think pretty much the same.

Senator BARTLETT. Mr. Chairman, I would like to follow just a little bit ahead of where you are in your bill, and that is, I just think it is unwise, unfair for Congress to adopt a set of regulations that would, in Oklahoma, force young mothers either on welfare rolls or out of college, and I think that this is inexcusable, and this should be corrected, rather than fund a program that is unfair.

The CHAIRMAN. Thank you very much.

Senator BARTLETT. Mr. Chairman, thank you, and members of the committee.

The CHAIRMAN. Our next witness will be the Honorable James R. Jones, U.S. Representative from Oklahoma. We are pleased to have you, Mr. Jones.

STATEMENT OF HON. JAMES R. JONES, A REPRESENTATIVE IN CONGRESS FROM THE FIRST CONGRESSIONAL DISTRICT OF THE STATE OF OKLAHOMA

Representative JONES. Thank you, Mr. Chairman, members of the committee.

Mr. Chairman, the little town where I grew up in Oklahoma was proud to have as a member of the medical profession in our community a Long from Louisiana. It did not seem to do us much harm.

The CHAIRMAN. He found out he made a mistake. He came back and ran for office, and became a Congressman, as you know, for awhile, although I might say that he did succeed in rising to the Oklahoma Legislature while he was one of your constituents.

Representative JONES. Mr. Chairman, members of the committee, I want to thank you for giving me the opportunity to testify on a bill that I had introduced on the House side. I want to thank you for the quick action that you have given to the delay, the suspension in the regulations that would go into effect October 1.

Day care for children really is no longer a luxury. It is a very necessary expenditure. It has become a vital necessity in our present day working world, in which 27 million children have mothers who are working outside the home. The need for high quality, low cost, readily accessible day care must be reflected in our legislation and Federal regulations.

I do not find fault with the purpose of the HEW day care staffing regulations or the foundation upon which they rest in title XX, and that is to insure adequate supervisory care for these children. But as we strive for this high-quality day care, I think we must carefully consider the economic realities facing day care operators and the increased cost that would be passed on to working parents.

Now, only two States. Connecticut and North Dakota, currently meet the HEW staffing regulations for children under 3 years of age, and I find it hard to believe that only 2 States, out of the 50, are providing at the present time, adequate day care for these young children. In discussing this matter with day care operators from my State of Oklahoma, I learned that the average pay for a full-time day care worker is $500 per month, and many centers nationwide will find it necessary to double or triple their staffs, at very considerable expense. Many operators sadly confided to me that they would close their doors rather than face the financial uncertainty involved in adapting to these regulations.

In addition, the tab currently picked up by the Government will skyrocket. The regulations would impose an additional $92 million burden on States, and a $276 million burden on the Federal Government. But the most severe financial blows would be dealt to the middle- and low-income working parents, parents who depend upon reliable day care in order to make ends meet.

In order to make adherence to these HEW staffing regulations economically feasible, operators would be forced to charge $8 per day per child, according to the National Association of Child Development and Education. A brief overview of present costs will reveal the nationwide scope of day care cost increases which would be expected. These are listed in my formal statement which I would like to submit for the record, and to summarize from it, Mr. Chairman.

I think it is ironic that one of the overriding goals of the title XX regulations is to extend social services to the middle class. Many middle class constituent families in which both parents work will find that day care expenses are unbearable and a parent, usually the mother, will simply quit working, rather than pay the disproportionate share of income for child care.

And our lower income parents, many of whom are single working mothers struggling to support themselves, will find the welfare rolls a welcome relief in the face of excessive day care costs.

So it becomes clear that we cannot condone this HEW action, with its adverse economic impact on day care operators and working parents. As a responsible Congress, I think we must respond to the problems of the people and seek more reasonable staffing standards.

Rather than leave this important matter up to the discretion of HEW, I believe the Congress should take the initiative during the period of time we have to study this matter, to balance these two delicate factors, the intent of title XX law and the public's ability to comply and establish regulations that will upgrade day care without causing a wholesale closedown of existing centers.

In order to provide flexible, but proper, relief, I have introduced a bill on the House side which is before our committee, Ways and Means on the House side, which would have the following staffing standards: 1 adult per child under 6 weeks of age; 1 adult per 8 children between 6 weeks and 3 years; 1 adult per 10 children between 3 and 4 years of age; and 1 adult per 12 children between 4 and 6. These ratios were chosen only after a careful analysis of the current day care requirements in the 50 States, and after many, many consultations with day care operators and users.

The CHAIRMAN. Would you mind citing those statistics again?

Representative JONES. It would be one to one——

The CHAIRMAN. Under 6 weeks?

Representative JONES. Right. One to 8 from there to 3 years; 1 to 10 from 3 to 4 years; and 1 to 12 between 4 and 6 years.

The CHAIRMAN. Thank you.

Representative JONES. This proposal would allow a State to adopt stricter staffing standards, if it so desired, and perhaps as important, it would freeze requirements in those States which currently have ratios that are stricter than those provided for here.

I feel that Congress responsibility is to set new standards in response to the views of the public rather than to provide relief for the HEW standards through additional funds. I feel it would be inflationary and fiscally unsound to commit additional funds for day care relief with the prospect of an overwhelming budget deficit. In addition, I believe the Long-Mondale bill should demand stricter accountability to insure that the funds are being used strictly for new

staffing expenses in day care centers rather than administrative or other miscellaneous costs. I further believe that private day care centers with less than 30-percent public assistance enrollment will suffer economic problems, since they will not be aided through this legislation.

We have heard from many people, at least I have, and we must respond. I feel that the HEW regulations were made in a vacuum without taking into consideration popular opinion and the economic problems of the real world outside of HEW. No one at HEW has succeeded in convincing me that the HEW-recommended 4-to-1 ratio is better than 6-to-1 or 8-to-1. HEW has chosen arbitrary, abstract ratios, which I recognize were the result of a great deal of political negotiation, but they have no relation to human needs or economic resources. As Congress considers this matter, we must responsibly balance the need for quality day care and the needs of the parents and children we are serving.

The purpose of my bill, in establishing these ratios, Mr. Chairman—the result would be two things. First of all, we could have some studies during this period of time to get a better reading as to exactly what is a proper ratio of adults to children, so that we could be a little more positive as to what is proper supervisory care. Second, it would give some flexibility to the States, and it would launch a new direction, as I think the Washington Post suggested a few weeks ago in an editorial, that would march a little slowly, and have a little flexibility as we launch Federal programs. And third, it would require about half, or more than half of the States to make their present ratios stricter than they are at the present time. But it would recognize that at least half of the States are providing basically decent child care in their State laws.

Mr. Chairman, you may have some questions. I do not want to prolong his. But I would urge that during these 4 months that hopefully we will have, when this conference report is adopted and signed, that your committee and our committee on the House side, will have very thorough hearings to try to determine what is proper on these ratios, and give some flexibility to the States to at least have a trial period of a year or 2 years to develop the type of information we need to adopt proper regulations.

Mr. Chairman, I thank you and members of the committee very much.

The CHAIRMAN. Any questions, gentlemen?

Senator Mondale.

Senator MONDALE. On page 2 of your testimony, you have some figures on the cost of these regulations. We have been trying to obtain those same figures. Could you tell us where you got yours?

Representative JONES. I believe this was from the National Association of Child Development and Education.

Senator MONDALE. That is the private day care providers——

Representative JONES. Yes, I think so.

Senator MONDALE. Have you been able to obtain any figures from HEW?

Representative JONES. I do not believe we have any figures pinned down.

Senator MONDALE. Have you tried to?

Representative JONES. Yes, we have, I believe.

Senator MONDALE. So have we, and I would hope——

Representative JONES. I have tried two things.

Senator MONDALE. I would hope we could get these figures, because it would be very helpful to know precisely how much we are talking about, if you jiggle the standards thus and so, how much you save, and so on. So we at least have the figures. You may disagree on what should be done, but at least it would be nice to know the monetary implications of those decisions, and we do not know them today.

I think the Long proposal is unique because I think a pretty good argument could be made that it will cost very little because by making day care available and attractive and by hiring persons who otherwise would be on AFDC, there would be an offset on the other side.

We just had a letter from New Jersey that indicates that for $30 million, among other things, they get a savings of about $20 million in AFDC payments.

I disagree with Senator Bartlett that many welfare recipients would not be qualified—especially with training—to deal with this sort of thing.

Representative JONES. That could well be the case. I have not done any kind of a study on that. I would make two observations, however.

First of all, I am not sure where you got the 30-percent rule, because it is my judgment that the number of public assistance youngsters in proportion to the number of day care users would not be 30 percent, although I have no personal figures on that. But if that is not the case, there are a number of cases in my State where there would be 10 percent, 5 percent, or 15 percent public assistance children at a day care center, and that center would not qualify, yet they would be saddled with the ratios, and it would be the working mothers that would have to——

Senator MONDALE. Governor Boren came to see me, and made this same point. We have several small rural Governors that deal with it. I hope we could focus on that.

Representative JONES. I think, in my community of Tulsa, that would be the case, and particularly that would be true because we have a great number of private day care centers in Tulsa.

Senator MONDALE. One statement that you made that I guess I disagree with is that there is no basis for these standards. I must confess here that I was persuaded in part by Senator Buckley from New York into believing that there are more risks to day care than is generally assumed, unless it is done properly. For several years, he has been getting experts from around the country to testify about the damage that can occur to the emotional health of particularly young infants, particularly the very tender infants, if they are put in day care centers without proper staff ratios, emotional support, and the rest.

It seems strange to even have to define such things, because you get that free with your mother. But when you try to substitute for parents, try to substitute for the home, it is very new in history, and it could be very dangerous unless we do it right. That is why I would rather err on the side of the kids than to find out 25 years later that the lack of what we had at home has damaged them.

Now, he feels very strongly about that. He has had a very impressive array of experts from around the country testify to that effect, and he persuaded me, and that is one of the reasons that these day care standards are tough at the lower level. And if you think I am rigid, you ought to talk to him, because he really feels strongly about it. How do you meet that concern?

Representative JONES. Well, Senator, if I were from the State of New York, I would agree wholeheartedly with his position.

Senator MONDALE. Are your kids different?

Representative JONES. Let me just say that the environment or surroundings, I think, play a great deal in this. As far as the infants are concerned, the ratios that I established were 1 to 1. I do not think it goes any lower.

Senator MONDALE. It is for 6 weeks?

Representative JONES. Right.

Senator MONDALE. But then you have 1 to 8, do you not, Congressman, for up to 3 years?

Representative JONES. Right, and the only observation I would make there is, when you are talking about infants, yes, 1 to 1; but above that, I think there has to be some flexibility that allows different States with different environmental problems to adapt to their own needs.

When I was on President Johnson's staff, I did some work at the time we were going into the poverty area in various cities around the country, in New York City, Oakland, rural areas, and urban areas. I think there is a great deal of difference between what you would want to provide for a child in New York City than what you would want to provide for a child in Bixby, Okla. All I am saying is I think Congress ought to recognize some of the geographic differences in this country and allow some flexibility.

Under the bill that I have proposed, first of all, New York State would be locked into its present ratio of 5 to 1, and could go lower. But Oklahoma would be locked into—it would actually have to come down from its present 15 or 20 to 1, down to 10 or 12 to 1. So all I am trying to do is to have a responsibly flexible program that allows States to adapt to their own needs.

Senator MONDALE. Thank you, Mr. Chairman.

Senator ROTH. I would like to ask one question, Mr. Chairman.

Going along the lines of Senator Mondale's questioning, and statement, if Senator Buckley is correct, and I think there must be a lot of merit—those are sensitive periods of a child's training—I wonder if we are correct in saying that to satisfy a body count, if you want to call it that, we should merely hire those on welfare. Unquestionably some of those people would be very able. I do not question that. But does that really provide the kind of training and the source of people that you would want? Would we be better off having fewer people, better trained, or are we better off, from the child's point of view, having a greater number of attendants? I do not know. Have there been any studies made on this?

Representative JONES. I do not know of any studies, Senator. I would say that hiring a good number of women, for example, who are receiving aid for dependent children, they would make very capable day care center supervisors. I do not question that. And I do not have any way of giving you any kind of data, as to whether they would

be capable or incapable of dealing with an infant. I would assume that a good many of them could be very capable. I think there ought to be some kind of training for these operators, though.

Senator ROTH. Thank you.

The CHAIRMAN. Thank you very much.

Representative JONES. Thank you, Senator.

[The prepared statement of Congressman James R. Jones of Oklahoma, follows:]

STATEMENT OF THE HONORABLE JAMES R. JONES OF OKLAHOMA

Mr. Chairman: Thank you for this opportunity to share my views on the HEW day care center staffing regulations with your Committee. I appreciate your quick action in scheduling this hearing and the Committee's careful consideration of this serious issue.

Day care for children is no longer a luxury expenditure; it has become a vital necessity in our present-day working world, in which 27 million children have mothers who are working outside the home. The need for high-quality, low cost, readily accessible day care must be reflected in our legislation and federal regulations.

I cannot find fault with the purpose of the HEW day care staffing regulations, for they are intended to insure that children are cared for in safe, dependable environments by competent day care center personnel.

But as we strive for high-quality day care through federal regulations, we must carefully consider the economic realities facing day care operators, and the increased costs which would be passed on to working parents, who are already bearing the brunt of expensive day care costs.

Only two States, Connecticut and North Dakota, currently meet the HEW staffing regulations for children under 3. I refuse to believe that adequate day care can presently be found in only two States. Day care centers in the remaining 48 States face overwhelming staff increase adjustments to comply with the HEW regulations.

In discussing this matter with day care operators from my State, Oklahoma, I learned that the average pay for a full time day care worker is $500 per month; many centers nationwide would find it necessary to double or triple their staffs at considerable expense. Many operators sadly confided to me that they would close their doors rather than face the financial uncertainty involved in adapting to the regulations.

In addition, the tab currently picked up by the government will skyrocket. The regulations would impose an additional $92 million burden on States, and a $276 million burden on the federal government.

But the most severe financial blows would be dealt to the middle- and low-income working parents, parents who depend upon reliable day care in order to make ends meet.

In order to make adherence to the HEW staffing regulations economically feasible, operators would be forced to charge $8 per day per child, according to the National Association of Child Development and Education. A brief overview of present costs will reveal the nationwide scope of day care cost increases which would be expected. Some current costs are as follows:

Louisiana and Alabama, $3 per day.
Oklahoma, $5.
Philadelphia, $6.
Michigan, $6.50.
New York City, $7.
Maryland and California, $7.50.

It is ironic that one of the overriding goals of the Title XX regulations is to extend social services to the middle class. Many of my middle-class constituent families, in which both parents work, will find the day care expenses unbearable and a parent, usually the mother, will simply quit working rather than pay a disproportionate share of income for child care.

And our lower-income parents, many of whom are single working mothers struggling to support themselves, will find the welfare rolls a welcome relief in the face of excessive day care costs.

It becomes clear that we cannot condone this HEW action, with its adverse economic impact on day care operators and working parents. As a responsible

Congress, we must respond to the problems of the people and seek more reasonable staffing standards.

Rather than leave this important matter up to the discretion of HEW, I believe the Congress should take the initiative to balance two delicate factors, the intent of the Title XX law and the public's ability to comply, and establish regulations that will upgrade day care without causing a wholesale closedown of existing centers.

In order to provide flexible, but proper, relief, I am proposing the following staffing standards:

1 adult per child under 6 weeks of age;
1 adult per 8 children between 6 weeks and 3 years;
1 adult per 10 children between 3 and 4;
1 adult per 12 children between 4 and 6.

These ratios were chosen only after a careful analysis of the current day care requirements in the fifty States, and after many, many consultations with day care operators and users. They would assure upgraded, competent day care without compromising the continued operation of many excellent centers.

My proposal would also allow a State to enact stricter staffing standards, if it so desired. And perhaps as important, it would freeze requirements in those States which currently have ratios that are stricter than those provided for here.

I feel that Congress' responsibility is to set new standards in response to the views of the public rather than to provide relief for the HEW standards through additional funds. I feel it would be inflationary and fiscally unsound to commit additional funds for day care relief with the prospect of an overwhelming budget deficit. In addition, the Long-Mondale Bill should demand stricter accountability to ensure that the funds are being used strictly for new staffing expenses in day care centers rather than administrative or other miscellaneous costs. I further believe that private day care centers with less than 30 percent public assistance enrollment will suffer economic problems, since they will not be aided through this legislation.

We have heard from the people, and we must respond. I feel that the HEW regulations were made in a vacuum without taking into consideration popular opinion and the economic problems of the real world outside of HEW. No one at HEW has succeeded in convincing me that the HEW-recommended 4 to 1 ratio is better than 6 to 1 or 8 to 1. HEW has chosen arbitrary, abstract ratios, with no relation to human needs and economic resources. As Congress considers this matter, we must responsibly balance the need for quality day care and the needs of the parents and children we are serving.

The CHAIRMAN. Next we will have Mr. Stephen Kurzman, Assistant Secretary for Legislation in HEW, accompanied by William Morrill, Assistant Secretary for Planning and Evaluation; and John Young, Commissioner for Community Services.

Mr. Kurzman?

STATEMENT OF STEPHEN KURZMAN, ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, ACCOMPANIED BY WILLIAM MORRILL, ASSISTANT SECRETARY FOR PLANNING AND EVALUATION; JOHN C. YOUNG, COMMISSIONER FOR COMMUNITY SERVICES; PAUL B. SIMMONS, SPECIAL ASSISTANT TO DEPUTY ASSISTANT SECRETARY FOR WELFARE LEGISLATION; MICHIO SUZUKI, ACTING DEPUTY COMMISSIONER, COMMUNITY SERVICES ADMINISTRATION; MR. ROSOFF; AND MR. PROSSER

Mr. KURZMAN. Good morning, Mr. Chairman, thank you.

Also at the table with us, Mr. Simmons, and behind me Mr. Suzuki, Mr. Rosoff and Mr. Prosser; all from various parts of the Department

which have an interest and responsibility for this. As you have introduced, next to me are Assistant Secretary Morrill and Commissioner Young from SRS.

I am sure that each member of the full committee is familiar with the issue at hand today, and I will try to be as brief as I can in presenting the Department's views on the question before you. As the committee knows, the Social Services Amendments of 1974, creating a new title XX of the Social Security Act expressly forbid any Federal reimbursement for any day care which is not delivered in conformity with the modified version of the 1968 Federal Interagency Day Care Requirements.

The law requires—it gives us absolutely no flexibility—that, effective October 1, the Department has no choice but to cut off all Federal reimbursement for any individual day care provider found not to be in compliance with these standards.

These requirements, initially drawn up in 1968 by the Department and the then Office of Economic Opportunity pursuant to section 522(d) of the Economic Opportunity Act, establish staffing ratios for day care provided in centers as well as in family day care settings.

Since their inception, these standards have evoked controversy among child care professionals and service providers, with shades of opinion ranging across a broad spectrum. There are those who believe that these standards are not strict enough and thus deny children in day care the opportunity to receive effective, quality, safe, and productive services.

And there are those who believe that these standards are far too rigid, are not demonstrably effective, and, if fully enforced, would be counterproductive in that the cost of full compliance would price day care out of the market for significant numbers of the working parents for whom day care services are made available.

As for the Department, while we share the Congress concern that any federally aided day care service be of as good quality and of as reasonable cost as possible, we have long believed that the 1968 FIDCR standards should be reexamined to determine whether they are the most appropriate means to those ends. Thus we argued in 1972, when for the first time Congress insisted that those standards actually be made a matter of law and wrote them into the Economic Opportunity Amendments, and again we argued prior to the enactment of title XX, at the end of last year, 1974, that these standards should not be incorporated into the law, but instead be left open to regulatory amendment following a reasoned study of their effectiveness, their appropriateness and their cost.

The Congress chose to meet us part way in title XX, and we welcomed that. Congress mandated that the States comply with a slightly modified version of the 1968 standards between October 1, 1975, and July 1, 1977, and directed us to conduct a study of the appropriateness of the standards and to propose whatever changes that study might indicate to be advisable. The law says, however, that such changes may not be implemented until 90 days after the results of the study are transmitted to the Congress, thus making the earliest possible date for any changes April 1, 1977, or 18 months after the effective date of title XX.

Congress did agree with us that at that point it could be open to regulatory change.

Pending the outcome of the study, Congress left us as the sale areas of discretion the following: (1) the educational service requirements embodied in the standards were to be recommended to, and not mandated upon the States; (2) staffing standards for school age children could be revised; and (3) the staffing standards for children under 3 years of age, which had not been, prior to that, detailed in the interagency standards, would be specified by way of regulation.

As you know, the Secretary has exercised this limited discretionary authority to the maximum extent possible under the act, and the Department has begun to organize the exhaustive appropriateness study authorized under the statute.

Specifically, with respect to children aged 6 weeks to 36 months, the Department's regulations provide for a staffing ratio of four children to one adult, or one fewer child per adult than the law mandates for children aged 36 months to 4 years. As you know, these preschool age groups have been the focus of greatest concern among the States and day care providers.

Despite the limited modification of the FIDCR standards permitted under the statute, it is apparent that the immediate enforcement of those standards in the manner established under title XX could lead to wholesale cutbacks in day care services or to major increases in State costs for those services.

This could result because, as noted earlier, the Department now has no choice under title XX but to terminate all Federal reimbursement for any day care not found to be in conformity with those standards.

Under the law before title XX, which existed prior to October 1 of this year, a State's failure to enforce these standards was regarded primarily as evidence of the State's noncompliance with Federal law and regulations. And as such, the issue, like other program issues, was subject to Federal-State negotiations aimed at an orderly improvement in the State's performance. In extreme cases, this process could ultimately lead to a cutoff of all Federal reimbursement to the State for the program in question.

Based on estimates incorporated in the States' social services plans under title XX, which has now gone into effect as of October 1, the States hope to provide day care for up to 1.3 million children during the first year of operation under the title, at a total cost, Federal, State, and local, of $800 million. The Federal share of this amount would be approximately $600 million. While we have no way of accurately estimating the proportion of day care services which will not fully meet the interagency standards, a number of States have indicated to us and to Members of Congress, and you have heard them here this morning, that they fear substantial service cutbacks or greatly increased State costs to make up for the loss of Federal reimbursement.

The options open to the Department at this point are extremely limited, as I have pointed out. We have gone as far as we possibly can, given the restraints of the law, to balance on the one hand the need to insure quality of day care services, with, on the other hand, the need to stretch the Federal dollar to help as many families as possible.

We are therefore asking the Congress to enact the legislation proposed by the Department that will enable the Federal Government to enforce the 1968 standards in such a way as to avert sudden cutbacks in services or major economic burdens on the States at the same time that we are examining the appropriateness of those standards. We believe our proposal more satisfactorily addresses these problems than the alternative proposals which are now pending before the Congress.

One option open to the Congress is to change the standards now by statute, either by writing a wholly new set of rules or by adopting for all States the standards now written into the statute of a particular State. Several bills to this effect have been introduced, one of which, S. 2236, about which you have heard this morning from Senator Bartlett, would, for example, require a staffing ratio of 1 to 12 for children aged 3 to 4 years as contrasted with the 1 to 5 ratio now in effect under title XX.

We oppose any such measure because we do not believe that either the Department or the Congress has, at this point, sufficient data to decide once and for all what day care staffing ratios and related standards would be most appropriate. Indeed, it was this very uncertainty that lead us and the Congress to agree to authorize the 18-month study of these standards under title XX.

Moreover, we strongly believe, as I noted earlier, that detailed day care standards should not be written into the law, but should instead be left to the Department's regulatory discretion so that adjustments may be made promptly whenever new data and changing conditions indicate that changes would be appropriate.

A second option open to the Congress is embodied in S. 2425, the bill introduced by you, Mr. Chairman, and by Senator Mondale under which $500 million annually would be added to the $2.5 billion now available under title XX; with the new funds, at an 80 percent matching rate, distributed among the States on a population basis, but earmarked for day care services in order to help the States meet the costs of full compliance with the 1968 standards.

That bill would also mandate that the States use some of these additional funds to encourage the hiring of welfare recipients and low income people as day care workers. States could use a portion of the new funds to pay up to 80 percent of the first $5,000 in wages for such persons, with the 20 percent tax credit authorized now under the Internal Revenue Code making up the balance for such workers employed by profitmaking day care providers. A new mechanism providing a direct 20 percent payment from the Federal Treasury could be used to make up the balance for such workers hired by nonprofit and public day care providers.

Again, unfortunately, we must strongly oppose this bill on a number of grounds which I will try to outline here briefly.

First, the cost—it is $500 million in new Federal spending at a time when the administration and the Congress, in our judgment, should be doing everything within their power to reduce, rather than to expand, the Federal budget.

Because of the lack of adequate information, some of which may be elicited by the study we are mandated to do and are doing, we have no

assurance that additional Federal funds are needed to resolve the problem of upgrading standards, nor that additional funds will be substantially used for that purpose. Nor would these new dollars necessarily resolve the problem the bill seeks to address since the $500 million would be apportioned among the States on a population basis, rather than targeted to those States whose day care standards are at greatest variance with the Federal rules. Thus, for certain States which have chosen in the past to meet or approximate the Federal standards, these new day care funds—at an 80 percent matching rate—could be simply substituted for funds now being expended on day care, with the latter funds shifted over to some other service area. At the same time, States which have in the past failed to bring their day care standards up to or near the Federal rules would be, in effect, rewarded with extra Federal funds to make up for funds they previously chose not to devote to this priority.

It is important to note here that under title XX, any State may, if it chooses to address this priority, use whatever portion of its title XX funds it needs to help maintain day care staffing ratios at the federally required levels. For those among the 26 States and the District of Columbia which now plan to spend all of their title XX allotments this year but which have not yet fully complied with the 1968 standards, this might mean a reduction in some other service area priority. But for those 24 States which have not yet committed all of their title XX allotment, there will be Federal dollars available, without any change in the law, to devote to improving day care services, if they so choose.

To illustrate, note that of the 18 States represented on this committee, 7 have indicated by way of their title XX State plans that they do not intend to use all of the Federal service funds now available to them. Thus these 7 alone—Arizona, Georgia, Indiana, Kansas, Louisiana, Tennessee, and Virginia—will have a combined total of $129 million in uncommitted title XX funds this year or more than one-fourth of the new $500 million this bill would provide to all 50 States to help them upgrade their day care services.

All told, the 24 States which have not yet committed all of their title XX funds have available to them an estimated $314 million in Federal support which could be used for the very purpose you are talking about to upgrade day care standards if they so choose. That amount is more than 60 percent of the new money this bill would authorize.

It should also be noted here that for the 26 States and the District of Columbia which do plan to expend all of their title XX allotments, the Long-Mondale bill would be, in effect, a means to break through the $2.5 billion annual Federal services ceiling set in 1972. Those States would share a combined added allotment of $318 million, or 20 percent more than they are allocated under title XX. For the 11 of those States represented on this committee, the increase would total $76.3 million.

And finally, with respect to our objections to the fiscal aspects of this bill, it should be noted that California, New York, and Connecticut alone would receive a combined $99 million in additional title XX allotments—nearly one-fifth of the total added by this bill—and yet these States are generally thought to be high among the

leaders in already meeting, or very nearly meeting, the 1968 Federal day care standards.

Our second major objection is that the introduction of the earmarked funds concept into the title XX program would represent a 100 degree turn from the course established under title XX when it was enacted last fall. In the 2 years of deliberations leading up to title XX, the States, the service providers, the Congress, most notably this committee, and the Department reached, we believed and we still do believe, a historic compromise on the most basic issue of where the responsibility for social services program planning, resource allocation and priority-setting ought to rest. And that was with the States, not with the Federal Government. To earmark one-sixth of all title XX funds for a specific service would at once subvert that concept and open the door to great pressures for similar earmarks—and similarly enriched matching rates—for other specific services.

Third, enactment of the Long-Mondale bill would mean the expenditure of $500 million to underwrite the enforcement of a set of standards which both the Congress and the administration have agreed are in need of extensive study as to their appropriateness, their effectiveness and their cost. While this bill would not terminate the study of the standards authorized under title XX, the obvious implication of a commitment of $500 million yearly to underwrite full implementation of the 1968 rules would be that the Congress has made an all but final judgment that the 1968 standards are indeed appropriate, just completely undercutting the point of the study.

Fourth, we understand from the Treasury Department, and here I am speaking on their behalf, Mr. Chairman, that the provision of a 20 percent tax credit to public and private nonprofit day care agencies is a new form of "backdoor" financing that would not be subject to the annual appropriations process. This new device would undermine the integrity of the budget process provided for under the Congressional Budget Reform and Impoundment Control Act. It would introduce the undesirable precedent of making payments to these tax-exempt entities in the form of "tax refunds" and could open a wholly new avenue of subsidies to tax-exempt providers over and above their present tax-exempt status without scrutiny within the formal annual budget process.

Moreover, the proposal assumes that the use of the existing tax credit by proprietary providers and the proposed new direct Treasury payment to voluntary and public agencies to help underwrite the salaries of former welfare recipients would generate an instant pool of low-income employees for day care centers and family day care homes.

We believe this assumption is overly optimistic, judging by the experience to date, again drawing from what the Treasury Department tells us, with the similarly structured work incentive program tax credit and with the new 20 percent tax credit for non-WIN recipients that was added earlier this year, by you, Mr. Chairman.

While we defer to the Treasury Department for more complete analysis of this issue as it relates to the Long-Mondale bill, we note that for the 1973 tax year preliminary figures compiled by the Internal Revenue Service indicate that less than $10 million in credits

were claimed under the WIN mechanism, with most claims coming from large manufacturing corporations. And while it is too early to predict the precise impact of the new tax credit mechanism incorporated in the Tax Reduction Act of 1975, the Internal Revenue Service is estimating that only $2 million will be claimed by employers this year.

Fifth, this bill, following a 3-month suspension of the penalty provisions of title XX, would once again put the Department back in the position we are in right now under title XX of having no option but to terminate all payments to any day care providers found not to be in full compliance with the 1969 FIDCR standards as modified under title XX. Even assuming that the infusion of new funds earmarked for day care would make a measurable difference in the States ability to come into full compliance with those standards—I might interject here our experience with title XX—under the October 1 deadline does not lead us to believe that is going to be the result because it has not worked—it is unrealistic to assume that all centers would achieve this goal overnight, or that all centers could continually maintain those standards regardless of changes in the economy, changes in the availability of appropriate staff, and changes in other conditions which affect the operation of any service program. Under this bill, however, the Secretary would have no discretion to ameliorate or suspend that penalty even if a State or a day care center were otherwise making an entirely good faith effort to comply.

Sixth, and finally, enactment of this complex proposal would create an onerous administrative burden on day care providers, the States, the Department, and the Internal Revenue Service—again, in our view, it seems a complete violation of the spirit and intent of title XX under which, we all agreed, the States were given great flexibility and freedom to operate service programs without undue interference from Washington.

These burdens would result from the earmarking of one-sixth of all title XX funds, from adding the enriched matching rate for those funds, creating a complex intermingling of a portion of the title XX funds with the tax credit and the direct payment mechanism authorized for the nonprivate day care providers, and the need to ensure, which we think would have to be done, that any individuals hired to staff day care centers as a result of the tax credit or the direct payment will not simply be displacing workers already on the job.

Rather than either write new standards into the law or authorize an additional $500 million to underwrite the enforcement of the 1968 standards which are now under intense study, we urge Congress to take a middle course, to act instead on the administration's proposal—S. 2466—as introduced at our request by Senator Fannin.

Under this proposal, the thrust of title XX enforcement provisions would be changed in such a way as to make it possible for the Department and the States to work together over the coming year to at once upgrade day care services and arrive at a reasoned consensus on new standards for those services.

This could be achieved if the Congress were to act favorably on the administration's proposal to amend title XX in the following ways:

First, remove the provisions expressly denying Federal reimbursement to any day care provider not fully in compliance with the 1968 standards as modified in the statute.

Second, make it clear to those States whose day care services are not provided in accordance with those standards, whether because of lax enforcement in the past or because of lesser standards written into State law, those States must immediately begin good faith efforts to upgrade day care services by bringing staffing ratios closer to the 1968 standards on a reasonable timetable.

Third, give the Secretary of HEW authority to reduce total Federal reimbursement for all title XX services by 3 percent whenever he determines that a State is failing to make a good faith effort to upgrade its day care services in a way acceptable to the Department. This would, by the way, bring the penalty exactly in conformity with the penalty that is in title XX for the other Federal requirements imposed by title XX.

And fourth, to mandate that in no instance will Federal reimbursement be available for day care provided in centers or family day care homes which fail to conform with applicable fire and life safety standards established by the jurisdictions in which they operate. That is one feature we do not think ought to be relaxed in any way. And I think the committee agrees with us.

What we are suggesting here is, we think, a reasonable, enforceable penalty provision which will be strong enough to encourage the States to work with the Department to upgrade the day care services in an orderly way and on a reasonable timetable. As I said before, this provision would parallel the penalty provisions of title XX establishing the States obligations to report on their administration of all social services programs funded under the act and to certify that they are not using title XX funds to replace State and local service expenditures. Under those provisions, the Secretary may, after reasonable notice and opportunity for a hearing to the State, with due process built in, withhold all title XX funding to the State or alternatively, withhold 3 percent of that funding for a violation of either of these mandates.

The key point here is that we would have flexibility. We would not have to improve a fixed, mandated 100 percent, retroactive penalty, which is what the States are suffering under right this minute.

Should the Congress adopt the concept we have outlined here, we think the new provisions could be made coterminous with the implementation of any changes in the standards which may be indicated following the appropriateness study.

Given the authority outlined here, the Department could at once avert a possible shutdown of significant amounts of day care services and work effectively with those States not now meeting or reasonably approximating the FIDCR standards to upgrade their day care services. With the new authority to exact a 3-percent penalty against total title XX funding, we trust that States will cooperate effectively and willingly in this area.

We thank you very much, Mr. Chairman, for giving us the opportunity to be here and we would be happy to answer any questions.

The CHAIRMAN. Mr. Kurzman, looking at the first page of your statement, I read, "There are those who believe that these standards are not strict enough."

Now I read the next paragraph, "And there are those who believe that these standards are far too rigid." Is that the view of the people who are in charge of this thing down at the Department?

Mr. KURZMAN. No. I think what we are concerned about is what we say in the very next paragraph. We think there are questions about them, and there are questions that ought to be answered by the study which the Congress agreed with us we ought to conduct, but we think some standards ought to be there while we have the study. They ought to be there as a target, not as a flat mandate.

The CHAIRMAN. Let me ask you for the Department: if you are going to have a standard, is this standard not strict enough, or is it too rigid? Now, what is the view of the Department on that?

Mr. KURZMAN. Mr. Chairman, I cannot go beyond what I said. We agreed with the study idea because we are not sure. We think there ought to be a standard. We are very troubled by the concerns on both sides of this issue that they may be too tight.

We are concerned, for example, by the fact that since 1968 only 13 States have come anywhere near compliance with them, despite the fact that they are under Federal order.

The CHAIRMAN. Let me make my position clear on this. I think you can excuse a Member of Congress who has got 50 million problems to worry about—from the energy crisis to the war in Israel—for not knowing whether he should favor stricter standards or less rigid standards. I think you could excuse someone who has 50,000 other things to do for not knowing that.

But what is the excuse of your people, you, for example? These barons of HEW sitting here—being paid as much as we are and being paid for doing nothing but this—if they cannot make up their mind whether they are for a stricter standard or a more relaxed standard? What is their excuse—these people who do not have to worry about 50,000 other problems?

Mr. KURZMAN. We do have a few other things, Mr. Chairman, other than day care centers.

The CHAIRMAN. But you have got some well-paid people down there that are supposed to be experts in this area. You refer to the people who are supposed to be the experts. "Since their inception, these standards have evoked controversy among child care professionals."

Now what is the view of the child care professionals and those who speak for them at HEW? Do they think the standards are too strict or not strict enough?

Mr. KURZMAN. I think there is conflict about it, Mr. Chairman. Even the professionals in the field simply disagree with each other. You see it every day in every field.

The CHAIRMAN. Well now, if you have had since 1968—6 years—to think about it, and you cannot tell us whether they are too strict or not strict enough, then I do not feel like voting through what we have already agreed to, to give you 4 months more to think about it. I think we better send for somebody down there who can make up his mind. How about the Secretary of HEW, Mr. Mathews? Can he make up his mind about this thing, whether they are too strict or not strict enough?

Mr. KURZMAN. I think his view, as he has expressed it to me, Mr. Chairman, is very clear, that he thinks the study is the appropriate

way to go and that we should not degrade the standards while we have the study.

The CHAIRMAN. To me, all that means is that you are just waiting for another President to come in and solve this problem, because it seems to me you could either say the standard was too strict or not strict enough.

Senator CURTIS. Well, that depends on your viewpoint.

The CHAIRMAN. That is how it looks to this Senator. I did not say it seemed so to anybody but me, but it looks to me that all you want to do is just wait for another President to come in and solve the problem for you. The law requires that these standards be implemented, and you do not know whether they are too strict or not strict enough, and then you come in here and try to find a thousand things to quarrel about when somebody tries to find an answer to something.

Well, you do not have one. All you are asking for is just to postpone matters and not to move in one direction or the other.

Mr. KURZMAN. Mr. Chairman, the Congress agreed with that. It was the Congress that wrote that study into the law. You said study it. All we are saying is, let us do what you told us to do.

The CHAIRMAN. We also said that this goes into effect on October 1, that if you have not implemented the standard, you do not get any Federal matching, did we not?

Mr. KURZMAN. That is correct, Mr. Chairman, and what has happened obviously is the States have no intention of coming into compliance and did not have in terms of October 1, even when they were offered more money. We tried to do exactly what your bill would do. Title XX said you have got to come into compliance by October 1, 1975, and we offer you up to $2.5 billion of Federal funds to do whatever you want to do, and they did not do it.

The CHAIRMAN. Well, let us talk about that more money. Why is it those States that you mentioned are not using that $120 million? Do you know why? Simply because they do not have the money to match it with.

Mr. KURZMAN. That may be, Mr. Chairman. They could have rearranged their priorities in such a way as to have adequate staffing ratios to meet the 1968 standards, if they wanted to, even with the matching funds they had. They decided not to. They decided either not to have that much child care or to have child care on a different ratio, or to provide services for some other groups of needy people in their States, and that is their decision, Mr. Chairman. That is the decision they made.

The CHAIRMAN. Well, it is clear enough to me that the States are hard-pressed for money. I thought you knew that, and that they have not been able to match what they have now. That is one of the things we need to do: Find a way to help them find the funds to do this.

Now, I am rather dismayed that your people come up here confronted with a law which you are required to implement unless we amend it, and you cannot tell us whether that law goes too far or not far enough, and then you say, "Well now, we want to think about it." I do not think that the Congress is going to give you that option.

Frankly, I have just signed a conference report to give you 4 more months to fiddle and faddle around here, but if you do not know whether you want to move to the left or the right, I feel like asking to

send that thing back to conference and just forget about passing something to bail you people out of this thing when you cannot come up with anything other than a request for more time. You have had—what now—6 years to try to decide whether that standard was too strict or not strict enough, and you cannot even make up your mind about that.

Well, that is all for this Senator. Senator Mondale?

Senator MONDALE. Mr. Kurzman, can you tell me for example at what stage Iowa is at reaching the mandated standards and how much it would cost them to reach those standards?

Mr. KURZMAN. Senator, apparently—and this is based, as I understand it, on survey material that the Social and Rehabilitation Service has compiled because Iowa does not have a statute, as far as we know, setting a standard.

Senator MONDALE. I am talking about the congressionally mandated standards.

Mr. KURZMAN. Yes. I gather your question is what are they actually doing in Iowa toward meeting it?

They seem to have, from what we have got here in our materials, between ages 2 and 3, a 1-to-6 ratio, which is close, but not entirely in compliance. Between ages 6 to 10, however, they go way up to 1 to 25, again, according to the materials we have available.

Senator MONDALE. All right, now what is that based upon?

Mr. KURZMAN. You mean these figures?

Senator MONDALE. Yes.

Mr. KURZMAN. I would be happy to ask Mr. Young to tell you.

Mr. YOUNG. Senator, we are still in the process of getting good data on the actual performance. We have been conducting surveys for the last 2 or 3 years with centers, and we have conducted interviews with State administrators. This is a compilation of the best information we have available, and on the Iowa data I do not know whether that is based on actual center surveys or on discussions with State administrative staff.

Senator MONDALE. When was that information obtained?

Mr. YOUNG. Much of this data goes back 2 years. We are in the process of doing surveys now.

Senator MONDALE. When was that obtained?

Mr. YOUNG. I will have to find out. I do not know when the specific Iowa data was obtained.

Senator MONDALE. Do you think it is about 2 years old?

Mr. YOUNG. Much of our data goes back 2 years. We are currently doing new surveys.

Senator MONDALE. Based upon this data, how much would it take Iowa, how much would it cost them to get up to standards?

Mr. YOUNG. Those computations we do not have at this time, sir.

Senator MONDALE. Well, how can you possibly come here then and testify as to what it would cost and whether States are in compliance when you do not know?

Mr. YOUNG. Well, we have gross understandings of the national situation.

Senator MONDALE. I just want to know about a particular State and how they are coming and how much it would cost.

Mr. YOUNG. One of the things we are saying is the uncertainty of our situation.

Senator MONDALE. The answer is you do not know?

Mr. YOUNG. The answer is we are conducting a number of surveys in data development.

Senator MONDALE. But you do not know.

Mr. YOUNG. That is correct.

Senator MONDALE. So that when you criticize these standards and the difficulty of meeting them and the cost of meeting them, the truth is you do not know whether they are meeting them, and if not, how close they are to meeting them and how much it would cost them to get there? Is that correct?

Mr. YOUNG. On an absolute jurisdiction-by-jurisdiction basis, that is correct.

Senator MONDALE. All right, and the figures you have are 2 or 3 years old, even those that are based on surveys and so on?

Mr. YOUNG. Yes, the bulk of it is. We are conducting surveys right now.

Senator MONDALE. So that there is a good chance that the figures that you do have, as vague as they are, understate the degree to which the States are coming into compliance?

Mr. YOUNG. I think, as you alluded yesterday, there are some dynamics in States that are moving. We have some information on Minnesota, for example, based on recent interviews in Minnesota, that they probably are about 90 percent in compliance which is a much improved position over what they were, so there are some dynamics in that situation.

Senator MONDALE. Well, the chairman asked about whether the Department had drawn judgments about the validity of these standards—that is, the importance to the kids, and your answer to that is, it is being studied.

And then I asked, where are the States now? What would that cost? And you say, that is being studied, so since you do not either know whether it is important or if it is important, what is happening, how can you make any recommendations?

Mr. KURZMAN. Senator, that is what the study you mandated in your bill called for. That is what we are supposed to be in the process of studying by law. It was not our idea.

Senator MONDALE. Would it not have been better then to come up here and say, we are against it. We do not know why, but we would like to study it?

Mr. KURZMAN. We did not say we were against it.

Senator MONDALE. That way we would not have to ask any questions.

Mr. KURZMAN. We are saying we are troubled by the complaints on both sides. We are troubled by the fact that States have put up enormous resistance on this, even when offered enormous amounts of money to come into compliance. Great, great infusions of Federal funds were added to this program, so we are troubled by the resistance.

Senator MONDALE. Let us handle the politics of the problem. You are supposed to be the technicians.

Mr. KURZMAN. That is correct, and you as our board of directors have told us to study the problem for 18 months, and now you are criticizing us because we have not finished the study in 2 or 4 or 8 months.

Senator MONDALE. No. I am criticizing you because you do not know anything.

Mr. KURZMAN. I think we know some things. We know the States are not coming into compliance with this, even when we offer them a great amount of money and a firm cutoff of all of their funds if they do not do it.

Senator MONDALE. My time is up. I asked about Iowa. Take Wyoming; how are they coming?

Mr. KURZMAN. We would be happy to give you for the record the information we do have now, Senator, and have all of the States laid out that we know anything about.

Senator MONDALE. All right, could we have that?

Mr. KURZMAN. We would be glad to.*

Senator MONDALE. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Now, if the Mondale-Long proposal would become law, would it fix by statute the number of children per staff member that there should be for, say, children under 6 weeks old?

Mr. KURZMAN. That is correct, Senator.

Senator CURTIS. Right in the statute?

Mr. KURZMAN. In effect, that is correct.

Senator CURTIS. What other qualifications would it write into the statute?

Mr. KURZMAN. It would fix the staff/child ratios by taking the 1968 standards as mandated by title XX.

Senator CURTIS. It deals primarily with numbers?

Mr. KURZMAN. That is correct.

Senator CURTIS. So in other words, if there is a daycare situation where a very capable, highly intelligent lady of considerable experience and training was hired to take care of one infant under 6 weeks old and also takes care of a 4-year-old, and because of her competence and physical strength, ingenuity, and ability as a general manager, she can do a good job of it, that situation would be in violation of the law.

But if another State hired one person to look after somebody under 6 weeks of age, and they were not dedicated, they were not concerned, they were not conscientious, they may not even be clean and sanitary, and are not too smart, the latter State would be in compliance, would it not?

Mr. KURZMAN. That is correct, Senator.

Senator CURTIS. That is why it is so distasteful to me for this Finance Committee, which has no qualifications to do it whatever, should try to write by law the care of the kids over the country. I think it is ridiculous. I think it just points to a state-managed society and poor care for children.

If you can, in a very few words, omitting some of the lesser details, and in laymen's language, describe what the Bartlett proposal would do.

Mr. KURZMAN. Well, it would essentially write into the law a set of standards with ratios, just like the ones that are in the 1968 standards, but different ratios, that is all. There are about double the number of children per adult in the Bartlett proposal compared to the Long-Mondale bill.

*See table 1, p. 51.

Senator CURTIS. Less restrictive standards, but they would write them into law?

Mr. KURZMAN. Exactly, Senator.

Senator CURTIS. So it would be easier for Oklahoma and every other State to comply?

Mr. KURZMAN. Right.

Senator CURTIS. Give me the same sort of description of the Long-Mondale.

Mr. KURZMAN. It would write into the law the 1968 standards. It would impose the 100 percent cut-off if States failed to comply—automatic cut-off if States are not in total compliance three months after enactment, and it would add another $500 million to the $2½ billion already available to the States.

Senator CURTIS. In other words, both of them would write the standards into law, and the Oklahoma proposal would be a little less stringent than the Long-Mondale?

Mr. KURZMAN. That is correct, Senator.

Senator CURTIS. And what is the Department's?

Mr. KURZMAN. The Department says let us go back to where we were before October 1, leave the situation in the status quo that we have been in for 8 years, 7 years, and let us continue to complete the study which the Congress ordered us to have on the appropriateness and the cost of Federal day-care ratios.

Senator CURTIS. And in the interim give some relief to the penalty?

Mr. KURZMAN. That is correct, Senator.

Senator CURTIS. Now, if I may ask one more question, does the law limit your study to merely the numbers ratio?

Mr. KURZMAN. No, sir. It goes into the whole question.

Senator CURTIS. I do not know whether it is possible, but if it is possible to take into account the quality of the type of staffer you get, your 18-month study would give you an opportunity to explore that?

Mr. KURZMAN. Absolutely, Senator. In fact, I might add here, back in 1971, 1972, the Department became very concerned about this, just the point you are raising, that maybe the skill and the interest of the care giver might be relevant to how many you need for how many children. It was because of that, as I see it, the 1972 provision was adopted, freezing us into having the 1968 standards and nothing else. So the Congress has kind of prevented us, up until now, to do the thinking we think is necessary along these lines, and finally, in title XX, did give us the authority to run a study and look into it in a rational, reasonable way, to collect the kind of information we cannot collect, had not been able to collect in the past, to come to some kind of a reasoned judgment.

Senator CURTIS. I think it would be a tragic mistake for this committee, without any competence whatever, to fix in rigid statutory requirements these things and to do it on the basis of just numbers. We would have a situation where, if a State was in compliance on the numbers, they could have a terrible situation, a terrible situation of incompetence, unconcern, a great many things, and still be in compliance.

Now, I think that most of them would prevent that from happening. But when we put human lives in a straitjacket of Federal legis-

lation, we just fail to do justice to the situation. I am thoroughly convinced, just in the illustration that I cite, where some very capable and particularly dedicated person who cares for children and has the native intelligence to detect something can handle several youngsters, and to think that we have remedied some situation just by a numbers game concerns me.

I think I have taken more time than I should.

May I submit some questions here for the record? It would save some time.

Mr. KURZMAN. Absolutely, Senator.

[Questions propounded by Senator Curtis and answers by the Department of Health, Education, and Welfare, follow:]

Question.—Under the HEW proposal, what would happen to a State not in compliance with the staffing requirements?

Answer.—If a State were found not to be in compliance, staff of the HEW Regional Office would first enter into informal negotiations with appropriate authorities in the State in an attempt to reach a satisfactory resolution of the problem. During the negotiations, the Department would offer technical assistance to the State. Should these negotiations prove unsuccessful, the SRS Administrator would give the State written notice of a hearing, to be held in not less than 30 nor more than 60 days, and the issues to be addressed. Other interested parties would have opportunity to participate in the hearing. Following consideration of the testimony and post-hearing briefs, the Secretary would render his decision within 60 days.

If the Administrator found that a State was out of compliance and not demonstrating good faith efforts to reach compliance, he would have two options under Section 2003(e): to withhold all further payments under title XX, or to reduce future Title XX payments by 3 percent, until he were satisfied that there would no longer be failure to comply.

Question.—Would the present day care staffing standards be affected by the HEW proposal?

Answer.—No, the standards themselves would remain the same. But the enforcement of them would change so that the standards remained as a goal in a realistic way, not as a fixed Federal demand which must be met in all States by a single date, after which all Federal funding must end if the requirements have not been met.

Question.—The Administration proposal exempts non-complying States from penalties if they are making "good faith" efforts. Could you give some illustrations of what might constitute "good faith" on the part of the State in moving toward implementation of the Title XX day care requirements?

Answer.—Under the Administration's bill, adherence to State licensing standards and those which relate to safety and sanitation would remain requirements for Federal financial participation. For non-compliance with other requirements, such as adult-child ratios, some indicators of good faith might be:

Installation of a management control system to produce data on the current status of licensure, staffing, and enrollment of each facility.

Utilization of this system to assure that timely corrective action is initiated by substandard facilities, and that children are removed from facilities with gross defects.

The development of a timetable for moving toward compliance, with specific milestones to measure achievement.

Recruitment of additional family day care homes to increase the supply of acceptable day care arrangements available.

Developing and implementing, in conjunction with WIN, training programs and placement of welfare recipients as staff in day care facilities.

Discontinuance of the use of facilities which fall far short of meeting standards.

More specific indicators will be developed appropriate to the conditions found to exist in each State in which compliance is questioned.

Question.—How many States have not used the full amount of Title XX funds available to them?

Answer.—Based on the August, 1975 estimates submitted by the States and the States' request for grant awards for the first two quarters of the current

(FY '76) fiscal year, it is estimated that 22 States will not utilize the full amount of Title XX funds available to them in this fiscal year.

Question.—Under Title XX, the evaluation by HEW of child care standards is called for in the first half of 1977. Could this be completed at any earlier date?

Answer.—The present Federal Interagency Day Care Requirements were developed with the participation and support of a number of concerned organizations and individuals. Modifications should also involve the participation of these concerned parties, as well as study and testing of alternatives in the field.

It is possible that some of the Federal Interagency Day Care Requirements, particularly those set forth in 45 CFR 71.14 through 71.19 (which deal with educational services, social services, health and nutrition services, training of staff, parent involvement, and administration and coordination) could be clarified and simplified at an earlier date. But the staffing ratios, which are the cause of greatest concern to the States, will require careful study, utilizing all of the time permitted by the existing law, to assure that sound decisions are made.

Among the elements the Department plans to incorporate in the study, or already has under way, are:

An evaluation of all facets of State day care management systems, including licensing standards, client eligibility determination, fiscal management and planning;

A study to determine the short term effects of varying child/staff ratios, class grouping sizes and levels of staff professionalism on children of varying ages;

A survey of day care consumers—involving interviews with members of 25,000 representtaive households—to determine the national pattern of child care arrangements, reasons for not using day care services, and the relationship of day care to employment patterns;

Creation of a model to estimate accurately the cost of full compliance with the Federal Interagency Day Care Requirements;

An analysis of all State day care licensing codes; and

A number of other research projects and activities designed to develop data essential to arriving at a reasoned consensus on appropriate day care standards.

Throughout the course of the study, the Department will work closely with the States, national child-caring organizations, child care professionals, and interested Congressional staff members.

Senator CURTIS. This is all, Mr. Chairman.

The CHAIRMAN. Senator Roth.

Senator ROTH. Mr. Secretary, a great deal reportedly hangs on this study that is being made, but I really wonder whether the study will provide that many answers.

Is there any, really, one right approach in this kind of a program?

I suppose somewhere along the line, somebody has to make a decision, but whether that should be done at the national level raises a serious question in my mind. Do you really feel that this study, at the end of 18 months, no matter how competent, is going to give us any more definitive answers in this area? We have been arguing about the rates of students to teachers in schools for as long as I can remember.

Is this really going to provide us a definitive answer, or are we asking you to do the impossible?

Mr. KURZMAN. Well, Senator, it is hard to know in advance of doing a study what its outcome will be. We certainly think it is going to help. We will be in a better position than we are today to give you advice on what to do about a problem which, obviously, has taken years and years of controversy, and still there is no agreement about what ought to be done. We hope it will lead to some better answers.

You say it is conceivable it will lead to the answers that the Federal Government cannot have a single answer. But until we see what comes back, it is a little difficult to predict.

I would be happy to have my colleague, Bill Morrill, whose office is running this study, give you more insight than that, if he can.

Mr. MORRILL. Let me just add briefly, to that, Senator Roth.

The notion that if one looks at some of the State statutes now, you see fairly large ranges where, say, a given age group ranging, say, let us take a hypothetical from 4 to 1 to perhaps as high as 15 to 1. It seems to me at least plausible that it will be hard to say, maybe 6 to 1 is precisely the right number and no other is applicable in any case. But it does seem at least reasonable that one could narrow the range of difference that now exists. That is, by looking at both objective data, which we have going in the study, also perceptions by consumers, providers and others, which we are also collecting, that we could at least get that range down to a consensus number or a smaller range of numbers.

Senator ROTH. Senator Curtis referred to the problem of Congress trying to fix a formula, and I must say I in part agree with him. At the same time, it does disturb me to delegate this authority to the HEW. I think, frankly, many of these judgments are subjective and would depend very largely on who happens to be in the chair at the time.

They are all acting in good faith; but how can we delegate such broad authority to HEW, as for example, to fix formulas and have them apply nationwide?

To me, that has as many pitfalls almost as the Congress itself trying to establish the standards itself.

Mr. KURZMAN. Well, I think in part it comes back to one of the points the chairman was making. It seems to me—and perhaps this is going beyond what I ought to say—but I tend to think it does not help, when a question is as complicated and obviously technical as this, to have to come before you on a crash basis every few months, or, indeed, every couple of years and rewrite a staute which freezes these things into the law. It seems to me that this is just the kind of question which is very difficult to deal with legislatively. It ought to be, in our judgment, a more finely tuned, more flexible kind of question which the Department has some latitude to deal with.

Obviously, we would want to consult with you before we changed anything, but I think the kind of crash situation we got into just before October 1, and we are still in, is not a very useful way to deal with the question of what the standards ought to be in child care centers. That is what led us to suggest that we go back to where it was before 1972, between 1968 and 1972, wehn Congress left it to us to set the standards and, indeed, in title XX you have gone back to that. You have said they are statutory until we make this study, and then you gave us leeway to change them after the study, assuming you did not change them first. We think that is the way it ought to be.

There are some questions like this one, which does get into a very difficult professional kind of area.

Senator ROTH. Do we try to set such standards for grade schools?

Mr. KURZMAN. No, sir.

Senator ROTH. Would there be intense opposition to that?

Mr. KURZMAN. I would imagine so.

Senator ROTH. Is there wide variance between our pupil-teacher ratio in public schools throughout the country?

Mr. KURZMAN. That is my understanding.

Senator ROTH. What is the range of difference there?

Do you have any idea?

Mr. MORRILL. I am afraid I cannot respond to that. There are some norms for elementary school class size in the twentys to one ratio that are generally accepted, but they are in no sense federally mandated in any fashion.

Senator ROTH. I have one more question, Mr. Chairman.

I would be interested in having that information submitted. I would like to know what the differences are. Certainly, that is an area of great study and experience that would be interesting to see.

Mr. MORRILL. We can certainly see what the outer ranges are.

Senator ROTH. It would be interesting to see with what certainty they do it in that area.

[The following was subsequently submitted by the Department of Health, Education, and Welfare:]

MEMORANDUM FROM DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF EDUCATION

OCTOBER 22, 1975.

To: Stephen Kurtzman, Assistant Secretary (Education).
From: Albert L. Alford, Assistant Commissioner for Legislation.
Subject: Pupil/Teacher Ratios.

This is to verify that your statement is correct, in response to the question of Senator Roth during the October 8 Senate Finance Committee hearing on day care, that the Federal government does not set a standard for pupil/teacher ratios. The setting of classroom procedures has legally and traditionally been the right and responsibility of the State and local education agencies.

Attached is a copy of an NCES publication, Statistics of Public Elementary and Secondary Day Schools, Fall 1974. Table 7 on page 23 can be submitted for the Record in response to the Roth request for information on the range in pupil/teacher ratios.

Attachment.

TABLE 7.—PUPIL-TEACHER RATIOS IN ENROLLMENT, AVERAGE DAILY ATTENDANCE (ADA), AND AVERAGE DAILY MEMBERSHIP (ADM) IN PUBLIC ELEMENTARY AND SECONDARY DAY SCHOOLS, BY STATE OR OTHER AREA AND CITY; FALL 1974

State or other area and city	Total enrollment (includes post-graduates)	Total teachers	Pupil/teacher ratio in enrollment	Pupil/teacher ratio in ADA	Pupil/teacher ratio ADM
(1)	(2)	(3)	(4)	(5)	(6)
United States [1]	[3] 45,056,000	[3] 2,159,000	[3] 20.9	19.2	20.5
Alabama	764,341	35,380	21.6	20.3	21.4
Alaska	86,576	4,090	21.2	19.7	20.4
Arizona	487,040	21,206	23.0	21.8	22.2
Arkansas	454,406	20,678	22.0	20.2	21.3
California	4,427,443	[3] 202,929	21.8	21.3	21.6
Colorado	568,060	27,222	20.9	19.5	20.8
Connecticut	660,067	35,474	18.6	17.1	18.6
Delaware	130,616	6,349	20.5	18.6	20.3
District of Columbia	131,691	6,928	19.0	17.1	18.8
Florida	1,557,054	70,842	22.0	19.9	21.6
Georgia	1,081,485	46,446	23.3	21.1	22.9
Hawaii	177,030	7,806	22.7	20.5	22.5
Idaho	187,552	8,563	21.9	20.3	NA
Illinois	[3] 2,296,241	[3] 112,749	20.4	17.9	19.4
Indiana	[3] 1,188,800	[3] 49,302	24.1	21.6	22.5
Iowa	617,485	32,715	18.9	17.6	18.8
Kansas	449,564	25,573	17.6	15.8	16.7
Kentucky	701,373	31,755	22.1	20.4	21.9
Louisiana	840,742	42,132	20.0	18.0	19.7
Maine	250,643	12,017	20.9	18.9	20.2
Maryland	894,209	42,802	20.9	18.5	20.8
Massachusetts	[3] 1,210,100	67,200	[3] 18.0	15.9	18.0
Michigan	2,137,612	90,481	23.6	21.2	NA

See footnote at end of table.

TABLE 7.—PUPIL-TEACHER RATIOS IN ENROLLMENT, AVERAGE DAILY ATTENDANCE (ADA), AND AVERAGE DAILY MEMBERSHIP (ADM) IN PUBLIC ELEMENTARY AND SECONDARY DAY SCHOOLS, BY STATE OR OTHER AREA AND CITY: FALL 1974—Continued

State or other area and city	Total enrollment (includes post-graduates)	Total teachers	Pupil/teacher ratio in enrollment	Pupil/teacher ratio in ADA	Pupil/teacher ratio in ADM
(1)	(2)	(3)	(4)	(5)	(6)
Minnesota	889,535	43,817	20.3	19.6	20.3
Mississippi	513,476	23,580	21.8	20.2	21.5
Missouri	1,001,705	47,391	21.1	18.5	NA
Montana	172,158	[2] 9,015	19.1	17.7	18.7
Nebraska	318,792	17,367	18.4	17.2	17.6
Nevada	137,051	5,616	24.4	22.4	24.1
New Hampshire	172,117	9,360	18.4	17.0	18.2
New Jersey	(4)	(4)	(4)	(4)	(4)
New Mexico	[2] 282,382	[2] 12,651	22.3	21.3	22.3
New York	[2] 3,435,847	[2] 188,961	18.2	16.1	17.8
North Carolina	1,117,860	51,221	23.0	21.7	22.7
North Dakota	133,241	7,577	17.6	16.9	17.5
Ohio	2,330,150	[2] 104,512	22.3	20.3	21.9
Oklahoma	596,380	28,986	20.6	19.1	20.3
Oregon	476,583	22,300	21.4	19.6	20.8
Pennsylvania	[2] 2,277,447	[2] 110,300	[2] 20.6	19.2	20.6
Rhode Island	178,662	9,329	19.2	18.0	18.8
South Carolina	627,205	27,804	22.6	20.4	21.8
South Dakota	153,592	8,118	18.9	18.0	18.8
Tennessee	872,819	39,278	22.2	21.0	22.2
Texas	2,785,296	133,759	20.8	18.8	20.5
Utah	306,388	12,515	24.5	22.9	24.4
Vermont	105,376	6,224	16.9	16.1	16.9
Virginia	1,093,309	[2] 53,280	20.5	19.0	20.3
Washington	785,457	[2] 33,584	23.4	21.8	NA
West Virginia	404,441	18,992	21.3	19.6	20.9
Wisconsin	974,333	48,541	20.1	18.7	20.1
Wyoming	86,584	4,985	17.4	16.5	16.9
Outlying areas:					
American Samoa	10,186	666	15.3	13.8	NA
Canal Zone	11,311	608	18.6	17.7	18.6
Guam	28,184	1,326	21.3	20.2	21.2
Puerto Rico	(4)	(4)	(4)	(4)	(4)
Virgin Islands	23,343	1,341	17.4	15.5	16.6
DOD Overseas Schools	(4)	(4)	(4)	(4)	(4)
Trust Territory of the Pacific Islands	(4)	(4)	(4)	(4)	(4)
Large Cities:					
Baltimore, Md	173,198	7,939	21.8	16.7	21.7
Boston, Mass	87,183	4,952	17.6	16.3	18.5
Chicago, Ill	536,657	23,846	22.5	18.7	21.0
Cleveland, Ohio	134,997	5,001	27.0	22.7	26.0
Dallas, Tex	151,215	6,518	23.2	19.7	22.6
Detroit, Mich	263,011	9,596	27.4	26.6	NA
Houston, Tex	211,369	8,825	24.0	21.9	23.3
Indianapolis, Ind	87,642	3,817	23.0	20.0	21.7
Los Angeles, Calif	607,206	29,446	20.6	19.9	20.2
Memphis, Tenn	115,846	5,770	20.1	19.1	19.9
Milwaukee, Wis	118,856	5,506	21.6	19.1	21.4
New Orleans, La	95,738	4,764	20.1	17.9	19.9
New York, N.Y	1,094,859	61,970	17.7	14.3	17.2
Philadelphia, Pa	[2] 266,044	[2] 11,800	[2] 22.5	19.4	22.9
Phoenix, Ariz	173,003	8,040	21.5	20.5	21.2
St. Louis, Mo	90,511	3,828	23.6	19.1	NA
San Antonio, Tex	68,708	3,101	22.2	19.9	22.1
San Diego, Calif	123,214	5,429	22.7	22.1	22.5
San Francisco, Calif	72,475	4,448	16.3	16.3	16.5
Washington, D.C	131,691	6,928	19.0	17.1	18.8

[1] Total includes estimates for nonreporting States.
[2] Revised from previously published data.
[3] Data are estimated by reporting State.
[4] No report.

NA—Data not available.

Source: "Statistics of Public Elementary and Secondary Day Schools, Fall 1974" prepared by the National Center for Education Statistics, U.S. Department of Health, Education, and Welfare.

Senator ROTH. The final question concerns something that bothers me a little bit. You yourself admit that the experts have great differences of opinion as to what is right in this area. The question has

also been raised as to your expertise. And I think Senator Curtis properly raised the question of our own expertise. But we are still trying to force people to move in a specific direction.

We dress it up and talk about acting in good faith. But people back home are tired about regulations that are not meaningful. Here we are considering legislation that would give you the power to reduce funds if people do not live in good faith with objectives that we are not at all certain are desirble.

Now, nobody will quarrel with the safety standards. But I wonder about the desirability, during this 18-months study, of putting into legislation an obligation on you to impose regulations on the States to act in good faith on standards we might change to put it mildly is confusing.

Mr. KURZMAN. Well, Senator, I can understand your question. One of the problems here—and I think people are very much concerned about it in general—is, when government is very, very inconsistent and changes courses very, very sharply and goes, first in one direction and then in another direction and just does not know where it ought to stand; we share that concern.

We feel that since these standards have been a target, they have been a goal, and they have been out there since 1968, that until we come to some sort of a consensus about how to change them, we ought to try to keep them there as a goal and to work with those States that are most out of compliance, the ones that really are the furthest from them, in helping them upgrade their standards toward that goal. So we think it is a wise idea not to have this very very sharp reversal of Federal policy during this study.

But by the same token, we do not think it makes such sense to have an absolute, draconian, 100-percent cutoff, retroactive, and all of the rest, while that study is going on.

Senator ROTH. Mr. Secretary, it just bothers me, and I am not criticizing what you are saying; I understand the problem you are in. But you take a State that is 80 or 90 percent in compliance, and we say that you move forward in good faith, you are going to have to move to 100-percent compliance. Eighteen months later, we finish a study that finds that these objectives, these goals, these formulas, whatever you want to call then, are not, at least in the opinion of the study, the best ones. So we then move away from these standards.

It is also proposed that we spend roughly one-half billion dollars to supplement them. That bothers me very greatly. Very frankly, the States as well as local governments, are spending much more money than they have in the past. They are running out of funds. And as I look at the Federal budget, I do not really think that we have the funds available in Washington to supplement these goals and objectives that raise such a serious question.

I agree with you, Senator Mondale. There is no more critical area or sensitive area than child care, but I hate to see action and movement just for the sake of action and movement when we are not positive we are doing the right thing. I think this raises some very substantial questions that this Congress should be concerned with.

That is all I have, Mr. Chairman.

The CHAIRMAN. I have a series of questions which should be answered for the record, and I hope that you would get me this information before the day is out, if you would. Some of it you could answer

right here, but we need to move ahead with this hearing, and I would appreciate it if you would get that to us before the day is out.

Mr. KURZMAN. We will respond as fast as we can, Mr. Chairman.

[Questions propounded by the chairman and answers supplied by the Department of Health, Education, and Welfare follow:]

Question 1. There has been some suggestion that S. 2425 would cost a lot of new money and that the President might veto it. By my reckoning, there should also be some significant savings to both the Federal and State governments in the Food Stamp and AFDC programs, if we in fact find jobs for people on welfare. When you prepare cost estimates for this bill will you include savings that we might expect in both the Federal and State budgets? Would you also supply an estimate of the increase in AFDC costs which may result if child care centers have to serve fewer children because no funding is provided to meet the new Title XX standards?

Question 2. Would you supply for the record a table showing which States are now substantially in compliance with the Federal staffing standards required by Title XX, which States could come into compliance with relatively minor improvements in their existing staffing patterns, and which States would require major increases in staffing in order to comply? In preparing this table, please be sure it reflects the general practice in Federally funded child care programs and not simply the official State licensing standard.

ANSWERS

The Department believes, as noted in Assistant Secretary Kurzman's testimony before the Committee on October 8, that the true Federal cost of S. 2425 would at least equal the $500 million that would be authorized under the bill. This estimate is based on the assumption that virtually all States would use any new funds provided not only to upgrade day care provider staffing ratios where necessary—the stated purpose of the bill—but also to refinance existing day care service costs in order to capitalize on the more favorable matching rate authorized under the bill. States could then re-direct Title XX funds now devoted to day care to other service priorities or to expand day care services.

It is possible that the true Federal cost of this bill could exceed the $500 million in new service funds it would provide. This could occur if a significant number of States and day care providers chose to take advantage fully of two of the bill's provisions plus a provision of existing law. The two provisions of S. 2425 referred to here are: (1) authority for States to use funds provided under the bill to match 80 percent of the first $5,000 in annual wages paid to welfare recipients hired as day care workers; and (2) authority for States and non-profit day care providers to use a new direct Federal payment mechanism to match the remaining 20 percent of such wages. Proprietary day care providers could use the existing tax credit authorized under Section 40 of the Internal Revenue Code to match the remaining 20 percent of such wages.

It is impossible to predict the extent to which States and day care providers might take advantage of these provisions. However, the Department has determined that if all day care staff positions needed to bring all day care centers and group care facilities into full compliance with the 1968 FIDCR standards were filled with welfare recipients, the new Federal cost would far exceed any Federal and State savings in AFDC payments that might be realized.

As the following charts indicate, State's estimates—along with Department projections for States unable to provide estimates in the limited time available—show that approximately 15,500 new day care workers would be needed to bring center and group day care facilities into full compliance with the FIDCR standards. Wages for these individuals would total approximately $102.1 million per year. If 100 percent of these were to be filled from among the AFDC population, and if the States and day care providers were to use the tax credit and direct payment mechanism authorized under S. 2425 in each case, net new Federal costs would be about $83.3 million per year after allowing for AFDC savings of $13.8 million. Net State AFDC savings would be about $6.4 million.

If only 50 percent of these positions were to be filled with welfare recipients, net new Federal costs would be about $82.5 million after offsetting with AFDC savings of about $6.9 million. In this case, States would experience a net increase in costs of about $6.9 million.

We are informed by the Department of Agriculture that it is not possible to project the level of Federal savings which might accrue through reductions in Food Stamp entitlement that would occur among recipients who might be hired as day care workers. Such savings cannot be accurately estimated in the absence of data on the average household size of those who might be hired, the anticipated average income deductions of this group, and other Food Stamp eligibility factors. However, the Agriculture Department notes that it is probable that fewer than half of any recipients hired under this bill would become totally ineligible for Food Stamp aid. The Agriculture Department further notes that since the average Food Stamp entitlement per eligible household is $70 monthly, or $840 annually, whatever the level of Food Stamp savings that might accure under S. 2425 would necessarily be far less than corresponding savings in AFDC costs.

To compile the data shown on the accompanying charts, the Department conducted a telephone survey of all States and the District of Columbia during the week of October 13–17, 1975 to obtain the States' own estimates of the anticipated additional staff and costs of bringing all day care providers into full compliance with the 1968 Federal Interagency Day Care Requirements (FIDCR) as modified under Title XX. In those instances where States could not provide an estimate within the time available, the Department projected anticipated cost increases using a number of factors, including: census estimates of children in day care; known day care utilization factors; and the difference between the FIDCR staff/child ratios and State day care licensing standards.

The following tables represent the results of the survey combined with the Department's projection of increased Title XX costs for those States unable to provide their own estimates. The latter States are designated by an asterisk. Note that all estimates provided by the States are unverified.

Table I contains the following information:

1. The number of States reporting either substantial compliance with the FIDCR standards (8 States designated "S") and the number reporting that only minor improvements (*e.g.*, the addition of fewer than 2 staff persons per 100 children in day care) could be needed to comply fully (5 States designated "M"). (Columns 1 and 6).
2. The estimated increase in costs that would be incurred were all States to come into full compliance with the RIDCR standards. (Columns 2 through 5).

Note that Table I provides estimates relating to anticipated increases in Title XX-subsidized day care only. Neither the States nor the Department can, at this time, anticipate probable added costs to non-Title XX-eligible families who purchase day care services from centers which have to meet the FIDCR requirements if they wish to enroll Title XX-eligible children.

Table II represents the States' estimates (and Department projections for States unable to provide estimates within the time available) of the following:

1. The estimated number of additional day care workers that would be needed to bring all Title XX day care center services into full compliance with the FIDCR standards. (Many States were unable within the available time to provide estimates of the need for additional family day care workers.)
2. The estimated monthly reduction in AFDC benefits (Federal and State) which might result if all of these jobs were filled with welfare recipients, plus an estimate of monthly AFDC savings if one-half of these jobs went to recipients. These estimates represent net monthly anticipated AFDC savings after allowance for the cost impact of AFDC income disregards, work related expenses, and the cost of child care for children of recipients so employed.

Neither the Department nor the States have been able, in the time available, to develop an estimate of increased AFDC costs that might be expected if child care centers were to serve fewer children in an effort to bring/child ratios into compliance with the FIDCR standards.

Table III, discussed in summary above, represents the Department's estimates of the net Federal-State cost of filling the 15,500 day care jobs estimated by the States (and projected by the Department in the case of States unable to provide estimates in the time available) as needed to bring day care centers and group care homes into full compliance with the FIDCR standards.

As noted in the summary discussion above, this chart presents cost estimates based on two alternative premises: in the first, it is assumed that all 15,500 jobs are filled with welfare recipients and that all employers take full advantage of the existing tax credit or the new direct Federal payment mechanism provided

for in S. 2425; and in the second, it is asumed that half the jobs are filled with recipients under the same conditions.

Note that the estimates on this chart relate solely to the costs that might be associated with those 15,500 jobs. However, it must be restated that the Department believes the States would actually expend $500 million or more in new Federal funds were S. 2425 to become law.

TABLE 1.—STATE ESTIMATES OF INCREASED COSTS AND STAFF UNDER TITLE XX TO MEET FIDCR STAFF RATIOS FULLY

	Total additional public cost	Centers and group homes costs	Family day care costs [1]	Additional staff per 100 children for centers or groups
Total	$102,147,220	$95,509,360	$6,637,860	
1. Alabama	600,000	600,000	(2)	1.74
2. Alaska	1,550,000	1,200,000	350,000	68.5
3. Arizona	3,304,032	3,034,032	270,000	14.3
4. Arkansas [3]	0	0	0	0
5. California	19,344,000	[4] 19,344,000	(2)	[4] 6.2
6. Colorado	672,456	441,456	231,000	4.6
7. Connecticut	1,776,000	[4] 1,776,000	(2)	[4] 7.4
8. Delaware	250,000	250,000	(2)	7.95
9. District of Columbia	690,000	[4] 330,000	360,000	[4] 4.7
10. Florida	4,596,000	[4] 4,596,000	0	[4] 6.7
11. Georgia	3,642,000	3,642,000	(2)	4.97
12. Hawaii	250,000	250,000	0	5.02
13. Idaho	10,000	10,000	(2)	7.7
14. Illinois	1,800,000	1,800,000	0	3.11
15. Indiana	1,692,000	1,692,000	(2)	22.0
16. Iowa	1,389,440	1,389,440	(2)	6.1
17. Kansas	1,060,000	[4] 1,060,000	(2)	[4] 5.69
18. Kentucky [1]	92,612	92,612	(2)	-1.38
19. Louisiana	2,340,000	2,340,000	0	8.94
20. Maine [3]	0	0	0	0
21. Maryland	1,020,000	680,000	340,000	2.5
22. Massachusetts [1]	1,200,000	200,000	1,000,000	.43
23. Michigan	2,250,000	2,250,000	(2)	7.1
24. Minnesota	3,618,000	3,618,000	(2)	4.98
25. Mississippi [3]	0	0	0	0
26. Missouri	870,000	[4] 870,000	(2)	[4] 5.1
27. Montana	170,576	170,576	(2)	4.4
28. Nebraska [1]	303,045	184,000	119,045	1.77
29. Nevada	6,000	[4] 6,000	(2)	[4] 3.3
30. New Hampshire	393,930	268,930	125,000	5.2
31. New Jersey [3]	0	0	0	0
32. New Mexico	576,000	384,000	192,000	1.02
33. New York [3]	0	0	0	0
34. North Carolina	2,980,528	2,680,528	300,000	6.4
35. North Dakota	222,000	[4] 222,000	(2)	[4] 4.0
36. Ohio [3]	0	0	0	0
37. Oklahoma	6,286,776	5,312,556	974,220	7.5
38. Oregon	60,000	0	60,000	0
39. Pennsylvania	2,648,000	2,368,000	280,000	2.4
40. Rhode Island [3]	125,000	0	125,000	0
41. South Carolina	1,169,823	1,148,223	21,600	3.9
42. South Dakota	500,000	500,000	(2)	83.3
43. Tennessee	2,082,000	[3] 2,082,000	(2)	[4] 5.1
44. Texas	9,400,000	8,200,000	1,200,000	15.0
45. Utah	2,950,000	2,700,000	250,000	3.6
46. Vermont	714,000	624,000	90,000	9.4
47. Virginia	1,626,000	1,626,000	(2)	[4] 4.1
48. Washington	4,250,000	4,000,000	250,000	15.6
49. West Virginia	425,000	425,000	(2)	14.2
50. Wisconsin	10,000,000	10,000,000	(2)	10.0
51. Wyoming	250,000	150,000	100,000	8.1

[1] Minor improvements needed for compliance.
[2] States unable to provide estimates.
[3] Substantial compliance with staff ratios.
[4] Simulated.

TABLE 2.—ESTIMATED MONTHLY AFDC SAVINGS FROM EMPLOYMENT AS CAREGIVERS

	Reduction in grant per employed person (1)	Cost of day care to those no longer on AFDC (2)	Reduction in grant net of day care (3)=(1)-(2)	Number of jobs (4)	Monthly savings at 100 percent employment [1] (5)=(3)x(4)
Total					$2,103,483
1. Alabama	109	124	-15	122	-1,830
2. Alaska	130		130	800	104,000
3. Arizona	172		172	684	117,648
4. Arkansas	0	0	0	0	0
5. California	130		130	3,224	419,120
6. Colorado	157		157	100	15,700
7. Connecticut	130		130	296	38,480
8. Delaware	130		130	145	18,850
9. District of Columbia	130		130	55	7,150
10. Florida	147		147	766	112,602
11. Georgia	123		123	607	74,661
12. Hawaii	130		130	52	6,760
13. Idaho	130		130	100	13,000
14. Illinois	147		147	305	44,835
15. Indiana	136		136	376	51,136
16. Iowa	127		127	167	21,209
17. Kansas	148		148	177	26,196
18. Kentucky	136		136	30	4,080
19. Louisiana	137	101	36	500	18,000
20. Maine	0	0	0	0	0
21. Maryland	104		104	80	8,320
22. Massachusetts	130		130	42	5,460
23. Michigan	199		199	450	89,550
24. Minnesota	123		123	400	49,200
25. Mississippi	0	0	0	0	0
26. Missouri	123		123	145	17,835
27. Montana	130		130	6	780
28. Nebraska	139		139	31	4,309
29. Nevada	130		130	1	130
30. New Hampshire	130		130	59	7,670
31. New Jersey	0	0	0	0	0
32. New Mexico	130		130	40	5,200
33. New York	0	0	0	0	0
34. North Carolina	179	61	118	436	41,118
35. North Dakota	188		188	37	6,956
36. Ohio	0	0	0	0	0
37. Oklahoma	228		228	569	129,732
38. Oregon	0	0	0	0	0
39. Pennsylvania	111		111	74	8,214
40. Rhode Island	0	0	0	0	0
41. South Carolina	101	83	18	175	3,150
42. South Dakota	146		146	150	21,900
43. Tennessee	116	106	10	347	3,470
44. Texas	124		124	1,514	187,736
45. Utah	130		130	350	45,500
46. Vermont	130		130	113	14,690
47. Virginia	226		226	271	61,246
48. Washington	130		130	550	71,500
49. West Virginia	168		168	85	14,280
50. Wisconsin	115		115	1,740	200,100
51. Wyoming	130		130	27	3,510
52. American Samoa					
53. Guam					
54. Puerto Rico					
55. Trust Territory					
56. Virgin Islands					

[1] Monthly savings at 50 percent employment, $1,051,742.

TABLE 3.—ESTIMATED ELEMENTS OF COST RELATED TO MEETING FIDCR STAFF RATIOS UNDER S. 2425

	Estimated cost to comply with FIDCR ratios	Estimated number of employees needed	Federal cost for 1st $5,000 wages per employee (100 percent)	Federal cost for wages in excess of $5,000 (80 percent)	Federal AFDC savings	Net Federal cost	Net State savings/cost
If AFDC recipients fill 100 percent of additional jobs	$102,147,220	[1] 15,500	$77,500,000	$19,717,776	$13,852,987	$83,334,789	—$6,429,364
If AFDC recipients fill 50 percent of additional jobs			38,750,000	50,717,776	6,941,497	82,526,279	6,900,037

[1] Average wage $6,590.

Question. Do you have any estimate as to how many children under age 6 are affected by the staffing requirements in Title XX? How many under age 3? Could you provide this information on a State-by-State basis for the record?

Answer. Thirty-one States were able at this time, to provide estimates of the percentages of children within these age groups who are now receiving day care services subsidized by Title XX funds. Their reports are presented on the following table.

In summary, these States reported age distributions as follows:

Age	*Percentage of children*
Under 3	9.7
3	18.8
4 to 5	47.1
6 and over	24.4
Total	100.0

AGE DISTRIBUTION OF CHILDREN IN CENTERS AND GROUP DAY CARE AS REPORTED BY THE STATES

	Under 3	3	4 to 5	6 to 9	10 to 14
Total	[1] 17,202	[2] 33,400	[3] 83,806	[4] 23,019	[5] 20,359
1. Alabama	1,627	2,216	3,061	80	12
2. Alaska					
3. Arizona	997	806	1,597	1,110	256
4. Arkansas	500	100	300	100	140
5. California					
6. Colorado	207	400	1,004	474	79
7. Connecticut	35	1,000	3,000	0	0
8. Delaware	504	540	522	180	54
9. District of Columbia	0		600		130
10. Florida	3,485	3,422	3,422	1,107	1,107
11. Georgia	520	4,617	6,099	2,169	227
12. Hawaii	65	300	382	223	25
13. Idaho					
14. Illinois	800	4,000	4,364	492	155
15. Indiana					
16. Iowa	500	1,000	1,000	200	39
17. Kansas					
18. Kentucky					
19. Louisiana					
20. Maine	5	240	573	61	32
21. Maryland	0	1,260	1,833	75	25
22. Massachusetts					
23. Michigan					
24. Minnesota					
25. Mississippi	225	458	1,183	245	253

AGE DISTRIBUTION OF CHILDREN IN CENTERS AND GROUP DAY CARE AS REPORTED BY THE STATES—Con.

	Under 3	3	4 to 5	6 to 9	10 to 14
26. Missouri					
27. Montana	17	40	28	40	11
28. Nebraska	1,082	468	757	829	432
29. Nevada	11	4	8	5	2
30. New Hampshire	60	280	675	116	10
31. New Jersey	612		9,364	8,400	3,892
32. New Mexico	391	1,174	1,958	196	196
33. New York					
34. North Carolina	95	3,662	2,612	303	184
35. North Dakota					
36. Ohio	270	1,120	4,212	2,220	150
37. Oklahoma	2,497	1,259	2,166	1,423	236
38. Oregon					
39. Pennsylvania	1,000		2,816		11,764
40. Rhode Island					
41. South Carolina	200	339	1,736	1,863	397
42. South Dakota					
43. Tennessee					
44. Texas					
45. Utah					
46. Vermont	0	232	476	406	169
47. Virginia					
48. Washington	335	195	460	640	170
49. West Virginia	89	149	329	17	11
50. Wisconsin	1,000	4,000	25,000	0	0
51. Wyoming	73	119	103	35	5
52. American Samoa					
53. Guam					
54. Puerto Rico					
55. Trust Territory					
56. Virgin Islands					

[1] 9.7 percent.
[2] 18.8 percent.
[3] 47.1 percent.
[4] 12.9 percent.
[5] 11.5 percent.

Question. Let me read to you from one specific provision in the 1968 Federal Interagency Day Care Requirements. This provision reads: "By no later than July 1, 1969, the methods for recruitment and selection *must provide* for the effective use of nonprofessional positions and for *priority in employment to welfare recipients* and other low-income people filling those positions." (Regulations section 71.19(a)(2)). Would you comment on whether this requirement is being met now, and what HEW is doing or planning to do to help day care providers meet this requirement?

Answer. The passage quoted in the question deals specifically with personnel policies and practices of the operating agency and not with the policies and practices of every individual day care facility. The definitions in the Federal Interagency Day Care Requirements (45 CFR 71.1) distinguish an operating agency from a day care facility, and indicate that administering and operating agencies may be the same, such as a public welfare agency which operates a day care program.

Priority on hiring of welfare recipients has also been encouraged by regulations published in 1969 under Section 402(a)(5) of the Social Security Act governing social services under Title IV–A. These regulations require of the State agency "the training and effective use of subprofessional staff in the programs of services to families and children, including part-time or full-time employment of recipients and other persons of low income." (45 CFR 220.6). *Guides on Federal Regulations Governing Service Programs for Families and Children: Title IV, Parts A and B, Social Security Act* elaborated on this regulation to provide: "States are expected to reexamine present staffing for services to determine those services and related functions that can be effectively carried out by staff who have personal competencies but may lack educational qualification (e.g., serving as day care parents, emergency parents, homemakers . . .). Normally, emphasis can be given to

employment of recipients and the poor within the merit system by restructuring jobs, eliminating any unnecessary requirements of education or experience, directing special recruiting efforts to target areas and groups . . ." Since the statutory authority for this requirement in Section 402(a)(5) was repealed by P.L. 93-647 and was not included in the Title XX legislation, no comparable requirement has been specified in the Title XX regulations.

However, requirements on personnel and staffing of individual day care providers or facilities are set forth in the Federal Interagency Day Care Requirements, 45 CFR 71.19(a)(4), which deal with day care through purchase of service arrangements either directly from a facility or through an intermediary organization. These requirements state: "in order for substantial Federal funds to be used, such organizations must include provisions for parent participation and opportunities for employment of low-income persons." SRS has interpreted "substantial Federal funds" to apply to organizations where 40 or more children receive day care under a Federal program, or where such children comprise 25 percent of the enrollment or 25 percent of the budget of the organization for day care.

A survey of all States and the District of Columbia was conducted by the Department during the week of October 13-17, 1975 to develop data to respond to the question of how well States are meeting these requirements.

The attached table contains the estimates as reported by the 31 jurisdictions able to respond to this survey in the time available.

In summary, 27 States reported that a combined total of approximately 9,600 welfare recipients are currently employed in day care centers or in family day care homes. And four more jurisdictions (Kansas, Pennsylvania, West Virginia and the District of Columbia) expressed their estimates of the number of recipients so employed as percentages of total day care employees rather than as absolute numbers. Their estimates range from four percent to ten percent.

To encourage the States to increase their efforts to recruit and train day care providers from among the welfare population, the Department and the State of West Virginia have entered into a three-year agreement under which the State will operate a research project designed to demonstrate that welfare recipients can be easily trained to serve as day care providers. Under this project, the State will at once develop and implement experimental curricula for day care centers and train paraprofessionals to prepare welfare recipients to enter day care careers. The results of this project—due in 1977—will be made available by the Department to all other States.

ESTIMATED NUMBER AFDC MOTHERS EMPLOYED

	Number	Percent
Total	9,574-9,646	
1. Alabama	42	
2. Alaska	30	
3. Arizona	97	
4. Arkansas	80-90	
5. California		
6. Colorado		
7. Connecticut	1,000	
8. Delaware	125-135	
9. District of Columbia		+10
10. Florida		
11. Georgia		
12. Hawaii	35	
13. Idaho		
14. Illinois	500	
15. Indiana		
16. Iowa	23	
17. Kansas		+10
18. Kentucky		
19. Louisiana		
20. Maine	20	
21. Maryland	600	
22. Massachusetts		
23. Michigan	2,000	
24. Minnesota		
25. Mississippi	36	
26. Missouri		
27. Montana	5	
28. Nebraska		
29. Nevada		
30. New Hampshire	35	
31. New Jersey	1,000	
32. New Mexico		
33. New York		
34. North Carolina	500	
35. North Dakota		
36. Ohio	2,000	
37. Oklahoma	200	
38. Oregon		
39. Pennsylvania		+4
40. Rhode Island	150	
41. South Carolina	50	
42. South Dakota	40-82	
43. Tennessee	325	
44. Texas		
45. Utah	20	
46. Vermont	30	
47. Virginia		
48. Washington		
49. West Virginia		+5
50. Wisconsin	600	
51. Wyoming	31	
52. American Samoa		
53. Guam		
54. Puerto Rico	(1)	(1)
55. Trust Territory		
56. Virgin Islands		

[1] Base unknown.

The CHAIRMAN. Let me make it clear that these standards we are talking about here are not Finance Committee standards. We people in the Congress are not permitted the luxury that is sometimes permitted in the executive branch, where you can just sit around with something and think about it for months and for years. A Senator offers an amendment out there; you have to vote on it. They call the roll, and either you vote or you do not vote, and if you do not vote, somebody might insist that they arrest you and bring you in there and require you to vote, to take a position one way or another.

Now, that is the law. And we have to decide, do we repeal it, do we amend it, or do we fund it.

Now, you want to go in for saying, "Give us 18 months to think about it." I personally do not think the Congress is going to go for that. I think they are going to say they are going to vote for one of the other alternatives: either repeal it, amend it, or fund it. That is what I think is more likely to be the case.

Thank you very much, gentlemen.

Senator MONDALE. May I make just one statement?

The CHAIRMAN. Yes.

Senator MONDALE. I think I was a little harsh on my last questions, and I apologize, because I know that you, Mr. Kurzman, and the rest of you, have worked in good faith with this committee and with me and my staff over the years, trying to resolve this issue, which is an exceedingly complex, emotionally charged, and, necessarily, a very judgmental kind of matter. There is no way of settling for sure, in a mechanical way, what those staff issues should be. But there is a general consensus among everybody in the field that there is a serious risk here and that we must be careful. And the special problem is that we are dealing with infant children who do not vote, cannot defend themselves, and that I think we are all aware the easiest thing to do is just compromise them out and let the next generation worry about it.

I think that would be the best political way of handling it, but it would not be the humane way. Together with that realization, let us see if we cannot find something to live with, and think about the kids.

I have trouble with the good faith answer that you are suggesting; that is, keep the standards but relax the enforcement under some good faith standard, because I do not really believe the problem has been good faith. I do not charge any of the States with lack of good faith. I think they are all trying. They are as worried about their kids as anybody else.

The problem has been the grubby old issue of money, and I believe that this date of October 1, by converting these regulations from theory to requirement, has probably caused more meaningful thinking in the last 2 weeks about what these issues really involve than has occurred in the last 6 years with regulations, because in the past it has just been nice theory, and everybody has been talking about it and nothing has happened. Now we have to ask ourselves the tough question about how are we really going to answer these questions.

I would hope that in the time granted under this extension that we passed out of the conference committee yesterday that your staff could come up with some of the hard data that would help us resolve it. If we could get the best current hard estimates of what the condition is in each of the States, that would be very helpful, if we could have a hard estimate on how much this really costs.

Now, the price tag of the Long amendment is $500 million, but I do not think it costs anything like that, because there will be a lot of offsets. People will be working who would otherwise have remained on welfare. We pay a tremendous bill for welfare.

What would be the net cost to the Treasury?

I would like to see a hard estimate by your Department as to what this bill really costs. It is, obviously, I suspect, something substantially less than $500 million.

Finally, I would like to have some technical answers from the Department on how much title XX money is really left. You indicated something like over $300 million, and 24 States were still under their ceiling. But I have a technical note on title XX expected social services expenditures, fiscal year 1976, which says, based on regional staff estimates, the total will be $2.4 billion used up, so that would only leave $100 million for our purposes, and not the $300 and some million you are talking about. So I would think it would be helpful if we knew right now where the States are, because I do not think there is that much flexibility after all, so that—in other words, I guess what I am pleading for is, let us try to get down to work and see if we cannot resolve this issue and settle it in the next 2 months.

The only way we are going to do it is to have your technical assistance and the good faith effort of your office, which I expect to be forthcoming.

Mr. KURZMAN. We will do our best, Senator.

The CHAIRMAN. Thank you very much.

Thank you, gentlemen.

Next we will call a panel of witnesses of State administrators of social services. They will be Mr. Herschel Saucier, director of the Division of Community Services of the Georgia Department of Human Resources; Mr. Frank Nugent, administrator, Division of Family Services of the Wisconsin Department of Health and Social Services; Mr. Ewing B. Gourley, director, Division of Family Services of the Missouri Department of Social Services; Mr. Raymond Vowell, commissioner, Texas Department of Public Welfare; Mr. Robert Casse, Jr., director of the Office of Policy Planning and Evaluation of the Louisiana Health and Human Resources Administration.

It is nice to have you, gentlemen.

I suggest that you proceed in the fashion that you had planned.

You each have 5 minutes to present your case in chief, and after that, we will ask such questions as occur to us.

STATEMENT OF HERSCHEL SAUCIER, DIRECTOR, DIVISION OF SOCIAL SERVICES, GEORGIA DEPARTMENT OF HUMAN RESOURCES

Mr. SAUCIER. Thank you, Mr. Chairman. We appreciate the opportunity to appear as a panel before you. Georgia appreciates the opportunity to discuss how the modified child/staff ratios under title XX will impact day care to children and to comment on proposals to give relief from loss of Federal financial participation.

Georgia has been conscientious about meeting child/staff ratios required under title IV–A, before title XX. With the approval of the regional office of HEW, Georgia has been using and complying with the 1972 draft guidelines released but never adopted as revised Federal

interagency requirements. We are probably as close as any State to meeting the requirements under title XX, but yet are so far away.

We are now operating on a child/staff ratio of 9 to 1 for children from 3 to 6 years of age. We must increase staff for 3- to 4-year-olds from 9 to 1 to 5 to 1, which is about 44-percent increase for that age group. We must increase staff for ages 4 to 6 from 9 to 1 to 7 to 1 or about a 22-percent increase. Georgia must employ some 600 additional staff to meet the title XX requirements.

This fiscal year we will provide day care to about 15,000 children of working mothers in Georgia, under title XX. With no more Federal funds available, as contrary to HEW's testimony, Georgia will spend her total $57 million under title XX, we estimate that we must terminate care to approximately 4,500 children in order to meet the new child/staff ratios.

To further complicate our financial crisis, we are losing all Appalachian Regional Commission funds for day care in 35 of our counties. We must replace ARC funds from local, State, and Federal title XX money and other sources.

Georgia prefers the provisions of Senate bill 2425, with the exception of the 3-month time period to comply with the child/staff ratios. It will take weeks to perfect legislation and to get out regulations. It will take months to recruit staff and train them. We could make significant progress toward compliance in 60 to 90 days, but we would need about 6 months to comply with all of the 263 day-care centers that are operating.

We are in great need of more Federal funds for day care. We now have new centers ready to open when funds are available. With increased appropriations, many communities will be working very rapidly toward providing more day-care services to children of working mothers that are not actually being cared for.

Now, Georgia strongly supports this committee's proposal to add $500 million to title XX for day care. Adding funds to title XX for day care is preferred to creating now delivery systems and funds for day care under new congressional acts.

If these additional funds are made available to add necessary staff to meet the new child/staff ratios, we will need much more than 90 days, as I said earlier, to comply. Georgia purchases all day care services from 263 nonprofit centers outside the Department of Human Resources. We will need at least 6 months to modify service delivery plans, recruit and train additional center staff and renegotiate contracts.

We also strongly favor the 80–20 percent Federal-State matching formula as proposed. The State of Georgia can provide no more than 12.5 percent of day care costs and local communities must provide the other 12.5 percent. Local citizens have used every known means of fund raising, ranging from cake bakes to rummage sales, to use of local tax funds.

A change from 75 to 80 percent Federal share would provide significant relief to these communities and would make scarce State funds extent to serve more children.

A simply delay in complying with Federal Interagency Standards as provided in H.R. 9803, or a grace period in which agree on different

or more liberal child/staff ratios is not likely to be productive. It is unlikely that agreement could be reached on this issue in a 6-month period of time. Now, I believe it is set at 4 months. Adding funds to support established child care ratios is the most immediate and, in our judgment, appropriate solution to the problem.

Georgia also favors the tax or grant incentive for the employment of AFDC mothers in day care centers. AFDC mothers are not competitive in the labor market, especially with our present unemployment rate. This 20 percent incentive would enable Georgia to meet the additional staff needs through employment of AFDC mothers. It will meet a manpower and a program need, and at the same time, reduce AFDC payments. Georgia's experience in our Appalachian child development project demonstrated that AFDC mothers make excellent child care staff. Mothers of AFDC children were first involved as participants in the child development centers; some were then hired as VISTA volunteers, and then later, a number were then hired as child day care staff, and they have done a good job.

That does not finish. My time is up, and I will waive to other members of the panel, Mr. Chairman.

The CHAIRMAN. You only have one more paragraph. Why do you not go ahead and finish it.

Mr. SAUCIER. All right. Thank you, sir.

We have considerable concern about the impact of the child/staff ratios on private centers who are saving less than 30 percent title XX funded children. If they must meet the staff requirements for a few title XX children being served, the costs to the majority of private customers will be greatly increased, possible to the level that they cannot afford. A possible solution to this is to allow centers serving any title XX children to receive a tax credit when they employ AFDC mothers, or merely revert to use of State standards, licensing standards for these centers.

Thank you.

The CHAIRMAN. Thank you very much.

STATEMENT OF FRANK NEWGENT, ADMINISTRATOR, DIVISION OF FAMILY SERVICES, WISCONSIN DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Mr. NEWGENT. Thank you, Mr. Chairman.

My name is Frank Newgent. I represent the State of Wisconsin today. I also thank you for the opportunity to appear and I appear in support of the Long-Mondale bill to allocate $500 million at 80 percent matching to the States for improving day care standards and meeting those now required.

Wisconsin is one of the States that is spending its total allotment of the $2.5 billion, so each time an added requirement is placed upon me, I must either face paying this additional cost with 100 percent State tax dollars, or else reduce day care or other social services in some fashion.

I think the biggest contribution I can make this morning to you is to report on a brief study that we did with the largest day care center in Milwaukee last Friday and Monday, in order to get some fix on whether

the $500 million is a roughly adequate sum of money or not. This center is the largest in the State. It has a history of employing AFDC mothers. It is located in, and is satellited in such a fashion that it serves the population areas where there are cencentrations of AFDC mothers.

They estimated that to move from their current licensing standards that we have as State standards on them to the federally required standards would cost $1,721 per year, per child.

If you then take the statewide view of the 5,000 to 6,000 children who would be covered by the title XX expenditures, this gives you a ball park figure of $10 million or so, and that, incidentally, is almost exactly the amount of money that would come to the State of Wisconsin under the $500 million allotment plan.

So I would suggest to you that, at least based on this one experience, and I have not done a statewide survey of every center, that the figures that are proposed in the bill are reasonable and could meet the additional requirements we have on us.

I would add only one thing, and that is to endorse also the need for additional lead time to install the staff to carry out these standards. One of the things that the day care center in Milwaukee made very clear to us is that there must be preemployment traiing and adequate supervision if in fact you are going to hire AFDC mothers. So I think there must be time allowed for that. Three months is insufficient. The minimum length of time that I would see as lead time would be 6 months.

Thank you, sir.

The CHAIRMAN. Thank you, sir.

STATEMENT OF EWING B. GOURLEY, DIRECTOR, DIVISION OF FAMILY SERVICES, MISSOURI DEPARTMENT OF SOCIAL SERVICES

Mr. GOURLEY. Mr. Chairman, my name is Ewing Gourley. I am director of the Division of Family Services in Missouri, and I appreciate the opportunity to appear before your committee today.

I am not going to state what already appears to be the obvious. The Nation is in dire trouble in implementing these 1968 standards.

I am here specifically to offer strong support for the Long-Mondale proposal, S. 2425, and have four points of concern with that proposal, that I would like to share with you and the committee.

In Missouri, we feel that the period between enactment and the proposal, which would now be December 31, 1975, permitting actual implementation of the bill, is insufficient. We feel that since we are already in the month of October, by the time the bill has passed Congress, been signed by the President, appropriations have been made, and regulations and instructions drawn by HEW, ADC mothers selected—ADC mothers that were selected having the advantage of going through a training course—that we would be well into 1976. And we would suggest that a more reasonable date for compliance to these standards be July 1 of 1976.

We strongly endorse the addition of the $500 million appropriation above the existing ceiling on title XX Social Service funds. Our basis here is that we feel if higher Federal standards are standards which

the Federal Government wishes to enforce, it should have considerably greater funding than is now available to put them into effect.

We also support the matching formula of the 80 percent Federal, 20 percent State.

We feel that the tax credit provision appears to be a very positive measure, but a complex one. We know that this complex solution is related to a problem. It is not a simple one either; it is a rather complex problem. We are concerned that this may become difficult to administer, and this will depend in great part on how the regulations for administering this are drawn, and we want to see extreme caution exercised there to simplify this.

All in all, I would conclude my statement by saying that one thing that seems to be missing that we would like consideration of is that of training costs that would be incurred in training AFDC mothers to take on the new roles as employees in day care centers and homes.

Thank you, Senator.

STATEMENT OF RAYMOND W. VOWELL, COMMISSIONER, STATE DEPARTMENT OF PUBLIC WELFARE, THE STATE OF TEXAS

Mr. VOWELL. Mr. Chairman, my name is Raymond Vowell. I am commissioner of public welfare in Texas, and I want to thank you and the members of the committee for this opportunity to appear here in support of Senate bill 2425 in principal, and thank you for title XX and title XIV, and we are collecting more child support than ever before in my State.

Many problems have arisen in implementing child care staffing standards contained in title XX, and include the lack of lead time, total fulfillment, and inadequate funding at present levels of services.

It is recommended that in the evaluation of child day care standards, the Secretary of the Department of Health, Education, and Welfare sets the criteria in cooperation with the States, allowing for diverse needs, such as cultural and economic variances, and particular ethnic groups.

And I would like to make this statement, that one of the Assistant Secretaries apearing before said he hoped the States would be working with HEW in this area, and I hope that HEW will give the States the opportunity to work with them.

Hiring additional welfare recipients from the ranks of the unemployed is commendable. It is urged that the premise be uppermost, however, that quality child care require quality staff, training, and screening of workers which will work part time. I want to emphasize the word training, because I do not think a level of education necessarily should be the requirement of a quality worker.

When we deal with the ratio of the worker to children, we are playing with numbers. We do not consider the full life of the child. The hours away from a quality day care center may undo all of the good that we have accomplished there, and there have been some real good questions raised here today by the members of the committee.

In Texas, the Population Research Center of Baylor College of Medicine and the State Department of Public Welfare will produce a series of 12½ hour video tapes designed to reach junior high school

level youth on the general subject of parentage. No one is doing any education for parenting, and this is one of the real weaknesses of our system of rearing children today.

Impetus for this program came from the 1974 birth statistics in Houston. These showed 4,949 births recorded to girls 13 to 19 years old. Twenty-three mothers were 13 years old. And while 137 14-year-old mothers had their second child, two girls within the age group had their fourth child. Children having babies leave much to be added to the quality of day care.

The kind of training in child care needed by these young mothers is similar in many ways to that necessary for child day care staff workers.

Until the Secretary evaluates the report, it is recommended that States be allowed to request waivers in child/staff ratios. Immediate funding is required for States to raise the required standards imposed by title XX. It is suggested that categorical funding be restricted, and that States be permitted to set their own priorities within the intent of title XX, for social services of all kind.

A double standard is threatened by the present adult staffing ratios. The Texas licensing standards are less stringent than those proposed. Parents who paid a fee for child care would not be able to afford higher costs resulting from the new staff/child ratio.

The $2.5 billion ceiling on social service funding limits the scope of the States' effort to deliver services. Texas requests for fiscal funding for fiscal 1976, that is from communities, agencies, and others, is $40 million over our ceiling, provided under the $2.5 billion. There has been no cost-of-living increase in the ceiling since 1972 and administrative costs have soared. Texas wishes to deliver quality child care services to all children. It supports measures which will allow more time for program development and the funds to implement these programs.

I strongly support the intent of the Long-Mondale bill.

The CHAIRMAN. Thank you very much, sir.

STATEMENT OF DR. ROBERT M. CASSE, JR., DIRECTOR, OFFICE OF POLICY PLANNING AND EVALUATION, LOUISIANA HEALTH AND HUMAN RESOURCES ADMINISTRATION

Dr. CASSE. I am Dr. Robert Casse, current director of the Office of Policy Planning and Evaluation for Louisiana's Health and Human Resources Administration. I want to express my confusion, because my office is the one that did the title XX planning, and I can assure you that Louisiana's total allotment was utilized in the title XX plan, and this is contrary to previous testimony.

The CHAIRMAN. Can we say that is just one more situation where HEW has been in error?

Dr. CASSE. I would presume so.

The CHAIRMAN. In other words, Louisiana is using their full allotment, then?

Dr. CASSE. Yes, sir. It is planned for. As a matter of fact, the National Governor's Conference information letter of September 23, 1975, stated that Louisiana would use its total allotment, as indicated in its proposed plan. as well as its final plan.

The CHAIRMAN. Go ahead.

Dr. CASSE. Louisiana has been vigorously opposed to the enactment of the Federal day-care standards since the proposed regulations were published. It stated its opposition at that time. Once the final Federal regulations came out, it stated them again. We were unable to document the validity of the ratios contained within Public Law 93–647, and we would definitely like to see the study that does so. One of our recommendations would be to delay the implementation until such time as we can review the ratio study.

One of the things that occurred to me while listening to the testimony is that title XX deals with a different group of people than have former welfare titles. I think this fact needs to be included in reviewing any type of study, particularly since the 1968 ratios were based, according to the Congressional Record of September 26, on the Headstart manual, which deals solely with poverty children.

As you know, the new ratios in title XX permit 37.5 percent of the funds be expended on welfare eligibility, and 67.5 percent on income eligibles. Income eligibles can be defined as including up to 115 percent of median income for a family of four adjusted for family size. This type of eligibility requirement is very different from the ratios identified for Headstart children.

My other comments appear in writing. We are very concerned about the economic hardship that would be imposed upon the working of middle-income parents, should they have children in centers that would be required to meet these standards without any additional financial relief. In Louisiana, this would mean a monthly increase of approximately $42 per child, or a 50-percent increase per child, and these figures are based on a $6 a day figure, not an $8 a day figure.

We would also be concerned about the creation of a dual standard, should the nonprofit centers, as well as the proprietary centers decide not to allow title XX children to be served in their centers.

Also, we are concerned about the lack of additional funds. I think, as the chairman pointed out, the States would have to come up with additional funds on a 75–25 match. If we did not come up with additional funds, we would have to deny service to approximately one-half of the children who are currently enrolled in day care. Also, additional money is need for training.

The dilemmas that we pose are answered for the most part in Senate bill 2425. However, we would suggest some minor amendments.

One amendment would be the increase of the $5,000 ceiling to $6,000. This is based on the fact that as of January 1, 1976, the minimum wage will be increased to $4,784. Adding indirect costs, which would roughly be 10 or 11 percent, or $478, to the minimum wage figures, the salary and minimum wage benefits would be approximately $5,300. That does not include medical compensation, medical insurance, life insurance, and other gratuities that might be afforded the welfare mother, particularly since once she begins to make that salary, she is no longer eligible for the additional benefits, such as medicaid and medicare. So we would ask for some consideration for an increase to $6,000, so that these additional benefits could be provided and be reimbursed to the parents.

We would like to see the 30 percent lowered to any financial participation being received by a day-care center. In other words, if all of the restrictions have to be imposed the minute a child or children walk

into the centers, likewise they should immediately receive benefits from Senate bill 2425. By lowering this percentage, we would meet the goals of hiring additional welfare recipients, as well as helping all centers with eligible children to meet the Federal interagency day-care standards.

Like the other gentlemen, we would like to see the necessary moneys become available for inservice training. Also, for the centers that do not make sufficient profit to pay taxes, we would like to see a refundable tax provision to cover proprietary day-care centers. Such centers sometimes pay less in taxes than the cost of the staff increase mandated by title XX.

In addition to salary, which is refundable, there are indirect costs of employment, such as payroll taxes, workman's compensation, and insurance. Also, these centers may not have money to match at the time they hire people. Some provision could be made so that people can be hired when they are needed, and the center would not have to wait until the end of the year when the tax credit becomes available. We are not sure they would have sufficient moneys to offset the 20 percent.

This concludes my statement.

The CHAIRMAN. Thank you very much for your suggestions, gentlemen. As far as this Senator is concerned, they will all receive consideration if the Senate sees fit to adopt the approach that Senator Mondale and I have suggested to this.

Might I point out that in efforts moving toward welfare reform, I do not think the Senate has ever looked at the day care problem without recommending that we have at least $800 million available to help provide better day care and more day care for children. What we are suggesting here really is a lot less than that. The AFDC program right now is taking $4.6 billion currently in Federal funds, and what I object to about it is that we are making so litle headway toward helping remove some of these people, who are anxious to improve the condition of their children and themselves, an opportunity to find their way into gainful employment.

Now, the way I understand the testimony of you gentlemen here is that your view is: Well, if the Federal Government wants you to comply with this kind of standard—and that is what the law requires—you would be glad to do it. And you think that out of the mothers who are on these welfare rolls, you could find people who could help. You could find people who could make good employees.

The problem is, where are you going to find the money to pay for it? If we want this done, if we are going to require it, you think we ought to fund it; that is basically what your position is, if I understand it—I see all of you nodding with regard to that.

Now, when President Nixon was trying to get me to vote to increase the funds—which would just about double that $4.5 billion—my attitude at that time was that the cost of it was not what was bothering me. What was bothering me was that I would like some assurance that we were going to be moving people toward gainful employment, rather than just making welfare more attractive than work.

In Louisiana, I discussed it with some of our people yesterday. We have 68,000 mothers whose families are in the AFDC program, and it is my understanding that you really do not think you have any problem in finding, let us say, 1,200 mothers from that group who would

enthusiastically join the work force and participate in this day care program if they had the opportunity. Is that correct or not?

Dr. CASSE. That is correct.

The CHAIRMAN. And I gather that most of you, representing welfare directors, feel the same way; that if this money could be made available, you really do not think you would have any difficulty finding people to take these jobs and move those families out of dependency and into productive and useful contributions to society. Is that correct?

Mr. SAUCIER. That is true.

Mr. VOWELL. Right.

Mr. NEWGENT. Right.

The CHAIRMAN. That is the unanimous view of this panel. That is about the attitude Senator Mondale and I had without consulting you gentlemen, when we suggested that we ought to try to move people toward employment, and that, if the Congress is going to insist on a standard, as it has, we ought to fund it.

Senator MONDALE. Would the Senator yield there?

The CHAIRMAN. I am through, Senator.

Senator MONDALE. That is why I think the $500 million cost exaggerates substantially the net cost of this program. Because if you calculate how many persons on welfare can be hired in this program—1,200 in Louisiana, and so on—and what the reduction in AFDC costs would be in your State, then the net cost of this program, even in the short run—in the long run, it may be even greater, because you get people out of that welfare cycle—has to be substantially less than a half billion dollars.

Senator CURTIS. Mr. Chairman, very respectfully, you gentlemen have not convinced me that you are really for the Long-Mondale bill. I do not think that you want to take a position that you are asking the Congress of the United States to, by statute, fix the ratio of staff members to children. I do not think that you would want a situation where, as I cited a bit ago, a very capable, dedicated, conscientious, resourceful, knowledgeable person in good health and strong, would be serving or taking care of an infant under 6 weeks old and also taking care of one other youngster. And that would not be in compliance, and you would lose all of your Federal money, or you would have to amend the law. And that a State could comply by having a 1-to-1 ratio, and to have that staffer ignorant, careless, unconcerned, not conscientious—I think you are rather asking quite a departure.

I think that you are attracted by $500 million, and a more liberal matching formula. Now, I am not going to ask any of you whether or not you favor this additional $500 million expenditure by deficit financing. We will have a deficit this year somewhere between $70 billion and $80 billion. Yesterday, I heard the testimony of one of the most distinguished economists, scholars of Government financing, in the country, point out that the consumer index went up in this country from 55 to 65—by 18 percent—and it has gone up in the last 10 years. And we have been on this binge of huge deficits, not by 18 percent, but by 70 percent.

If the money keeps on deteriorating, and these children in day care homes, by the time they are 50 years old, a dollar will be worth 70 cents. So I am not going to ask you whether or not you are here asking for an increase of $500 million, or whether you would still want

it if it had to be raised by deficit financing. Too often, the desire of States—and I understand that the local regions are under pressure for more money—have caused you to buy more.

There is not a reason in the world why this committee should be trying to work out the details of how to care for kids. I think the thing we should do is to make a bloc grant to the States, because the Federal Government has created this welfare mess, and turn the whole thing back to them with no Federal rules or laws about it. I just believe that the closer you get these matters to the people, the greater the chance the poor and the needy and the neglected children will receive a lot better deal from Federal tax moneys.

Excuse the sermon, but I just believe there are things in the well-intended proposal that are not good. And I would fear that it might be bought because it offers more money.

Now, here is something else to think about. Three States are going to get 20 percent of this money, this $500 million. Three States will get $100 million. So I am not too sure that we found the right answer, although I have supported my chairman in many of these things. I think he has had some excellent ideas on welfare reform. That is all, Mr. Chairman.

The CHAIRMAN. Well, I am rather familiar with Senator Curtis' view, and one good thing about this committee, we hear the other fellow's point of view. Sometimes we agree with part of it, sometimes we disagree with part of it, which is not at all unusual. I will have a chance to hear Senator Curtis' view again before we are through.

Senator CURTIS. I am sure you will.

The CHAIRMAN. Yes, I am sure. But I am also aware of the fact that even with this big deficit, the President is recommending we have a bigger tax cut than we had before. I am dismayed to see he proposed to leave out the part that helps the working poor. That apparently will be shifted over to benefit the corporations in this tax cut. Their tax rate is to go down from 48 percent down to 46 percent. I will be curious to see how many billions that is going to cost us if we pass that—undoubtedly a great deal of money.

And some of us think, with all of these people we have out of work, that we had better start thinking of some of these people that you welfare directors are trying to look after with the meager funds available to you before we give the corporations any more fattening up than we have done for them already.

Now, I would be curious to know, what is the attitude of your people with regard to that matter? I know you did not want these increased standards. I do not believe you have asked for them. What is your thought about the additional funds, if you could move some of these people off of welfare and into the work force?

Mr. GOURLEY. Mr. Chairman, let me attempt to respond to that. I see the issue as we have the standards in law now. They are in the title XX law. There is an October 1 date in these that says, if you do not meet the standards, you are not going to get your Federal financial participation. There is a provision in that that those standards which were developed by HEW in 1968 and others would put into the law and modify it to some extent.

So, we are looking at provision for the study, which is also in the law, and the opportunity to change those standards somewhere down the road. What we need, obviously, is some leadtime and some money

to implement those standards. Many States do; those particularly who are at their social service or their title XX ceilings, as far as your Federal financial participation is concerned; and the States are moving there quickly under the new title XX plan, including Missouri, who have in the past used only about $20 million of some $57 million available, where we only have a reserve—I say only—of $17 million this year. And next year, that will probably be used up at the rate our title XX plan is going.

I am delighted to have the opportunity, as State welfare director, to end this whole area of the problem of day care standards with a solution that is proposed in Senate bill 2425; to have the opportunity to influence the employment of AFTC mothers. We have had a WIN program, a work incentive program, for a number of years. Welfare administrators and welfare staff have not been in the mainstream of getting employment to those people.

We have set in as a social service arm to provide support of social services which dealt with, principally, the provision of day care services and some other tertiary kinds of help. We have not been in the mainstream of actually affecting in total the employment prospects for AFDC mothers, and I see this as a second purpose, clearly, in 2425, and welcome the opportunity to see what a welfare department or agency can do with this; not only to meet the Federal interagency day care requirement sometime down the road, but also to affect employment for AFDC mothers.

Mr. SAUCIER. Mr. Chairman, I share Senator Curtis' concern about the quality of staff versus numbers, and there is no magic answer to this. In Georgia, we have tried to deal with this quality element in addition to setting minimum standards, by requiring that staff working in day care centers take advantage of training opportunities made available, and we see that those training opportunities are made available. We do this in cooperation with the Education Department, and this does have an impact on the quality of services.

The fact remains that we are going to have to terminate services in Georgia to about 40 percent of the children we are serving if we do not get some money or some relief from the standards. Now, I do not think the interagency standards, or those in title XX, are sacred. Our experience in Georgia is that a slightly higher rate for some age ranges have provided good service. But the fact is, on October 1 we are required to meet the higher standards in title XX.

As I said earlier, we are close to complying. But even being that close, it is going to either cost us money, or we are going to have to reduce services to children. I do not think any of us know fully the benefit of the provisions for encouraging or providing incentives for employment of AFDC mothers. We do know that the employment of AFDC mothers has resulted in the requirement that they be trained by staff. If they are trained, we will have to evaluate their interests, their capacity, and train them, or else they will not be able to do the job. Just putting 600 more staff people in our day care centers will not get it. We are going to have to place a great deal of importance on preparing these people for roviding good child care, and I think we can do it.

Mr. VOWELL. Mr. Chairman, I would like to comment, too. I feel that the public school teacher that is not interested in doing a good job, she does damage to the children—she or he, whoever it might be. A poor physician might not treat his patient well.

I have been trying to find out what is out there when we talk about AFDC mothers. We have a community college who has taken three ZIP codes, largely occupied by three different ethnic groups, and surveyed and developed a profile of these people, and developed a curriculum in order to train them for employment. I feel that the testimony of Charles Kite who is on the faculty of the University of Texas Science Center, sent his residents out to spend part of several days with a Spanish-surnamed woman who had a fourth-grade education, and says, you listen to her about love and rearing children. She knows more about this than you do.

So I want to say that these people are there that will make great workers. And we can employ them and get them out of the welfare rolls.

[The prepared statement of Messrs. Newgent, Gourley, Vowell, and Casse, follow:]

PREPARED STATEMENT OF FRANK NEWGENT, ADMINISTRATOR, DIVISION OF FAMILY SERVICES, WISCONSIN DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DAY CARE AND TITLE XX REGULATIONS

Wisconsin is presently serving approximately 30,000 children in licensed day care facilities. Most families utilizing day care have modest or low incomes. For them, whether they pay full cost or receive partial subsidy, the added costs created by meeting Title XX staff/child ratios will be difficult or impossible. When day care centers serve a mixed child population including paying and subsidized clients, the paying client is frequently forced to seek other day care arrangements when costs increase in order to meet federal regulations.

The Wisconsin experiences with the Title IV regulations and the Federal Interagency Day Care Requirements have shown that it is difficult indeed to meet the required ratios when there are not sufficient monies. Most of the centers in the Milwaukee region, the most heavily populated part of the state, requested waivers to the staff/child ratio under Title IV–A Federal Interagency Day Care Requirements. These were granted pending a decision by the Department of Health, Education and Welfare.

With Title XX ratios being considerably more stringent for children under three years of age, it is unlikely that day care centers will be able to meet the new regulations unless additional funds are available.

The following is an example of increased day care costs which will result from the application of Title XX staff/child ratios. Wisconsin's licensing rules require one staff member for every ten children between the ages of three and four. Federal Interagency Day Care Requirements mandate one staff member for every five children in this age group. (See Appendix I) Consequently staff costs would double. Proportionate increases would occur in other age brackets depending on the relative difference between Wisconsin's licensing rules and Federal Interagency Day Care requirement staff ratios.

In line with the above example, figures made available by the largest day care agency in Wisconsin, which serves approximately 12,000 children a year, indicates that the increased staff costs, utilizing as much as possible AFDC mothers and other low income persons, would amount to $1721.24 per child for the first year. (See Appendix II) This includes salary, fringe benefits, training, counseling outreach, and supervision. For the second year, with no increase in salary, the cost would be $1599.24 per child per year, based on no outside training during the second year. While the figures may appear high, the agency's earlier experience with AFDC mothers hired under the Concentrated Employment Program and New Careers, building in the outreach, training and supervision, was very successful. Many of the women are still employed by the agency, comprising 20 percent of their staff, contributing taxes on a regular basis rather than returning to the welfare roles.

Without the training and supervision built into the program, there is real danger of the coercion and exploitation of AFDC mothers, promising much and giving them little by way of skills which provide for ongoing employment, not "made" work.

This emphasis has been on the employment aspect of the proposed legislation; more important is the effect on the children. If the intent is that children be given a boost in their growth and development, there must be substantial emphasis on the quality of the staff. Wisconsin's regulations require that the primary persons in charge of children must have at least two years of higher education including a course in child growth and development, or a high school diploma and two courses in early childhood education/child development. These are minimum requirements.

A point must be made for examining the implications of the increased ratios of adults to children. There must be recognition that added adults do not necessarily result in better programs. Are we playing a numbers game that says if we put more warm bodies in a classroom we will have good care for children or will we look at personal characteristics, training and experience in the selection of staff for day care under Title XX? If numbers are the criteria, the trained are equated with the untrained. If care and protection of children is our goal, let's make sure that all staff whatever their roles, have been appropriately screened and trained. Let's be sure that if added funds are put into the provision of day care, children are the beneficiaries of good care and not the victims of too little.

APPENDIX I

COMPARISON OF STAFF/CHILD RATIOS—TITLE XX AND WISCONSIN'S RULES FOR LICENSING DAY CARE CENTERS FOR CHILDREN

	Adults	Children
Title XX:		
Under 6 weeks	1	1
*6 weeks through 36 months [1]	1	4
3 to 4 years	1	5
4 to 6 years	1	7
6 to 10 years	1	15
10 to 14 years	1	20
Wisconsin day care rules: [2]		
Infant to 1 year	1	3
1 to 2 years	1	4
2 to 2½ years	1	6
2½ to 3 years	1	8
3 to 4 years	1	10
4 to 5 years	1	12
5 years and over	1	19

[1] Title XX regulations establish ratios for 6 weeks through 36 months, while the Federal interagency day care requirements cover 3 to 4 years thus creating an overlap of 1 month when a child reaches age 3.
[2] Wisconsin statutes for day care licensing do not cover children over 6 years.

Note: At all age levels, Wisconsin statutes establish a higher ratio of children to adults except between the ages of 1 to 2 years.

Information provided by Day Care Services for Children, Inc., Milwaukee.

Example

Selection and hiring of AFDC mothers and other low income persons.

Based on figures for two years at a 1 to 5 staff/child ratio, for children ages 3–4 years. (Wisconsin Rules require one adult to 10 three year old children.)

First year:	
Salary	$5,200.00
Fringe	616.20
Supervision	1,790.00
Outside training (based training occurring during working hours, requiring substitute pay; training including GED as well as specialized day care courses)	1,000.00
Added cost per child per year $1721.24	8,606.20
Second year:	
No raise	5,200.00
Fringe	1,006.20
Supervision	1,790.00
Added cost per child per year, $1,599.24	7,996.20

PREPARED STATEMENT OF EWING B. GOURLEY, DIRECTOR, DIVISION OF FAMILY SERVICES, MISSOURI DEPARTMENT OF SOCIAL SERVICES

I understand that the Committee has requested comments from the States regarding the proposed legislation affecting the staff/child ratios for day care centers and group day care homes. I am referring particularly to H.R. 9803 and S. 2425.

We are strongly in favor of the intent of S. 2425, but we have several suggestions for changes which we believe are very necessary:

1. We do not believe the period between now and December 31, 1975, will permit the actual implementation of the Bill to the extent that the centers and homes would be in compliance by January 1, 1976. We are already into the month of October, and by the time the Bill has passed Congress; has been signed by the President; an appropriation has been made; regulations and instructions have been prepared by HEW; and ADC mothers have been selected and put through a training course, we will be into 1976. We suggest an effective date of July 1, 1976, as a date by which compliance could reasonably be expected.

2. We strongly endorse the addition of the $500 million appropriation above the existing ceiling on Title XX Social Service Funds. We agree that if the higher Federal standards are standards which the Federal government wishes to enforce, it will require considerably greater Federal funding than is now available.

3. We are also in agreement with the change in the matching formula which would increase the Federal share to 80%.

4. The tax credit provision appears to be a positive but complex approach to the problem of helping the centers and homes, and might become difficult to administer, depending in great part on the regulations that would be established to carry out this section of the law.

We strongly concur with the idea of using ADC mothers wherever possible as aides in child care centers and group homes. There are definite problems associated with that concept which should be called to your attention. The agency would have the means of encouraging centers to employ AFDC persons as staff members, however, we are not certain how the 20% and 80% payments would flow to a center which employed such persons. Also, a major question exists as to whether the five year grant provision would be available to an AFDC person if they remained employed by a center for a total of five years. Unless the mother has some work history, we assume that most centers would insist upon some minimal training course before employing her. We are concerned about the expenses for this training cost.

PREPARED STATEMENT OF RAYMOND W. VOWELL, COMMISSIONER, STATE DEPARTMENT OF PUBLIC WELFARE, THE STATE OF TEXAS

Senate Bill 2425 introduced by Senators Long and Mondale proposes to expand quality child day care services and promote the employment of welfare recipients in providing child day care services pursuant to Title XX of the Social Security Act. The bill serves to alleviate conditions under provisions and interpretations of Title XX which would be counterproductive to the intent of the legislation and the needs of children.

In recent weeks the Conference of Southern Governors, the Welfare Administrators and others in H.E.W. Region VI, and other groups and individuals have addressed many of the problems ensuing from the implementation of child care staffing standards imposed as a result of Title XX of the Social Security Act. It has been recommended that the effective date of October 1, 1975, for implementation of the standards be postponed. Further, it has been noted that the full implementation of the standards will require additional funds if services to children are to be maintained at the present level.

Let me emphasize that our goal in Texas is to provide quality day care for children. There are two keys to quality, however. I would contend, and others would join me in claiming, that competence of staff is of equal or greater importance than staff-to-children ratios. It is essential that Congress and the Department of Health, Education, and Welfare give increased attention to methods by which it will be possible to provide staff for day care programs with the necessary ability and training to do their jobs in the fashion so badly needed and desired. HEW's

regulations should speak to the quality of staff, and not just to quantity—as should the law. Authorization and appropriations bills should provide funding in a manner providing an incentive to hire and retain properly trained and experienced workers—not just any person who happens to need a job and be available for work.

At this point, however, the States who are responsible for implementing Title XX, and the care providers themselves, are faced with a crisis demanding immediate answers: the difficulties caused by enforcement of staffing ratios in many cases double those being met prior to October 1. Congress has taken note of these grave difficulties, and the legislation being considered by this Committee is one good-faith effort to deal positively with some of them.

The problems are two-fold. First, regardless of how difficult or easy it will be for the individual states to find personnel with which to do so, meeting of the increased staffing requirements will take time. States, brought to a painful awareness as October 1 approached and arrived, realize fully at this point just what is involved in meeting the standards. They are moving to do this, but cannot and will not be able to do so in one or even three or four months.

The second problem at this point is that, no matter how long it will theoretically or actually take to meet the staffing standards, it will be a very expensive task. In addition to the problem of simply obtaining the necessary funds, the situation is complicated by the fact that we are dealing with a program whose funds are limited. For each additional dollar required for adding staff at a day care facility in order to meet standards, there is one less dollar to pay staff personnel at other facilities, whether existing or planned. Said another way, the same amount of Title XX money will buy care for fewer children when increased staff-to-children ratios must be met.

S. 2425 which you are considering today attempts to speak to the matter of this expense. Section 3 of the bill provides "an additional $500 million per year for child care over and above the $2.5 billion now available for social services." Let me say that no state is going to complain about the availability of any additional funding for these programs. The money is desperately needed. More accurately, immediate funding assistance is required for the states to phase in the standards now being imposed.

At this point, I feel compelled to raise a very distressing problem which is woven into the cost of providing care for children under Title XX. Approximately 150,000 children in Texas receive care daily in centers licensed by the State, and approximately 16,000 receive care in facilities meeting Title XX regulations. State regulations are promulgated with the greatest of care and with the ultimate goal of providing only safe, beneficial care for every child involved. The staffing ratios, however, are not as high in the State-licensed facilities as in those meeting the standards for Title XX. The result is that Title XX funded care, because of the increased staffing required, becomes so expensive that parents who pay the fees for care of their children simply cannot afford care in those facilities meeting the Title XX standards. On the other hand, centers primarily providing care to children whose parents pay fees cannot afford to meet the Title XX standards without pricing the parents paying for their children out of the market; therefore these facilities do not offer care for Title XX-eligible children. The result is the segregation of children by economic circumstances—which is detrimental to the children involved and accosts the very ideas of equality which our Constitution requires and which we are expending vast sums in various federal and state programs to ensure.

S. 2425 offers a partial answer to this problem and the general problem of expense—by providing additional funding with special provisions and incentives for increasing staffing in day care centers and by raising the amonut of overall funding available for day care in general. You can be assured the states will be appreciative of the assistance these means provide.

I must at this point, though, outline several problems which I believe the Committee will want to consider—proper resolution of which, I believe, is absolutely essential to successful implementation of Title XX day care even with the adjustments made by S. 2425.

There are doubtlessly going to be individual situations, as states seek to reach the new staffing standards, where this will be especially difficult to do or may take a relatively longer period of time. Of particular concern in Texas and many other states are the rural areas where population is scattered and where staff personnel are frequently difficult to procure. In order that sanctions are not applied and the very persons whom Title XX is designed to help become the

injured parties, it is only reasonable that Congress provide the Secretary of Health, Education, and Welfare with the authority to allow waivers judged necessary to prevent children from being penalized. This waiver authority might be granted only up to the time when H.E.W. returns to the Congress with the staff evaluation and study required by P.L. 96-647 concerning the validity and value of various staff-to-children ratios when Congress and H.E.W. will have some concrete information and data—which does not now exist—on which to base staffing requirements.

In allowing the Secretary to grant waivers, it should be stressed that no waivers should be granted for those programs presently in compliance with Title XX requirements, nor in cases where any state standards would be relaxed. Each request for waiver should be required to include a plan for improving the quality of child care services in the situation for which the waiver is sought, and adherence to such a plan should be a requirement of retaining waivered status. Insofar as the "80 percent" provisions relating to assistance in meeting staffing standards is retained in S. 2425, the possibility for securing a waiver is especially important; without it the benefits of this provision will be very, very frequently unavailable to the rural areas of our nation.

It is not solely the responsibility of the federal government to find solutions to the problems. The states have been endeavoring for some time to develop alternatives which would insure quality day care for all children. However, the states in attempting to meet the growing needs for quality day care services are limited in the scope of their service delivery due to the $2.5 billion ceiling set for funding for social services. For example, the total request for social services in Texas for Fiscal Year 1976 exceeded the ceiling limit by more than $40 million. The advent of Title XX with its flexibility for service delivery and emphasis on local involvement in planning has served to augment public awareness of need and demands to meet those needs in all areas. Even though vast amounts of local funds are being utilized presently, there are greater amounts of local funds to match federal funds than there are funds available under the ceiling.

In addition to the ceiling which has not allowed even cost-of-living increases since 1972, the cost of administering the federal funds is accelerating at an alarming rate. As eligibility determination, reporting requirements, and administration cost rise under a ceiling, the only alternative is to reduce the scope of service delivery, and fewer children are served.

A solution, perhaps, might be to earmark new money for a certain period for day care, but then permit states within the intent of Title XX to set their own priorities for social services of all kinds.

As you consider the form in which you will report this legislation and thereby the manner in which you believe this problem should be dealt with, I would respectfully suggest that it is vital that consideration be given to providing the states with adequate lead time for program plannng and development. Three recent instances in which the states suffered from lack of lead time may be recalled:

Public Law 92-603 as originally enacted, excluded recipients of Supplemental Security Income from the Food Stamp program. Subsequently the Congress extended food stamp eligibility to S.S.I. recipients, but the amendment became law on December 22, 1973—a few short days before the law was to become effective on January 1, 1974.

The states were required to publish their proposed plans for Title XX *before* H.E.W. issued its final regulations for that program.

The President on January 6, 1975 signed into law an amendment creating Title IV-D of the Social Security Act. Title IV-D was to be effective on July 1, 1975, but H.E.W. did not publish its final regulations until June 27, 1975.

In summary, I would like to emphasize that we are intent on delivering quality developmental child care services to all the children in our state. I urge the passage of measures which will allow time for the development of approaches to attain that goal and the necessary funds to implement those actions. I strongly support the intent of S. 2425; as a state welfare administrator I am most pleased to see the possibility of receiving increased funding for day care programs and staffing; and I respectfully request your careful consideration of those problems which I have sought to describe to you today in the hope your legislation can effectively solve or reduce them.

SUMMARY

Senate Bill 2425 introduced by Senators Long and Mondale proposes to alleviate conditions under provisions and interpretations of Title XX which could be counterproductive to the intent of the legislation to expand developmental day care services for children.

In recent weeks the problem ensuing from the implementation of child care staffing standards imposed as a result of Title XX have been addressed by the Conference of Southern Governors and Welfare Administrators in HEW Region VI.

Our goal is to provide quality, developmental day care for all children. The key to quality is in the competence of staff as wel las the staff-to-child ratios.

A number of variables have to be considered in light of present developments in the child care service area. Population densities, availability of facilities, trained manpower, economic circumstances, and wishes of the people vary from community to community. Recommended staff to child ratios are not founded on definitive research nor do they take into account diverse needs of children or levels of competence in staff. The promulgation of child care delivery systems with double standards will tend to segregate children by economic criteria. The acceptance of federal staff requirements for all children will be inflationary. The employment of unskilled staff to provide care for children could be damaging to children unless intensive screening and training modes are employed. The continued practice of funding for specialized purposes as categorical aid is a form of restriction to state planning.

RECOMMENDATIONS

1. Title XX staff-child ratios should not be enforced until Secretary's evaluation of requirements is completed and accepted.
2. Waivers should be allowed for programs which cannot meet Title XX standards because of uncontrollable circumstances, especially in rural areas.
3. Additional funds should be provided to raise the Title XX ceiling for all programs to offset inflationary costs which have eroded services.
4. Federal regulations regarding eligibility determination, reporting, and administration should be relaxed.

I strongly support the intent of Senate Bill 2425.

PREPARED STATEMENT OF DR. ROBERT M. CASSE, JR., DIRECTOR, OFFICE OF POLICY PLANNING AND EVALUATION, LOUISIANA HEALTH AND HUMAN RESOURCES ADMINISTRATION, STATE OF LOUISIANA

Louisiana supports S. 2425 and offers the following recommendations:

1. Extend the refundable tax credit provision to cover proprietary day care as well, since most such centers pay less in taxes than the cost of staff increases mandated by Title XX.
2. Add to the definition of costs which are refundable, the indirect costs of employment, such as payroll taxes, workmens compensation insurance, and training.
3. Provide for the payment of refundable tax credit payments on a monthly basis, through the agency administering Title XX in each state.
4. Raise the ceiling for 80-20 matched payments to $6000 to cover previously passed increases in minimum wage payments.
5. Limit the availability of matching funds to $6000, to remove the possibility of matching salaries of highly paid personnel.
6. Lower the percentage of participation in AFDC program which qualifies care givers for benefits, so that these benefits are payable to any center in which AFDC children are enrolled.
7. Include funds for training of welfare mothers, specify that in service training can be funded.

I.

A. Louisiana commends Senator Long and Senator Mondale for their efforts to relieve the problems created by Title XX, Public Law 93-647, Part A, Section 2002 (a) 9 (A). Louisiana has objected in the past to the implementation of

Federal Interagency Day Care Requirements and HEW regulations, however, the provisions of Senate Bill 2425 appear to alleviate two of our five strongest objections. The remaining three objections could be met through the enclosed amendments.

B. This bill does give States the opportunity to meet those day care standards at little additional cost while coterminously enabling States and the Federal Government the opportunity of reducing welfare rolls through the employment of welfare recipients. In addition, this bill continues the requirement of Public Law 93-647, Part A, that the Department of Health, Education and Welfare conduct a study to determine the appropriateness of the Federal Interagency Day Care Standards.

II.

A. Since the enactment of Title XX (Public Law 93-647, Part A), Louisiana has vigorously opposed the mandating of the 1968 Federal Interagency Day Care Requirements on day care centers. This opposition has been maintained because of:

1. The lack of empirical research documenting the validity of the standards (child/staff ratios) as relates to development of children. The study required by the law concerning evaluation of these standards should be completed before mandating unsubstantiated standards upon the States.

2. The economic hardship it would impose upon Louisiana citizens who do not receive day care services under Title XX. This hardship would result from centers having to increase their staff to maintain their current level of service. This increased staff cost would have to be shared by the working parent. In Louisiana this would mean an increase of approximately $42 per child or a 50 per cent increase per child.

3. The creation of a dual day care system will require the separation of Title XX recipients from those who are non-eligibles in centers serving Title XX recipients. These centers will be forced to close their doors to non-eligible children because of the increased costs that must be incurred by the paying parents.

4. The lack of additional funds would deny day care services to approximately one-half of those Title XX eligibles currently enrolled in day care centers in Louisiana.

5. The lack of trained day care personnel available and the subsequent training to prepare personnel to staff the centers.

6. Senate Bill 2425 offers an opportunity for Louisiana to maintain its current level of services to her children at no additional state cost while also providing gainful employment to welfare recipients and other low income persons. Because it lessens the burden which would otherwise have been imposed on those centers serving both Title XX eligibles and non-eligibles and because Senate Bill 2425 honors the study required in section 2202(A)9 which will hopefully result in appropriate staff-child ratios which will maximize the quality for day care for our children, Louisiana accepts Senators' Long and Mondale's bill with Louisiana's recommended amendments as this compromise helps to alleviate the severe problems caused by the imposition of these standards on Day Care Centers throughout the United States.

III.

A. In connection with the testimony, Louisiana presents the following recommendations for amendments to Senate Bill 2425:

1. Delay implementation of Title XX ratios until the current HEW study is complete and published.

2. Extend the refundable tax credit provision to cover proprietary day care as well, since most such centers pay less in taxes than the cost of staff increases mandated by Title XX.

3. Add to the definition of costs which are refundable, the indirect costs of employment, such as payroll taxes, workmens compensation insurance, and training.

4. Provide for the payment of refundable tax credit payments on a monthly basis, through the agency administering Title XX in each state.

5. Raise the ceiling for 80-20 matched payments to $6000 to cover previously passed increases in minimum wage payments.

6. Limit the availability of matching funds to $6000, to remove the possibility of matching salaries of highly pay personnel.
7. Lower the percentage of participation in AFDC program which qualifies care givers for benefits, so that these benefits are payable to any center in which AFDC children are enrolled.
8. Include funds for training of welfare mothers; specify that in service training can be funded.

The CHAIRMAN. Thank you very much, gentlemen.

Next, we have Mrs. Dean Swan, the president of the Greater New Orleans Licensed Child Care Association. Is Mrs. Swan here? We would be pleased to hear your statement, Mrs. Swan.

STATEMENT OF DEAN SWAN, PRESIDENT, THE GREATER NEW ORLEANS LICENSED CHILD CARE ASSOCIATION

Ms. SWAN. Mr. Chairman, members of the committee. I am a director of a day care center in New Orleans, and I am president of the Greater New Orleans Licensed Child Care Association, and in being a president of that group, approximately 50 percent of these centers I represent are ADC financed centers.

What has happened has been a real shock to these people. They have no time to prepare as far as getting more staff. They are looking to see how they can afford to do it, if they can get the staff. There just is a consensus of opinion that they are not going to be able to finance this themselves with whatever kind of people they can get. Hearing about your bill, Senator, I definitely would back that because it gives us time to either have these ratios changed or to get staff trained. Having the parents from welfare work in our centers, I would be agreeable to this, speaking just for myself, for the very youngest children, children under three perhaps, if they went through a training program, but I cannot imagine putting an untrained person with a 4-year-old class or a 3-year-old class, and even my infants, I definitely would want them trained first. There are many associate degree programs available. There is one in Louisiana, in New Orleans, available.

In your bill, you offer supplementary money, 80 percent; I would like to see an additional 20 percent added because a lot of these centers may have partial private, nonfunded parents there, and they would have to pay entirely too much to keep their child in the center to make up for the staff ratio increase.

These parents often are single families. Maybe it is a young couple with two or three children, and they just are not financially able to pay more than what is now being paid for day care in Louisiana.

We have, for a long time, as a group for the last two years been asking for an increase in the $65 per month that the center is now receiving for ADC children because that is only allowing them to operate at a minimum. That does not give them what they would like to have, to have really quality care, and the stated goals of our association in New Orleans is the upgrading of centers, and that does not necessarily mean changing the staff ratios. I do not agree with them. I have no proof, but when there is a study made to show me that I should, but at this time what we have in the State of Louisiana certainly is adequate, and it has only been recently implemented, so we have just undergone a change.

As far as the children in the groups, speaking from my point of view, working with them every day, children learn from peer relationships and necessarily to take a room that is equipped or large enough to accommodate, say, 16 children, 14 to 16 children, and put 45 adults in that room too with the children, I cannot imagine teaching in a situation like that. And I am talking about, like, 4-year-olds, and if you had a room with children under 1 and a one to one relationship what are you going to do, have 10 children, 10 women, in one room? Are you going to have little cubicles divided up? I think you would have a lot of staff, standing around talking to each other, instead of watching the children, and as it is now, if you are training the staff—which they are making every effort to do. Our association is having lots of workshops encouraging them to attend anything welfare puts out, or the universities in Louisiana on early childhood development. This is the kind of input we really need to upgrade the day care.

Other than that, the parents—well, I feel like the parents choose to put their children in the centers. They do not put them in babysitting where they would have that ratio of 1 on 1, 1 on 2, 3 or 4. They choose to put them in day care centers where they know what the existing ratio is, and there is a reason for doing this. You have your State fire, health inspections, your social worker. You have a lot of control there on the physical safety aspects and the health aspects, and some degree on the education of the children, so they, of their own accord, choose to place their children in this arrangement, and do not complain—at least, I do not get any complaints—and are well satisfied with the ratios as they now exist. Thank you.

The CHAIRMAN. Thank you very much, Ms. Swan. I will certainly do my best to see to it that your problem is fairly considered by the committee and also by the Senate. I did not create this situation. I am trying to find answers for it, and I appreciate your testimony here today.

Ms. SWAN. Thank you. I know you did not create it, and we appreciate the effort of you and Mr. Mondale on this bill.

The CHAIRMAN. Thank you very much.

Ms. SWAN. Thank you.

[The prepared statement of Ms. Swan follows:]

PREPARED STATEMENT OF DEAN SWAN, PRESIDENT OF THE NEW ORLEANS GREATER LICENSED CHILD CARE ASSOCIATION

Distinguished members of the committee: I am a day care director in New Orleans, Louisiana; I am also president of the New Orleans Greater Licensed Child Care Association. My purpose today is to tell you of some of the problems of day care providers associated with the passage of Title XX, and of our hopes for remedies from S. 2425.

There is no other way to put the question to you than to say that Title XX doubles, and in some cases triples the cost of providing day care, without providing one single cent of Federal funding with which to pay these added costs. And I can tell you that the State of Louisiana has no money for these added costs, either. Presently Louisiana is paying $65 per month for the care of ADC children—less than $3 per day. For two years we have tried to have that appropriation increased, without success. Prior to the passage of title XX, we had reached the point that ADC care was costing us somewhat more than we were receiving in support from the State. Here I do not blame the State of Louisiana; legislators have many competing demands placed upon them for state budget dollars. But the fact remains that funds have not been provided to meet existing

care costs. Most day care providers in the New Orleans area who continue to participate in the ADC program do so because they care for neighborhood children who need the services; this they do even at a financial loss in many instances.

The imposition in Title XX of the new, much stiffer ratio will cause a hardship on these centers which can hardly be calculated. The impact will be on both providers and consumers, because the operating losses which day care providers suffer in the ADC care programs will, without questtion, be passed on to the parents of other children not under ADC—to working class, middle income families and to divorcees earning near minimum wage pay checks each week. Senator Long, himself, stated that the cost of the Title XX ratio compliance will be twice the present cost of care (see Congressional Record, September 29, 1975, page 16998).

S. 2425 recognizes this fact and attempts to deal with it. To Senators Long and Mondale, I commend you on your sensitivity to the needs of day care providers and to the parents who will have to bear the cost of compliance if something is not done.

But we respectfully must note that there are several areas of concern remaining, areas just as important as the ones already addressed by the bill. One of them is that the providers in the private sector are almost completely left out, not intentionally, but totally left out just the same. The provision which supplies the formula for reimbursement of Title XX compliance costs provides a tax credit plan for private centers, for the 20% portion not paid directly. It happens that most of the day care centers in Louisiana, and I suspect in every state, pay annual taxes far below the total cost of the additional workers required under title XX. Therefore, the tax credit provided in the bill is of no benefit. It would be, however, if the same rule applied to proprietary day care centers as applied for non-profit ones, i.e, the refundable tax credit provision.

From the standpoint of the private providers I represent (in the New Orleans Greater Licensed Child Care Association) I would like to associate myself with the statement of Dr. Robert Casse, and particularly with the amendments and suggestions contained in that statement. With those changes, we would wholeheartedly support S. 2425; the bill, in our opinion, would appropriate for the children of Louisiana and elsewhere, the benefits and advantages the Congress sought for them in passing Title XX, and this without destroying the private provider who provides one half of all day care services in this country.

The CHAIRMAN. Now, next we will hear from a panel consisting of Mr. William L. Pierce, assistant executive director of the Child Welfare League of America, Mr. Frederick DelliQuadri, dean of the School of Social Work of the University of Alabama, Ms. Maurine McKinley, associate director of Black Child Development Institute, and Dr. Myron Belfer, professor of child psychiatry of Harvard University, representing the American Academy of Child Psychiatry.

We are happy to have this panel, and under our arrangement each person has 5 minutes, and then I will ask a few questions if I may. Now, suppose we hear from Mr. Pierce first.

STATEMENT OF WILLIAM L. PIERCE, ASSISTANT EXECUTIVE DIRECTOR, CHILD WELFARE LEAGUE OF AMERICA, INC.

Mr. PIERCE. Thank you very much, Mr. Chairman. You have our statement for the record, and I will briefly summarize it for you. I would also like to say that the National Council of Jewish Women has a letter to you on this subject which they would like to have added for the record, and they also wish to be associated with our statement.

The CHAIRMAN. Fine.*

*See p. 91.

Mr. PIERCE. We very strongly support S. 2425 because we agree with you and with Senator Mondale that these new funds are needed to enable States to bring their day care services into compliance with the provisions of title XX.

We believe, notwithstanding past noncompliance by the States and nonenforcement by HEW, this legislation will make compliance and enforcement really practical and really possible. Although long delay in full implementation of the 1968 requirements is unacceptable and might be the subject of other hearings, we concur with those who insist on the phased implementation of the title XX standards, and we agree with these public welfare administrators here today. We think it should be 6 months, rather than 3 months because of the practicalities.

The league has previously sought a Federal matching rate above 75 percent for child welfare services, including day care services. Thus, we very much approve of the 80-percent rate provided for in your legislation. We do suggest that the committee might consider standardization of the matching rate, in order to make the administration of it a little more simplified, and, of course, would like to have matching at a higher level if possible, preferably at the 90-percent level.

We applaud the recognition by your committee that all day care services be qualified placements for welfare recipients employed with funds provided in this legislation. Not all children can, or should, be in centers. Some of them can be efficiently and effectively provided for in group day care homes and family day care homes.

We agree with you that this $5,000 incentive for the hiring of welfare recipients is a step in the right direction. Our experience—and we have completed two big projects on this—with welfare recipients has been excellent; with training and supervision they were excellent in their child care work. We also know that welfare recipients are now waiting in line for these kinds of jobs.

I called one of our agencies, and they have 50 welfare recipients currently registered for jobs that can go to work if your bill passes.

Because of the demand for these funds to improve staffing and employ welfare recipients, we would respectfully suggest that you might even want to put in a little reallocation formula for these new funds so that all welfare recipients wherever posible could be employed, so that as many people as possible could be taken off the welfare rolls with this new money that you are providing.

Finally, in regard to the administration proposal, we believe that the appropriateness study not be used as a rationale for further delay in enforcing standards. We do query the effectiveness of the administration's proposed 3-percent penalty authority. If you will allow one other personal comment, as a parent, I would like to say how much commonsense, I think, there is in what you had to say at the very outset about the realities of caring for young children. It is difficult. Your daughter does not need any more expensive HEW studies to know what we know from commonsense. If you have your back turned taking care of one child, what about those other healthy little ones scrambling around? They must have somebody watching them.

Thank you very much.

The CHAIRMAN. Thank you very much, sir. Dr. DelliQuadri.

STATEMENT OF P. FREDERICK DELLIQUADRI, DEAN, SCHOOL OF SOCIAL WORK, UNIVERSITY OF ALABAMA, REPRESENTING THE NATIONAL ASSOCIATION OF SOCIAL WORKERS (NASW)

Mr. DELLIQUADRI. Senator, I want to make a correction in the listing of your panel. Although I am the dean of the School of Social Work, University of Alabama, I am here representing the National Association of Social Workers in their behalf, and I would like to make a few remarks, and the full context of the statement is on file.

The problem which Congress now faces has a perennial quality. At issue is the implementation of a standard established by Congress which the States through their title XX plans have undertaken to meet and which HEW is obliged to enforce. Under present circumstances, the problem has an immediacy which cannot be ignored.

Title XX prohibits Federal financial participation after October 1 of this year with respect to child day care expenditures if the State program is not in compliance with the staffing standards set forth in the law. Several options are presented: One, States can continue to operate programs of child care which fall short of the standard. They would, of course, thereby jeopardize Federal aid and run the risk of having to absorb substantial expenditures. Two, States might attempt to come up to the required standard, although the costs in many instances would be substantial. There, States might cut back their entire program in order to meet the standard, although, in so doing, they would serve fewer children. Four, implementation of the standards might be deferred indefinitely or for a specified time. The difficulty with this approach is that there is no assurance that deferral per se will enable States to come into compliance.

On the contrary, as this committee noted last December, "current law imposes these requirements, although there is little or no monitoring of compliance."

Five, the Congress might make additional funds available to enable those who operate title XX child care programs to hire the required personnel. And, six, title XX might be amended to relax the staffing standards and thereby impose stringent requirements on the States.

Proponents of this approach contend the standards are unreasonably high and burdensome. Others argue that children are subject to emotional damage through impersonal care and through the lack of nurturing which is a concomitant of inadequate staff to child ratios.

The first four options listed above are defective in either or both of two respects. They will impose a severe financial burden on the States and/or they will perpetuate conditions of child care which are marked by less than the prescribed staff to child ratio. A further likely result would be the contraction of these programs—fewer families and children will reap the potential benefits of title XX despite the effort of Congress to make social services more easily and widely available.

The approach taken by S. 2425 appears to be the most viable under the circumstances. Providers will be enabled to meet the staffing requirements; States will be spared from substantial financial hardship.

In the meantime, HEW can proceed with its study and evaluation of child care standards with a view toward their possible revision in 1977.

While we might agree with some critics of the present standards who maintain that a more intensive ratio of staff to children does not guarantee quality care, it has been our experience that insufficient staffing will certainly insure a level of child care that is less than adequate.

I would be glad to elaborate more on this, Mr. Chairman. I happened to be the Chief of the Children's Bureau in 1968 when these standards went into effect, and I might comment on them later on.

Thank you.

The CHAIRMAN. Why do you not go ahead and comment on it?

Mr. DELLIQUADRI. I listened to the discussion, and this is my personal observation, Senator. When those standards came into effect in 1968, they came as a result of a lot of work, a lot of study, and a lot of meetings, and they did not come just out of the blue. What we thought then was a good standard came from the people who studied child behavior and what it means to take care of children outside of their own homes in situation like day care.

What we specified then was that we thought was an adequate minimum standard. Now we have had 7 years of experience. The evaluation of this experience should have taught us something. Should we continue it, or should we change it? That is where we are now.

But I must emphasize it was not that these standards came because nobody studied them. It was our best thinking of the time. It may change now, but in order to implement that, you need money. In Alabama, for example, under title XX 12,000 children will be served in its day care allocation. It is interesting to note that 40 percent of their money is for day care. Yet they are serving only 12,000 children; whereas in that State there are 250,000 households that have income of $6,000 or less.

What we are indicating is just a beginning in this very vital area of day care. The States have responded by saying, yes, this is very important. Alabama has. You have heard the other States. But it is going to require more money than we have at present.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Let us see—Maurine McKinley, associate director of the Black Child Development Institute.

We are happy to have you.

STATEMENT OF MAURINE McKINLEY, ASSOCIATE DIRECTOR, BLACK CHILD DEVELOPMENT INSTITUTE

Ms. MCKINLEY. I am representing the institute today and our affiliates in 25 States. We have worked with State legislatures, local communities, day care centers, and State officials in the 25 States. We found general support not only for title XX, but for Senate bill 2425. We are in basic agreement with the general principles and underlying philosophy inherent in this legislation.

There are several points, however, which we feel need clarification that would strengthen this bill and simultaneously serve the needs of all children in this country, and I think that the HEW representation really underlined our first apprehension about this bill and of title XX,

and that is the lack of a monitoring and enforcement procedure and lack of evaluation by the Federal Government.

We have found that States, by and large, and operators and boards of nonprofit child development centers support these standards and would like to be in compliance. We find HEW has not been the leader that they ought to be in assisting States and groups to do this, so that we would like to see some provision that would require HEW to certainly show more leadership and certainly to monitor the expenditure of Federal funds to be sure that States and centers are in compliance, and our statement makes some specific suggestions. I will not go into that here.

Secondly, we feel that it is important that provisions be made for training and especially as the bill makes provision to provide employment to AFDC recipients. We support that. We believe that the staff ought to be competent, and therefore we have made some specific suggestions regarding training.

And then finally, we had agreed with the 3 months' postponement and had wanted that to be firm and not to be flexible. We have listened to the testimony of the State administrators and understand the problems that they have, so that our final statement will not insist on not extending that 3-month postponement, but our statement will insist that whatever period is determined feasible will not be further postponed because we have seen the 1968 Federal interagency day care requirements changed by congressional action to make the education component mandatory rather than optional; the proposed 6-month postponement—hopefully that bill was killed—and certainly some of the efforts by some of the groups in States to resist any standards to be dangerous to children and certainly harmful to quality day care programs.

Our final statement to the committee will include documentation from federations of local, nonprofit centers who support the standards and who recognize the kind of financial burdens that will be incurred. They support the standards because of their concern for quality care for children and are making efforts to see that the standards and their centers are upgraded.

Thank you.

The CHAIRMAN. Thank you.

Mr. Belfer is next.

STATEMENT OF MYRON BELFER, M.D., ASSISTANT PROFESSOR OF CHILD PSYCHIATRY, HARVARD UNIVERSITY, ON BEHALF OF THE AMERICAN ACADEMY OF CHILD PSYCHIATRY

Mr. BELFER. Mr. Chairman, day care for infants and young children calls for the provision of a complex and demanding form of care for a population that in many instances is at great risk for the development of later psychiatric and social disability. The failure to provide adequate care to infants with the proper degree of attentiveness, consistency, and warmth has been shown repeatedly to produce a withdrawn, affectless, alienated child for whom society later pays through a lack of productivity, psychological morbidity, or criminality.

Day care can be an effective means of providing care for infants and young children with usually a minimum of psychological disruption and in many instances a significantly positive influence on social and emotional growth provided that there is effective attention to the needs of the recipients. When confronted with the distractions of larger numbers of children to care for, there is a tendency on the part of day care workers to use control, restraint, and routinized means of caring. With an increasing child-to-staff ratio, there is an increasing lack of affective interchange and a larger turnover in staff which contributes to an inability of the children to make adequate positive identifications with their surrogate caregivers with whom they are present for long hours during the day. Good caregivers do not stay in centers when they feel the burden of too many children, and then the children lose out.

There are no short cuts in the provision of the adequate care that will avoid distorted cognitive and emotional development. This has been recognized in the Federal Government's investment to develop better trained, certified day care specialists in such programs as the Head Start supplementary training program and the child development associate program.

We feel very strongly that adequate training for day care workers is of vital importance. The cost of staff makes this item, staff budgeting, in a center's budget vulnerable to cuts, and thus enforced staffing standards are needed. Standards such as those of the Child Welfare League which recognize the needs of the children are absolutely necessary. The standards should cover both the kinds of training needed for day care workers and the numbers needed for effective care in each age grouping.

Present regulations regarding the child/staff ratios are only adequate if they are interpreted and enforced as applying to direct services to the children in day care, and not interpreted as including the center's cook, driver, et cetera. In the 6 weeks to 3 years age grouping, there is the need to recognize that staff time must be provided that goes beyond that needed for diaper changing, the preparation of food, et cetera, and in the 6- through 14-year age grouping, it must be understood that in day care it is essential to provide a wider variety of activity in a more personalized way than that in the classroom.

Staff ratios must be considered in relation to the time available to the children and the overall time that staff work in the centers. The provision needs to be made for caregivers who can be free of fixed responsibilities to meet crises and assist the special needs child. It is the ability to be available that can make the difference in the healthy development of a child. To dilute the ability of trained workers to translate their skills for the well-being of the children is to erode the effect of current expenditures.

Child psychiatrists as consultants to day care centers, as members of planning boards, and as therapists for children and families, have observed the very positive effects of good day care services, but have also witnessed the possible detrimental influence of the unscrutinized warehousing of children. Standards of care incorporating at least the ratios currently provided for in the regulations are essential and thought should be given to specifically mandating the application of these staff ratios in relation to direct work with children.

To delay the implementation of standards is to place in jeopardy a population of children already at risk.

I thank you on behalf of the American Academy of Child Psychiatry for this opportunity to testify.

The CHAIRMAN. Thank you very much for your testimony here today.

I am sure that all of you know that I did not seek to consult your groups before I introduced this bill. I think that some suggestions were made before Senator Mondale joined us as cosponsor, and these may have come from your groups, to suggest that there be some modifications which had been made to the bill, and you have made some very good suggestions here.

I, for one, did not support this particular standard when it was agreed to, but I believe it is about time we recognized there has got to be a standard, and it should not take forever to arrive at some conclusion.

Now, the idea of taking another 18 months to think about it and suggest a standard really is pretty ridiculous to me. I do not think those people are willing to wait that long for their paycheck, those who want 18 months to think about it, and I would hope that we can either fund these standards or agree on the others.

But I am happy to see that at least there are a large number of us, other than those who speak for the administration, who think that we ought to move on ahead to provide staffing for daycare and funds to pay for it. I am pleased to see that generally we agree on what the approach ought to be.

I want to thank each of you for appearing, and may I say to this particular panel because you are the last witnesses to appear here this morning that I will do my very best to see that what you have had to testify comes to the attention of every Senator on the committee, as well as the Senate itself. You have made a very fine contribution, and I hope very much that we can move in this area, not only to provide these children an opportunity, but to help provide some of these families an opportunity to move out of dependency and into gainful employment.

I just do not agree with the statement that was made here which would, in effect, suggest that these millions of mothers who, through no fault of their own, in most cases, have to call upon the Government to help them look after their little children, are not worthy of being employed in these day care centers. People whom I very much respect in this area tell me that it is not so much a college degree that someone needs to work with little children. It is just the fact that they need to love little children. They need to have a real honest concern for those people.

Mr. PIERCE. Senator, if I may just one second—it is so important for these welfare recipients to go to work that I talked to one of our center operators, and they said that in their State, women will leave the welfare rolls to take a job with a little training in a day care center, making less money than they were currently making on welfare because they want to work so badly, and your bill is right on target. You are meeting the needs of these women, and the needs of the children.

The CHAIRMAN. Thank you very much.

Now is there anything more that any of you panel would like to add here? Yes, sir.

Mr. DELLIQUADRI. On that same subject, Senator, I think Mr. Saucier from Georgia highlighted the problem because he is working directly with it in the day care. When you bring these mothers in, whether it is welfare mothers or anybody else who is in a child day care center, there needs to be orientation and training. This can be done. There are enough resources in the States, in the universities, in the training programs, to make a tremendous impact to the training programs.

I think this could be done very easily.

The CHAIRMAN. Thank you very much for your testimony here today.

[The prepared statements of Messrs. Pierce, DelliQuadri, and Ms. McKinley and the National Council of Jewish Women, follow:]

STATEMENT OF WILLIAM L. PIERCE, ASSISTANT EXECUTIVE DIRECTOR, CHILD WELFARE LEAGUE OF AMERICA, INC.[1]

INTRODUCTION

My name is William L. Pierce. I am the Assistant Executive Director and Director, Center for Governmental Affairs, of the Child Welfare League of America, Inc., 67 Irving Place, New York, New York. I am authorized to testify on S. 2425 on behalf of the oBard of Directors of the Child Welfare League of America. We are primarily concerned with how this legislation would affect children and their families.

Established in 1920, the League is the national voluntary accrediting organization for child welfare agencies in the United States. It is a privately supported organization devoting its efforts completely to the improvement of care and services for children. There are nearly 400 child welfare agencies affiliated with the League. Represented in this group are voluntary agencies of all religious groups as well as non-sectarian public and private non-profit agencies.

The League's primary concern has always been the welfare of all children regardless of their race, creed, or economic circumstances. The League's special interest and expertise is in the area of child welfare services and other programs which affect the well-being of the nation's children and their families. The League's prime functions include setting standards for child welfare services, providing consultation services to local agencies and communities, conducting research, issuing child welfare publications, and sponsoring annual regional conferences.

During the League's many appearances before the Congress in the past, we have commented on the need for more day care services. We are pleased, therefore, to respond to the invitation to testify on S. 2425.

SUMMARY

We support S. 2425 because we agree that new funds are needed to enable some States to bring their day care services into compliance with the provisions of Title XX.

We believe, notwithstanding past non-compliance by the States and non-enforcement by HEW, that this legislation will make compliance and enforcement possible.

Although the long delay in full implementation of the 1968 Requirements is unacceptable and should be the subject of other hearings, we concur with those that insist on a phased implementation of the Title XX standards. In the context of S. 2425, we believe that this delay should be six months rather than three months.

The League has previously sought a Federal matching rate above 75% for child welfare services, including day care services. Thus, we approve of the 80%

[1] Because of the length of the material submitted as part of the statement, it has not been appended to each copy of this statement. One copy has been provided to the committee staff. Persons wishing to obtain copies should contact the League.

matching rate provided for in this legislation. We do suggest that the Committee consider standardisation of the matching rate, preferably at the 90% level.

We applaud the recognition by the Committee that all day care services be qualified placements for welfare recipients employed with funds provided in this legislation.

We believe that the $5,000 incentive for the hiring of welfare recipients is a step in the right direction. Our experience has been excellent in training welfare recipients for child care work.

We also know that welfare recipients are waiting for these kinds of jobs.

Because of the demand for these funds to improve staffing and employ welfare recipients, we suggest that a reallocation formula for these new funds be added to the legislation.

In regard to the Administration proposals made before the House, we believe that the appropriations study should not be used as a rationale for further delay in enforcing standards. Further, we query the effectiveness of the Administration's proposed 3% penalty authority.

At the outset, we would like to include as part of our Statement various materials which pertain to the legislation under consideration. Part of this material, prepared at the request of Rep. Martha Keys of Kansas, was recently inserted in the Congressional Record. Other material included with this Statement is our testimony on the Child and Family Services Act of 1975, which included a very detailed discussion of day care matters. Finally, the material includes League statements about guiding principles for day care and a bibliography of day care items published by the League.

Child care standards

When S. 2425 was introduced, Sen. Long said that he knows that "there are those who feel . . . that these standards (in Title XX) do not go far enough." Sen. Long may well have meant to include the Child Welfare League of America among those who are of the belief that the standards in Title XX do not go far enough. The League, along with other groups concerned about the well-being of children, is on record on numerous occasions on this issue, including previous testimony filed before this Committee. Our recommendations in regard to Federal Requirements are well-known.

This is why we believe that the Title XX standards, which are somewhat relaxed, must not be weakened or abandoned—they represent only a minimal level of protection for children.

Compliance by the States

Despite the fact that regulations which govern expenditure of Social Services funds (first under Title IV–A, now under Title XX) clearly required compliance with specific standards, there was a lack of compliance by some States and general non-enforcement by HEW. We recognize that this non-compliance and non-enforcement served to undermine the fact of the Federal Requirements' existence. We find such non-compliance and non-enforcement unacceptable.

The Congress—at least partially as the result of HEW audit reports that showed Federal funds were being grossly misspent—also found such lack of responsiveness unacceptable and legislated accordingly.

Because of previous reprieves, it became clear to us that in consideration of the financial and operational problems involved in bringing States into compliance, some phase-in of the October 1 effective date was required. Accordingly, we joined those who were pressing for a temporary delay in enforcement of the new Title XX standards for several reasons. First, we did not want to contribute to a wholesale closing of facilities desperately needed by children and their parents. Second, we did not want to preclude States from developing better quality services, once they saw that there would no longer be Federal funding for lower quality services. Third, we did not want to create an unreal crisis around the October 1 deadline when it was clear that there were other alternatives under consideration, such as S. 2425.

We also realize, as does this Committee, that in some cases it was the financial limitation—and no other factor—that was keeping States from meeting standards.

We agree with the sponsors of S. 2425 that for some States new funding was necessary to enable them to comply with the standards. Previously, the alternative presented to the States at their ceiling, when faced with constantly increasing costs of offering such service., was either to reduce the number of

children able to be served or further reduce the quality of care given those in day care facilities.

For this reason, we endorse the provision of new funds so that the Title XX standards can be complied with.

We also have comments on other provisions of the legislation.

The three-month delay

Because of the League's experience with training welfare recipients and others for child care jobs and the practical requirements of putting such persons into place, we suggest that the three-month delay be extended to six months. In this way, an orderly staffing up can be accomplished which will result in better screening and training and ultimately a better service for the children and less turnover. We have talked with agencies currently operating programs similar to those that might utilize welfare recipients and they tell us that they would require six months' time to effectively use these new personnel.

Our endorsement of any delay is, of course, contingent on the understanding we have that the enforcement provisions of Title XX be carried out. While we recognize that confusion at the Federal level and conflicting messages from Washington may, indeed, have left State and local program providers in an uncertain state, Title XX should have removed that uncertainty. After six years of general non-enforcement, for whatever reasons, it seems reasonable to insist that the provisions of Title XX be complied with. If, however, this legislation is enacted and these new staffing resources are made available to enable States and program providers to immediately move to compliance, then it only seems fair to us to allow this new provision to work.

We believe that six months' time is a fair period for phase-in. This will give providers sufficient time to hire welfare recipients, provide some training for them, and thus meet staffing requirements.

The $5,000 wage incentive

Although the League has no position on tax credits per se, we do think that the $5,000 to be provided for the hiring of welfare recipients is a move in the right direction.

First of all, while $5,000 may seem to be a very low wage to be paying persons working in child care, the fact is that current wages unfortunately are quite comparable. The median salary paid to assistants to teachers in day care centers, according to the League's 1974 Salary Study, was $5,250. If that salary figure is raised by the 6.4% average annual percent change reported for the "other service workers" category given by the U.S. Dept. of Labor, then the median would be $5,585 for such workers in 1975.

Data for turnover, a critical factor in providing decent day care and avoiding return to the public assistance rolls, are not available. We do believe that higher salaries should be paid for these reasons. However, 80% matching funds would be available for salaries over $5,000.

It is also important to note that the concept of training and employing welfare recipients for child care is tested. The League ran two training programs for child care staff, beginning in June 1968 and ending in December 1971. About 80% of the trainees were Black, about 10% Hispanic and the remainder of other ethnic groups. More than one-third were public assistance recipients and about half were high school graduates. Of 1,175 trainees, more than 80% graduated, 60% got jobs at salaries at or above the median salary paid for comparable work at the time.

In summary, we think that there will be many persons leave the welfare rolls to take jobs if this legislation is enacted. Properly trained, they should be able to function well in those jobs.

Differential matching rates

The League notes with approval the increased matching rate for hiring additional staff under this legislation. Obviously, 80% is more helpful than 75%, but we think this Committee ought to consider standardizing the matching rate for day care services in order to simplify the administration of this essential service.

We would prefer to see a 90% matching rate for day care services (and, indeed, for all child welfare services). Others, such as Black Administrators in Child Welfare, also recommend increased Federal funding for these areas of crucial need analogous to the funding of family planning services at 90%.

If this Committee sees day care as the key social service which enables many to achieve self-sufficiency, then perhaps a consistent and higher matching rate for day care services should be mandated.

Eligible child day care services

We are pleased that this legislation does not limit employment opportunities to day care centers and instead uses the words "child day care services." We understand this to mean that if a welfare recipient is employed in any facility meeting the test of having at least 30% of the children funded in whole or in part under the State's Title XX program, the additional funds will be made available. Since a child day care services program may include day care centers, group day care homes or family day care homes, welfare recipients employed in any of these settings would be qualified for the funding under S. 2425.

Welfare recipients are waiting for jobs

We think it is important to underscore the fact that this legislation enables welfare recipients to take jobs that can be created or that can be filled if the funds are made available.

For instance, one of the League agencies which provides a full range of day care services currently has a waiting list of about 160 persons for employment. Of those, about 50 people on the list are welfare recipients.

That same agency executive tells us that recipients take jobs in day care facilities at wage rates at or below what they would receive or do receive were they to remain on welfare.

We believe that this situation—of welfare recipients waiting to take jobs, often at wages below or comparable to what they receive on welfare—is common across the U.S.

Reallocation of unused funds

Because the new funds provided under this legislation are so badly needed to help States come into compliance, we hope that all States avail themselves of this opportunity. Should States not take advantage of this opportunity, however, we would hope that the Committee would consider allowing for reallocation of such funds to other States that either want to upgrade their services and bring them into compliance or who want to expand services through the employment of welfare recipients.

We believe it would be unfortunate if unused funds prevented persons on welfare in States without financial resources from being hired. For instance, the allocation for the District of Columbia would be an estimated $1,800,000—enough to employ 360 welfare recipients. If the District of Columbia were to identify twice that many welfare recipients that wanted to take advantage of the work opportunity under this legislation, it would be unfortunate if the funds that could finance their jobs were to be unavailable because some other jurisdiction didn't utilize the S. 2425 monies.

A reallocation formula would seem to be consistent with the intentions of this legislation.

Comment on administration proposal to House

Although the Administration position on these matters may have changed since they testified on H.R. 9808, we do think that two aspects of that testimony require comment. We believe that the Committee should carefully examine the Administration's position in regard to the appropriateness study and their suggestion that a three percent penalty provision be substituted for the current Title XX language.

The appropriateness study

We are concerned that the appropriateness study be properly understood. From the time that the Federal Interagency Day Care Requirements were promulgated in 1968, but especially beginning in 1969, cost implications led the Administration to attempt to replace those Requirements.

Repeatedly, attempts to gain acceptance from the professional and provider community for lower-quality Federal Requirements—notably in 1971 and 1972—failed. Senators such as Mondale and Ribicoff on this Committee and Senator Buckley and others were outspoken advocates on behalf of the 1968 Requirements.

The reason for their support of the 1968 Requirements is, in our view, very simple. The 1968 Requirements are in most respects similar to two other documents which pertain to day care services. One, the League's Day Care Standards,

has been an accepted standards since first published in 1960 after years of careful work and discussion. The other, the Head Start Manual of Policies and Instructions, was the result of similarly careful work and represented the best thinking of experts, based on experience and research, as to what is necessary for decent day care.

The Congress, knowing that HEW was prepared to replace the 1968 Requirements with those that had been rejected previously, compromised with the Administration. The compromise was that most of the 1968 Requirements were stipulated in Title XX, but the Secretary was given discretion for setting standards for center care of children under three years of age. At the same time, the Congress gave HEW authorization to conduct an appropriateness study.

Since the League regularly conducts a reappraisal of its Standards in order to take into account experience and research occurring after publication date—as do other national standard-setting organizations—we had no objection to the Congress authorizing a careful and objective study.

It was not our understanding, however, that the study would serve as another barrier to enforcement by HEW of the 1968 Requirements. Frankly, given the difficulty of mounting an appropriateness study that is both objective and absolutely protective of the children that are subjects, we believe that the results presented in 1977 may require considerable reflection by the Congress. It is quite possible, given the fact that it has taken nearly three years to settle the Social Services controversy, that the revision, if any, of the Federal Requirements could take until 1978.

Ten years of non-enforcement is unacceptable. Literally a million children a year and their parents rely on the protections of Federal standards to insure that the care being provided is sound. Waiting another three years, while HEW conducts its study and relies on more of the same enforcement that has characterized the years since 1968, seems inadvisable to us.

We understand and support those who want to know where they stand. We say that the Congress has clearly stated where we stand, and that Congress has given HEW two full years to do the appropriateness study. In the meanwhile, for a minimum of two years, everyone knows where they stand—we have the Title XX language, and the HEW-set standards for center care of children under three years of age.

The 3-percent penalty proposal

We would like to comment briefly on the Administration's proposal to enact a three percent penalty against total Title XX funding for those States that do not cooperate in raising their standards or making a good faith effort to do so.

Using the best information available, we estimate that there are sixteen States—mostly in the South and Southwest—that have not been meeting the Federal Requirements. In terms of financial impact alone, there is some question about the effectiveness of the Administration approach.

If all 16 States were to determine that they did not wish to improve their staffing to meet the Federal Requirements, the total penalty according to our estimate would be $16 million, When one compares this maximum penalty to the financial alternative, there is a startling difference.

The new State matching share required to double staffing and comply with the Federal Requirements would be about $49 million. In addition, about $150 million of Title XX funds would have to be expended to pay the Federal share of the staffing costs.

In sum, we query the wisdom of providing a maximum fiscal liability of $16 million instead of almost $200 million to reach decent staffing levels. According to our estimate, only two States—South Carolina nad Tennessee—would have a financial incentive to avoid the Administration's 3% penalty.

We also wonder if the penalty would be levied, since apparently HEW has not cut back Medicaid payments to States out of compliance.

STATEMENT BY P. FREDERICK DELLIQUADRI, DEAN, SCHOOL OF SOCIAL WORK, UNIVERSITY OF ALABAMA, FOR NATIONAL ASSOCIATION OF SOCIAL WORKERS

My name is P. Frederick DelliQuadri. I am currently Dean of the School of Social Work, University of Alabama. I am here on behalf of the National Association of Social Workers (NASW) the largest organization of professional social workers in the world. We represent nearly 65,000 members located in chapters

in each of the 50 States, in the District of Columbia, Puerto Rico, the Virgin Islands and Europe. We are pleased to have this opportunity to express our views on S 2425.

NASW has a long standing interest in child welfare and in child care standards. Over one-third of our members are directly involved in programs or are employed in settings in which the needs of children are of paramount concern. More than 20 of my own 35 years of professional service have been in the field of child welfare. I have served as director of state child and youth programs in Wyoming, Illinois and Wisconsin. For eight years, as U.S. representative to UNICEF, I dealt with basic issues of child services and day care and with needs and problems of children which transcend national boundaries. As former Chief of the U.S. Children's Bureau from 1968 until 1969 and in a variety of other capacities in Federal and state government service I have been confronted with the task of establishing, implementing and monitoring standards of care.

I would like to confine my remarks to that aspect of S 2425 which seeks to facilitate and encourage the implementation by states of child day care services conducted pursuant to Title XX of the Social Security Act.

The problem which Congress now faces has a perennial quality. At issue is the implementation of a standard established by the Congress which the States through their Title XX plans have undertaken to meet and which HEW is obliged to enforce. Under present circumstances the problem has an immediacy which cannot be ignored. Title XX prohibits Federal financial participation after October 1 of this year with respect to child day care expenditures if the State program is not in compliance with the staffing standards set forth in the law. Several options are presented : (1) States can continue to operate programs of child care which fall short of the standard. They would of course thereby jeopardize Federal aid and run the risk of having to absorb substantial expenditures. (2) States might attempt to come up to the required standard although the costs in many instances would be substantial. (3) States might cut back their entire program in order to meet the standard although in so doing they would serve fewer children. (4) Implementation of the standards might be deferred indefinitely or for a specified time. The difficulty with this approach is that there is no assurance that deferral per se will enable States to come into compliance. On the contrary as this Committee noted last December[1] "current law imposes these requirements (i.e., the Federal Interagency Day Care Requirements of 1968) although there is little or no monitoring of compliance. . . ." (5) The Congress might make additional funds available to enable those who operate Title XX child care programs to hire the required personnel. (6) Title XX might be amended to relax the staffing standards and thereby impose less stringent requirements on the States. Proponents of this approach contend the standards are unreasonably high and burdensome. Others argue that children are subject to emotional damage through impersonal care and thru the lack of nurturing which is a concomitant of inadequate staff to child ratios.

The first four options listed above are defective in either or both of two respects. They will impose a severe financial burden on the States and/or they will perpetuate conditions of child care which are marked by less than the prescribed staff to child ratio. A further likely result would be the contraction of these programs—fewer families and children will reap the potential benefits of Title XX despite the effort of Congress to make social services more easily and widely available.

The approach taken by S 2425 appears to be the most viable under the circumstances. Providers will be enabled to meet the staffing requirements; states will be spared from substantial financial hardship.

In the meantime, HEW can proceed with its study and evaluation of child care standards (as called for in P.L. 93-647) with a view toward their possible revision in 1977.

While we might agree with some critics of the present standards who maintain that a more intensive ratio of staff to children does not guarantee quality care, it has been our experience that insufficient staffing will certainly ensure a level of child care that is less than adequate.

Seven years have elapsed since the 1968 Federal Intragncy Day Care Requirements were adopted. Movement toward their implementation has been uneven at best. We have an opportunity to combine the coercive power of the present

[1] See, *Staff Data and Materials on Social Services*, Committee on Finance, U.S. Senate, December 18, 1974. At 47.

law with the facilitive thrust of the proposed amendments. By enacting S 2425 we can obviate the need for costly enforcement action by HEW, we can forestall program cutbacks by the States, we can discourage continuation of less-than-standard child care services, and perhaps most important, we can advance the Federal-State partnership in the best interest of our country's children.

STATEMENT OF MAURINE F. MCKINLEY, ASSOCIATE DIRECTOR, BLACK CHILD DEVELOPMENT INSTITUTE

Testimony on S. 2425, "A bill to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to title XX of the Social Security Act and to promote the employment of welfare recipients in the provision of child day care services" to the Senate Finance Committee.

My name is Maurine McKinley, I am the Associate Director of the Black Child Development Institute here in Washington, D.C.

The Institute has served as an advocate for the rights of Black Children for the past five years. Serving in this capacity, we have worked with state legislators, local community groups, day care centers, and state officials in over 25 states. We have performed a variety of tasks from curriculum development to assisting state legislative committees draft meaningful child care legislation.

We are here today, however, to discuss the essence of S. 2425 as it affects Black Children. We are in basic agreement with the general principles and underlying philosophy inherent in this legislation. There are several points which we feel need clarification that would strengthen this bill and simultaneously serve the needs of all children in this country.

First, that states, not only be required to meet child care standards as established by Public Law 93-647, "the Social Services Amendments of 1975", but that the federal government, likewise, be required to monitor and evaluate the states to insure compliance. One of the main reasons why states sought this bill and why congress is legislating it at this time, is because the 1968 Federal Interagency Guidelines for Day Care have never been enforced by federal, state or local governments. S. 2425 will provide money to hire additional personnel to meet these new standards. However, nowhere in this legislation are there provisions for the monitoring or evaluation of the child care standards in the states to insure compliance. Unless such a mechanism is established we will have meaningless standards which can only work to the detriment of our children. We suggest that, at a minimum, the following be added after Section 1 (2), each state must submit with its Title XX Plan a comprehensive report on the status of day care centers which gives substantial information to the reader so as to ascertain from said report whether the state is, or is not conforming to the child care standards, as promulgated by Public Law 93-647.

Second, according to the April 1974 edition of the Monthly Labor Review, married women's participation rate in the labor force rose to 42.2 for the year ending in March 1973, while the presence of mothers in the labor force with children between the ages of 3-5 rose from 13.2% since 1960 to 38.3% in March 1973. However, because of their economic situation, lack of education and lack of skills, the participation rate of heads of single parent families who are recipients of AFDC, shows no marked upward trend in the labor force. To remedy this situation we suggest that section 3(b) should be modified to read as follows:

"The additional federal funds which become payable to any State for any fiscal year by reason of the provisions of subsection (2) shall, to the maximum extent possible employ these new funds in such a manner that they will increase the employment rate of single parent AFDC families first, and, as the state determines, employ other welfare recipients and low income persons in jobs related to the provision of child day care services."

Third, and finally, we would like to stress that the 3 month delay which is to allow states to meet these standards, should not be extended by the congress. The 3 months delay not only extends the implementation date of these standards but it also exempts states from financial retribution (under Title XX no funds will be distributed to the state from the federal government for child care unless the child care standards are implemented) for non-compliance with the standards until after the postponement.

The failure to enforce the 1968 Federal Intraagency Day Care Requirements, by HEW, congressional action which resulted in the changing of the status of the education component in the 1968 standards from mandatory to optional for the states, and now the proposed 3 month postponement of day care standards, poses a very serious threat to current day care programs and more importantly to the children served. We would hope that the language in this bill is stern enough that the states will realize that the three month postponement. The language should be flexible enough so that states can conform to the legislation if they put forth a genuine effort to comply with the standards.

We would like to thank the bill's sponsors for thinking of the children and for the opportunity to present our views on this important piece of legislation. The Institute stands ready to assist you in this and future endeavors.

STATEMENT OF THE NATIONAL COUNCIL OF JEWISH WOMEN

The National Council of Jewish Women, with 100,000 members throughout the United States, has long worked for the expansion, development and adequate financing of quality, comprehensive child care programs, available to all children who need them.

As our State Public Affairs Chairwomen and Section Vice Presidents examined their States' Proposed Comprehensive Social Services Plan to Implement Title XX, they have expressed their concern about inadequate funding of child care services to meet the minimum standards set in Title XX of the Social Security Act. For example, the Nebraska Plan allocates $3.9 million to serve 8400 children for the fiscal year which began on October 1—$464 per year per child! Their legislators apparently see no need for child care standards.

With the 11 states which fully spend their social services fund under the ceiling set by the Congress there is no additional Federal matching funds available to raise standards.

In New York State, where the State licensing of day care centers has been based on the Federal Intragency Day Care Requirements of 1968, it has been impossible to enforce such standards with proprietary centers which claim exemption by being affiliated with the private schools and not under licensing requirements of the New York State Department of Social Services, yet want to have purchase of services by local Social Service Districts as funded under Title XX.

The proposal of S. 2425 to reimburse day care expenses on an 80/20 basis will encourage compliance with the Title XX standards, especially with the additional funding proposed, without curtailing the availability of child care services. The bill also encourages proprietary centers to accept the standards.

We urge the passage of this legislation.

[Whereupon, at 1:10 p.m., the subcommittee was adjourned, subject to the call of the Chair.]

Communications Received by the Committee Expressing an Interest in These Hearings

60-536 O - 75 - 7

STATEMENT ON S. 2425 BY SALLY PROVENCE, M.D.[1]

Mr. Chairman, I support S. 2425.

My statement is based upon practical, clinical and research experience in regard to the development of young children over a period of many years. For the last seven years, for instance, I, and my colleagues were conducting early intervention programs, including a day care program for children from the early months of life through age five years. My involvement was not as an occasional visitor. I was a planner, observer, and evaluator of the programs. I was responsible for solving the problems that come up in daily work with children, parents, and staff.

INFANTS

Infants not yet walking are dependent upon adults to provide what they need. First of all they require care from persons who not only know what is important or necessary for their well-being but also can respond appropriately to the signals from the infants about their discomforts and immediate needs. In the beginning many of the emotional and social needs of babies are taken care of along with their being fed, bathed, dressed, changed, lifted, and put to sleep. As they grow during the first year, while these bodily needs are still central to their well-being, they are ready for and benefit from a larger number and variety of experiences *as long as these experiences are anchored in a solid relationship with the maternal figure.* If a large part of this experience as well as the physical care and protection of the infant is provided outside the home in family or center day care by persons other than the child's own parents, the system must insure that the care is adequate and beneficial, not harmful. It is difficult enough for one caregiver to respond to the developmental and bodily needs of two infants who, indeed, may need to be fed or changed or made comfortable or talked to or provided a play time at the same time. To have the responsibility for more than four—as some would have the Congress endorse—places an impossible burden on the caregiver and guarantees that children are going to be shortchanged. When this goes on day after day, a situation of chronic stress occurs in which even the sturdiest of infants is regularly taxed beyond his limited capacities for coping with stress, and his development is interfered with in one way or another.

TODDLERS

As infants enter the second year and become toddlers, what they need from adults differs in some respects from their needs in the first year, but adult presence and involvement are not less vital. The toddler's increased activity and striving for independence and competence, his necessity to achieve control over his sphincters, to gradually modify his egocentricity and to begin the long task of controlling and channeling his impulses, require adult support and guidance. Similarly, his personal and social relationships as well as his curiosity and eagerness to learn about and deal with the world cannot be accomplished without substantial help from understanding adults. One adult, no matter how talented and durable, cannot provide those important ingredients for more than a few minutes' time with three or four or five or more such young children. Feelings are intense, needs are immediate, capacities for hurting oneself or others are expanding. In such a situation it is not only that support for good development is not adequate. More than that, the nursery becomes a confusing and frightening jungle. Such a scene is a disservice to young children, to their parents and ultimately to their community, for not only does such a situation interfere with the child's realization of the individual and unique potentials with which he was born. His participation as a well-functioning member of a

[1] Professor of Pediatrics and Director of the Child Development Unit, Yale Child Study Center, New Haven, Conn.

family and of a larger society is markedly hampered by such experiences. The second and third years of a child's life, while delightful, rewarding and expansive in many respects, are tempestuous and stressful even under good conditions. If he is ill cared for, if his environment is not geared to his most important developmental needs, at the very least he will be unable to realize his potential and at worse he will be programmed for failure either in his cognitive or in his emotional life and/or in his social adaptation.

THE EDUCATIONAL COMPONENT

One reason we believe that the Title XX day care standards should be met is that one of the most important parts of any day care service—and one of the more expensive to provide—has been made optional, not mandatory. It was a substantial compromise to allow those States that wish to offer programs without an educational component to do so. At the least, States should be willing to provide custodial programs with sufficient custodians to guarantee the health and safety of the children.

PROGRAMS FOR 3, 4, 5 YEAR OLDS

With the requirement that there be an educational component removed, Title XX has moved to a quality level substantially below that of the other major early childhood program for children, Head Start. Now, Title XX requires the same staffing as Head Start, but the program may be substantially different. The Congress should be very wary of further changes, changes which only serve to emphasize the difference between these two programs for children. It is this difference in quality which makes day care provided under Social Services less attractive than Head Start. To make the day care even less acceptable not only puts children into situations that are risky but leads parents to reject day care and work for the only alternative—caring for their children and remaining out of the workforce.

SCHOOL-AGE DAY CARE

These staffing requirements have already been changed so drastically that the Title XX standards are lower than those of States where the majority of children requiring such care reside.

DAY CARE: HELP FOR PARENTS

In our present society when stresses upon families are greater than ever before, and the supports provided by extended families, neighborhoods and social groups are fragmented and unsustained, the tasks of rearing children well are indeed enormous. The widespread need for parents to be assisted with tasks of child-rearing is a fact, not a theory. Nowhere is that need more crucial and urgent and long term implications more relevant for the society than during the early years of the child's life and during the early phases of the development of parenthood. This is especially true for those families and young children at unusual risk—one parent families, poor families, families with one or both parents mentally disturbed or physically handicapped. These families unquestionably in need of services and supports—it is for them that Title XX was enacted.

Because there has been ample opportunity for child care programs to come into compliance with the 1968 Federal Requirements in the last six years, and especially during the nearly three years of debate over new Regulations for Social Services, the time to begin monitoring and enforcement stipulated by the Congress in Title XX is reasonable. Either programs will come into compliance now—and I hope that they will do so with the new staffing resources that would be made available S. 2425—or the programs should no longer receive Federal funding.

Finally, let me emphasize the fact that while I am strongly supportive of this legislation because of what it can immediately do to help alleviate the shortage of funding and staffing that we know exists, and while I do not want to see the day care standards relaxed below that very minimal level provided in Title XX, I support those, such as the Child Welfare League of America, who believe that the 1968 *Requirements*—with certain improvements—should remain the quality floor for day care.

I would like to see the following language added to the legislation before us, or at such later appropriate date, to ensure that our youngest do not suffer from poor day care. This language, of course, is more protective of children than that

which has been issued by HEW. Only this kind of language will give us reasonable assurance that the care provided will be adequate and beneficial, not harmful.

Here is the League-endorsed language, which I support. It would provide for a ratio of two caregivers to every four children under age two and two caregivers to every five children over age two but under age three. So few children under six weeks are in day care that I believe the 1:1 ratio in HEW's regulations to be largely irrelevant.

The language pertaining to infant day care should read: "Provided, however, that in the case of group care facilities, the ratio of caregivers to children under two shall not be more than one to two, such care to be provided for in groups of not more than four, and that the ratio of caregivers to children age but under three shall not be more than two to five, such care to be provided for in groups of not more than five."

STATEMENT BY WINKIE BEAR CHILD DEVELOPMENT CENTERS, ELGIN, ILL.

Chairman Long, my name is Arnold C. Berntsen. I am the manager of the Winkie Bear Child Development Centers, a group of seven day care centers operating in the suburban Chicago area. In lieu of an opportunity to testify before the Committee in person, I would appreciate this testimony being included in the materials for Committee review.

Senate Bill 2425 is an attempt to solve a dilemma caused by the inclusion of the federal inter-agency guideline ratio requirements in the title XX regulations. The solution to this problem of simply spending more money, I feel, is irresponsible and does not address itself to the heart of the matter. My reasons are as follows.

First, this bill spends money to back ratio requirements that have no basis or validity in either research or experience. It does not seem prudent to back questionable requirements to the tune of an additional half-billion dollars. Congressman James Jones of Oklahoma, a member of the Ways and Means Committee, has stated the following:

"I must take exception to these regulations, which are ridiculous and contrary to the best interests of working families affected. I have personally spoken to the new secretary of HEW, David Mathews, about these regulations, and it appears that HEW is now coming to realize how ridiculous they are."

Senator Bartlett from Oklahoma has stated that the regulations in Title XX "impose higher ratios than are required for children who are in the intensive care unit of many of our finest hospitals." So much is said about the desperate need for additional day care opportunities for children. If the government has half a billion dollars to spend, it would seem prudent to expand day care services to a greater number of children. To back ratios of a very questionable value is a waste of money and inflationary at very best.

Second, Senate Bill 2425 would perpetuate the untenable position of having one agency, in this case the federal government, setting standards (ratios), and another agency, the state government, setting the rate of pay for day care. Because the two areas of ratios and daily rates are so intertwined, it presents an unmanageable set of circumstances. The federal inter-agency guideline ratios would necessitate raising the state daily fees to perhaps twice what they are in most states. Even with the money from Bill 2425, the state could not afford to raise its daily rate paid for care, because there are so many children outside of Title XX who would be entitled to the same rate. It is an unmanageable situation for one agency to set the standards and for another agency to set financial guidelines. The two go hand in hand.

Third, Senate Bill 2425 revokes authority given to the states regarding standards for day care. Governor David L. Voren of Oklahoma stated recently, "The requirement of specific federal standards to apply in all cases throughout the country is another example of the alarming trend of the federal government in dictating policy to the states." Illinois is a classic example. Recently, Illinois received money from HEW to study and review the standards for licensing day care facilities in Illinois. A major thrust of this study was to examine the matter of ratios. The state is, at this time, ready to publish new standards, including ratios, based upon this study funded by the federal government. By the federal government backing the federal inter-agency guideline ratios to the exclusion of state ratios, is in effect saying that the states can make decisions regarding day care in every area but ratios. However, the states cannot be trusted to come up

with proper ratio guidelines. The federal government is insinuating that state government is not competent nor responsible enough to study the matter of ratios and make decisions for itself. This is simply a ridiculous position.

It would seem possible, under the concept of reasonableness, that state ratios could stand; that the federal government could examine state ratios, and where there is reasonable compliance with federal inter-agency guidelines, establish the state ratios as the rule for that state in relation to the reception of federal funds. Where there are no state standards, it would be reasonable for the federal government to impose the federal inter-agency guideline ratios.

The fourth reason for rejecting Senate Bill 2425 is the gross inconsistency of the federal government regarding ratios. Another federal agncy in HEW, very active in the expenditure of federal funds for preschool children, has no ratio requirements. The federal Office of Education, under the Elementary and Secondary School Act and Title I, allocates 1.9 billion for state departments of education to operate preschool programs. It is instructive to realize that this is the educational arm of the government running preschool programs without any mention of staff/child ratios.

In this instance the federal government is saying that ratios are not significant at all in the operation of preschool programs. Senate Bill 2425 on the other hand is saying that they are of such importance that we need to spend an additional half-billion dollars to implement this set of ratios.

How can one arm of the federal government say that ratio requirements are so important as to spend an additional half-billion dollars, when another of the federal agencies, the one responsible for education, indicates by their guidelines that ratios are not important? With this kind of disagreement within the federal government, I see no reason for the additional funding of Senate Bill 2425.

STATEMENT OF THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES

The American Federation of State, County, and Municipal Employees (AFSCME) represents over 700,000 state and local government employees. Thousands of our members work in child care centers across the country, making AFSCME the largest single union of child care workers within the AFL–CIO. Many of the programs in which our members work receive Title XX funds. We are, therefore, vitally interested in both the HEW staffing standards and the adequacy of funds for child care programs.

We commend Senators Long and Mondale for sponsoring S. 2425 and for scheduling early hearings on the bill. S. 2425 is an excellent bill, and should be enacted quickly.

As a union representing both child care workers and users of child care facilities, AFSCME is concerned about the quality of child care services. We believe the staffing requirements under Title XX are reasonable, and that they should be enforced. Although states have had since 1968, when the Federal Interagency Day Care Requirements were first issued, to comply with these standards many states have not complied in those seven years. Additional long delays in enforcing the standards are not justified.

AFSCME also recognizes, however, that compliance with the staffing standards may be difficult for many states and that without financial help, several undesirable alternatives might have to be pursued. The states might have to reduce the number of children served to bring staffing ratios into compliance, they might lose their Title XX funding due to noncompliance which could result in personnel layoffs and service cutbacks, or they might have to increase fees to the point where the cost of child care might very well become prohibitive for many families.

Cutting funds and/or services make no sense at a time when inflation is pushing up the cost of child care services and when economic pressures are forcing more mothers into the labor market. The authorization of $500 million in S. 2425 for child care services is extremely important in preventing either of these from occuring. It will go a long way toward helping the states meet the staffing standards required by Title XX.

AFSCME also supports the provision of S. 2425 that would provide a 20 percent tax credit to private providers and the equivalent of a 20 percent tax credit to non-profit and public providers for hiring welfare recipients. Such a

measure would have the advantage of reducing welfare rolls and unemployment and improving child care services. During its October 8 hearings the Committee heard several witnesses cite successful examples of child care centers employing welfare recipients.

Our support for the tax credit, however, must be conditioned by two concerns. First, it is absolutely essential that the law include strong protections to guarantee that welfare recipients who are hired do not displace regular employees. They should supplement rather than supplant regular employees. With budget crises spreading, the temptation may be resistable to layoff regular employees and hire people who would entitle an employer to a tax credit, unless there are proper safeguards. We could not condone a policy that had such inequitable results.

Second, training must be made an integral part of any plan to hire welfare recipients. Well trained staff is just as important for quality care as numbers of staff, and in-service programs should be available for all day care employees. Training programs which structure in job ladders will not only improve the quality of services but also will provide an opportunity for welfare recipients and other day care employees to improve their economic well being.

In conclusion, AFSCME strongly supports S. 2425 and urges speedy action on the bill.

STATE OF SOUTH DAKOTA,
EXECUTIVE OFFICE,
Pierre, S. Dak., October 8, 1975.

Hon. RUSSELL B. LONG,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR LONG: I understand that on October 8th your Senate Committee on Finance held hearings on child care staffing requirements as called for by the Social Services Amendments of 1974.

You will please find enclosed a copy of the letter which I recently sent to the members of the South Dakota Congressional Delegation (Senator George McGovern, Senator James Abourezk, Congressman Larry Pressler and Congressman James Abdnor) asking that they support waivers from enforcement of, or statutory changes to that section of Title XX that pertains to day care standards. As I indicated in the letter, I feel that the standards which were to have gone into effect on the first of October, are unreasonable and do not meet the needs of the South Dakota day care centers.

The purpose of this letter is to respectfully request that a copy of this letter and the attachment be included as part of the record of the hearings on this matter. I am also very hopeful that you and the members of the Committee will see fit to adopt legislative remedies so as to provide for more reasonable regulations in the day care center area. Thank you for the opportunity to be heard in this matter and with every best wish, I remain

Sincerely,

RICHARD F. KNEIP,
Governor.

Enclosure.

OCTOBER 1, 1975.

Representative JAMES ABDNOR,
Longworth House Office Building,
Washington, D.C.

DEAR JIM: I am writing to request your assistance for the State of South Dakota in obtaining either waivers from enforcement of, or statutory changes to, Section 2002(a)(9)(A)(ii) of Public Law 93-647 which is the section of Title XX pertaining to Day Care Standards.

I am of the opinion that the current standards establish unreasonable and unnecessarily costly child-staff ratios in any day care facility which serves recipients of federal funds.

The enforcement of these standards will create an undue hardship on many low and middle income families who currently finance their own day care. If these standards are enacted, these families will be priced out of the market in relation to day care facilities now capable of providing healthy and stimulating child care. Such families will be forced to develop some type of cheaper babysitting alternative or, perhaps, seek welfare benefits so as to qualify for subsidized child care.

The enforcement of such standards also causes an unnecessary increase in financial liability for this state, as we pay the child care costs for any working ADC family unit. Additionally, the enforcement of the standards may actually force the closure of some facilities.

I have received numerous requests attesting to the devastating effect of such standards which have prompted my letter to you. I know that we are both concerned with providing high quality child care and maintaining adequate staff supervision, but the imposition of such standards will make quality child care less available to the citizens of the state and thereby diminish its potential value.

In closing I would reiterate my request that you make whatever effort you can to forestall these standards. As an interim solution, I might suggest supporting legislation that will delay implementation of the new regulations until such time as reasonable regulations can be promulgated to meet South Dakota needs. I understand the provisions of H.R. 9803 will provide such relief.

I thank you for whatever assistance you can give us in this matter and with every best wish, I remain

Sincerely,

RICHARD F. KNEIP,
Governor.

Enclosure.

P.S.—For your information I am enclosing a copy of a letter that Dr. Orval Westby, Secretary of the Department of Social Services, sent to the Department of Health, Education, and Welfare people in Denver. I should also tell you I have just heard that a federal court in Louisiana issued an injunction against these standards, thereby stalling enforcement.

STATEMENT BY JEAN GLASGOW

I am Jean Glasgow, owner and director of Small Society Child Care Center, in Ada, Oklahoma. We are licensed by the city and State for the care of 59 children, ages birth through twelve years. Since our facility is open 24 hours per day and 7 days a week we care for 70 to 100 children daily.

I have a bachelor of arts degree in education at the undergraduate level and master of social work degree from the University of Oklahoma and am accredited on the national level for the practice of social work. I have been on the board of directors of the Oklahoma Child Care Center Operators Association, am presently a member of the alliance (Okla. La. Tex. Ark. and N. Mex. DDC Operators Assn.), member of the National Association of Child Development and Education and of the National Association of Social Workers at ACSW level.

I am the mother of two daughters and two sons. The three older adult children are all professional people: my oldest son a graduate of the University of Oklahoma as a physician associate and presently president-elect of the State association; my oldest daughter holds an undergraduate degree in psychology and is presently completing her second year of graduate work in the School of Social Work at the University of Oklahoma; my yougest daughter holds a degree in commercial art; my youngest son is presently a sophomore student at Augustana College, Sioux Falls, S.D. attending college on an athletic scholarship. I also have four grandchildren ranging in age from two years to eight years.

Due to an unfortunate first marriage I became a single working mother from the time my oldest son was five years of age and throughout my children's school years. However, I managed to complete my graduate degree during those years and put three children through college unassisted except by their ability to hold jobs during their school years to supplement our income, and educational scholarships based on their ability.

I worked for HEW, State of Oklahoma from 1957 through 1973 in all areas of socal service but primarily in areas of child welfare and protective services. I severed employment with HEW in 1973 in order to establish and operate a child care center since my own children were grown and I enjoy working directly with children and their needs.

Functioning as a licensing worker with HEW I probably might have a few years ago concurred with other professionals that an extremely high adult/child ratio would be desirable for optimum development of the individual child. However, practical experience has taught me that this is not the case. Optimum child

care is received by the child when the caregiver has just enough children to keep them busy. It is only human nature for people to visit, I have found in every instance that a surplus of caregivers results only in visiting caregivers and neglectful child care. The caregiver must be given enough responsibility to keep them child oriented, not losing sight during their eight hour working periods that their total responsibility while on the job is to meet the needs of the children as they arise in a pleasant and helpful manner. Caregivers given too much free time and too little responsibility naturally turn their attention to self-entertainment, meeting their own needs and the needs of the children assigned to their care are neglected.

Infants and children are only small humans, they have the same need we larger humans have to communicate, non-verbally or attempts at verbalization as they reach the early toddler months. It is amazing how much they enjoy the company of their peers just as we do. In the nursery setting I think you are constantly entranced with this innate human ability to develop peer relationships; relationships with their care givers, their parents, visitors—it is a constant on-going process and it is very rewarding when we see 99% of our infants walk and verbalize at a norm preceding the average norms established for their chronological age. In the toddler area we notice the same type progressive development due to stimulation of the peer group and a stably developed sense of independence and desire to achieve on their own some of our 2½ year old children and certainly all by the age of three years are able to participate almost totally in the pre-school area, enjoying their music, art, word and number associations and other table work with the same enthusiasm and vigor displayed by the four and five year old groups. Although their finished product is certainly not as polished as their older peers they are able to achieve the same level of ego-support and feeling of achievement as their older peers. Actually in child care you need just enough care givers to see that every child's physical and emotional needs are met as presented in a positive and pleasant manner but you must stay away from the "smothering" approach or their normal, natural development is stifled as they are not allowed to make decisions for their own well being, develop adequate peer relationships, develop a sense of being a separate entity and ability to determine their personal physical and emotional needs. Overcare results in the same lifetime pattern of dependency that was forced upon the American Indian by herding them onto reservations under total government parentship which created a dependency over one hundred years ago that even today and tomorrow we are seeking to break. Herding children into such a dependent environment will create the same type lifestyle dependency which can go from generation to generation as it did with the Indian child many moons ago. Is this the type citizen we wish to develop? Children must have freedom of spirit and body to develop to their ultimate heights. Overcare as created by excessive adult-child ratios will not permit this spirit of individual freedom and independence to develop and progress as it naturally should in the normal healthy child.

I earnestly request that the senate finance committee take these developmental rights of the American infant and child into consideration and not create a public works law to benefit adult recipients in our child care facilities in the name of helping others. We are in effect getting the cart before the horse. We must let the natural normal instincts of the child have precedent over the needs of the dependent adult.

Suggestion: Elderly people throughout the United States urgently need assistance with physical care in their own homes; in group homes; in nursing homes. This seems an excellent place to train and employ our AFDC mothers of this nation. Our elderly people no longer need to be concerned with emotional, spiritual, physical, and intellectual development to the extent that infant and child must be nutured. Our elderly citizens concept of life, speech patterns and life styles have long ago been set. Their present needs are for concerned people to aid them with their physical care and emotional well-being.

Let us leave child care in the progressive hands of those who are emotionally and intellecutally qualified and properly trained and who love and care about children. Let us not smother our children into a life style of dependency, stifled creativity and stifled iniative. Let the free spirit of the child thrive, yet be harnessed in a positive manner that he may become a productive and happy individual to carry this country forward unharnessed by regimentation and over regulation as a result of overcare. Overcare can be just as destructive, in many cases more deeply destructive than undercare. The secret is of course, as in good

parenting, to stay in the middle of the road, which is of course the hardest place to stay.

It does not appear that we need necessarily more and more extensive research and evaluation. We do not need inflexible ratios pertaining to counting and measuring as controls. But, it is imperative that we use more common sense and that we not lose sight for one moment that in child care the child and his needs must in all instances be met in the best way possible to aid in his development of ego strength, physical and emotional health and spiritual freedom within the accepted bounds of our society. America has done very well in child rearing, we will always have our dropouts, deviates from the acceptable norms as long as there are people but let us attempt to develop the majority of our children into adults who are able to function independently, make decisions and be self supporting, law abiding citizens who will continue to build this Nation progressively for a positive future.

Standards of child care must be set to help eliminate and control those who are in, or attempt to enter the child care field who are not qualified and who do not care sincerely about the individual child. But, we need standards that are flexible as the field of child care is by the very nature of children and parents. The factor we must stress in child care is good quality of care, not degree of quantity adult/child set ratios and set distances between cots, and cribs.

URBAN LEAGUE OF THE PIKES PEAK REGION, INC.,
Colorado Springs, Colo., October 7, 1975.

Senator RUSSELL LONG,
Chairman, Senate Finance Committee,
Dirksen Senate Building, Washington, D.C.

DEAR SENATOR LONG: As an administrator of a Child Care Center currently in compliance with the Federal Interagency Guidelines, I thought our experience might be helpful to you in your deliberations. Our Center has an enrollment capacity of 45 children. We operate 11 hours per day, 260 days per year. I have enclosed some material on our program which describes the comprehensive services offered to our clients.

Our program since its inception two years ago has aggressively pursued every source of revenue for its operating expenses. Because we are not a "model" program or a "demonstration" program, some revenue sources are closed to us. However, I believe our pursuit of funds has been successful and we are this year operating on a budget of $96,000, with an average cost per day per child of $8.24. This figure does not include non-cash in kind which totalled over $12,000 during our first six months of operation in 1975. We are, however, non-profit, and as such have access to both cash and non-case in-kind revenue sources not accessible to private day care or day care homes. As the enclosed material indicates, we have various revenue sources. Some of our population is eligible under Title XX and their fees are paid through the El Paso County Department of Social Services. Those low-income families not eligible through Social Services pay minimal fees on a sliding scale which are then supplemented through the City of Colorado Springs and any other revenue sources we can find.

Although we feel fortunate in many ways because our services are comprehensive, we are adamant in the belief that all our services are critical to our clients and that all child care centers serving low income clients should and must provide similar services. This Center employs a full time salaried staff of 10, 7 of whom work directly with the children all day long. Salaries constitute over 70% of our budget. This is true across the country with salaries constituting 70–80% of all day care costs in centers. The ten full-time employees at our Center are not enough to meet either state or federal staff-child ratios, however. Remember we operate 11 hours per day. We must employ part time persons in order to comply with guidelines and meet our own standards. Currently we have 8 part-time persons, each averaging a couple hours per day. We employ these persons through Youth Employment Programs, Vocational Rehabilitation programs, work-study programs, etc. Their salaries for the most part are in-kind to our program. Given an example of a "well-funded," "fiscally sound" program, let me give you an example of the wages in our program:

Head teacher, $7,644 per year; $3.67 per hour.
Teachers, $6,692 per year; $3.22 per hour.
Assistants, $4,659 per year; $2.24 per hour.

Most of our employees are single parents supporting families on the above earnings. Some come to us with formal credentials, equalling those of public school teachers. Others receive intensive on-site training. Their salaries far exceed the prevailing salaries in other local child care centers, exceed! Yet it is clear that their earnings cannot provide them a quality life for their families. The point I'm making is probably terribly clear by now. Even at $8.24 a day/per child, our program cannot afford to offer our employees a living wage, a wage commensurate with their skills and performance.

It is critical, therefore, that child care centers and homes receive additional public funds to improve the quality of their programs via adequately trained and paid staff. Very few centers will ever comply with the federal guidelines without additional funds. Colorado reached its social service ceiling on spending last year under Title IVA. This year our state, among others, is being asked to comply with guidelines that require additional spending, but additional funds are not forthcoming.

The issues before you are most complex. Does the federal government have the right to issue guidelines and impose severe penalties while withholding additional funds? Should federal guidelines supersede state licensing procedures in day care? Can Congress determine what staff-child ratios constitute quality care when child care advocates have been unable to do so after years of debate? Should programs like the Urban League Child Care Center be denied referrals through the Department of Social Services because our rates exceed other vendors?

I do not have the solutions to all these problems either, but I can offer some suggestions. Concerning the ratios: Although the Urban League Child Care Center has complied and will continue to comply with all the Interagency Guidelines, ours is one of the only programs in the State which can afford to comply. Indeed they may be too restrictive. Our program has had good success with a 1:5 ratio for 2½ year old children, for instance. Additionally small ratios do not guarantee quality if the teachers are inadequate. Private day care centers in the state of Colorado cannot possibly afford to hire additional staff without raising their fees to the public. The public cannot afford to pay any more than they are at present (care averaging $20–$25/week locally) in private centers. Day care homes in Colorado are threatening to close their doors to children from the Department of Social Services if the guidelines remain in effect. I feel we must postpone the penalties for at least six months until the issues are further clarified through discussion, research and public input. I believe that you and your colleagues do not have the time for this task and urge that HEW, with maximum input from local communities, further debate the issues. It would be most helpful if regional hearings were held under HEW auspices.

Most importantly I believe Congress must give consideration to further public funding for day care with or without federal guidelines. Our Center has only a capacity for 45 children but a waiting list of 27. The nation's children are in great need.

Thank you for your time.

Sincerely,

LINDA EICHENGREEN,
Child Care Planning Coordinator,
Urban League Child Care Center.

STATEMENT OF THE WASHINGTON RESEARCH PROJECT ACTION COUNCIL ON FEDERAL CHILD CARE STANDARDS

The Washington Research Project Action Council is a public interest lobbying organization which concentrates its activities on issues affecting children and families. We appreciate the opportunity to submit for the Committee's consideration this statement in strong support of federal standards for child day care. We commend the Chairman and Senator Mondale for their commitment to the standards, which is implicit in S. 2425, and for their leadership in seeking means to facilitate compliance with the standards.

The federal government has both the authority and the responsibility to set standards for the programs it supports. Nowhere is this more important than in the area of child care. The Committee has received evidence from researchers and experts in child development which warns of the dangers to young children when they receive inadequate care outside of the home. The Congress must understand that the child care which it funds under Title XX and other federal programs serves children for a very major part of the day—often from the time they

awake in the morning until supper, and sometimes even longer. Many children are in these programs for three or four years, until they start to school. These programs are not at all the same as the traditional nursery school model where children leave their homes for two or three hours a day, several days aweek. Nor is there any comparison between a child care program and a hospital nursery, were infants stay for a few days, usually with their mothers.

What happens to two- or three- or four-year olds in child care program will have a major impact on their physical, emotional, and intellectual development. If the program is good, if it provides the warmth, continuity, attention, and support which young children need, the impact will be positive. If the program cannot meet these essential requirements, the child is at serious risk, a risk that the federal government must not subsidize through Title XX or any other program.

The current federal standards were not arbitrarily derived. They represent the best informed judgment of persons concerned with assuring quality child care programs—not just researchers and child psychologists but individuals with substantial program experience as well. They are a result of compromise between persons who argued for even more strict standards, and those concerned with the costs of care.

The standards which apply to Title XX child care are, for the large part, the same as those standards which have been in effect since 1968. Several changes, increasing the number of children per adult in school-age programs and eliminating the requirement for educational components in every program, actually make the standards less restrictive than they were before. The only other change, and the one on which all of the present attention seems to focus, is the child-staff ratio for center care for children below the age of three. Congress specifically ordered the Department of Health, Education and Welfare to develop a standard for care for these very young children, because none existed in the 1968 requirements. The earlier standards discouraged center care for infants and toddlers, and indeed, relatively little such care is being provided at the present time.

There is understandable concern about putting these very young children in group care situations, but also a growing recognition that more families need this type of service because there are no better alternatives. It takes little more than common sense to realize that it is impossible for one adult to care for very many babies in diapers and children who are just learning to get around. The two most credible organizations which recommend standards for care for children under the age of three insist on a very low ratio of children to adults. The Child Welfare League of America supports a ratio of 1 adult to every two children. The American Academy of Pediatrics supports one to four, the standard finally set by HEW. There is no satisfactory evidence to assure against harm to children which can justify going beyond the standard which has been established.

(Those who express concern about the ratio of one adult to one child under the age of six weeks raise a false issue. The obvious implication of the ratio is that new-born babies should not be in day care centers, and no evidence has been presented to suggest that there is any demand for such care.)

The federal standards are legitimate. They have been affirmed by Congress on three separate occasions. They should not be discarded because of the current controversy, nor should they be altered without carefull examination of all of the issues involved. Congress has already ordered a comprehensive objective study to determine whether there is any new evidence or data to warrant changes in the standards.

As was pointed out during the Committee's recent hearing on this matter, proper standards cannot be set simply by pulling numbers out of a hat. Other factors, including the nature of the program, the varying ages of the children being served, the presence of children with special needs, the setting, the role of the individual staff persons and the amount of time they spend with the children, the qualifications of the staff, all are important in assessing the quality of care being provided. It is the balance of all of these factors, and others, which must be taken into consideration in examining any proposals for change in the standards. That is something that the Committee and the Congress, given its present resources and legislative agenda, cannot begin to do.

Unless and until evidence from the appropriateness study can support changes which would not jeopardize children, the current standards must be retained and enforced. Congress and the Administration should be focusing on ways to help states and programs come into compliance.

We suggest that the present situation may not be as dire as the Committee and the Congress have been led to believe. It is misleading to look just at state licensing laws as the evidence of compliance or non-compliance. In many states, programs supported with Title XX money are meeting the child-staff ratios required by the FIDCR, even though the state licensing laws do not require those ratios. There is absolutely nothing in state licensing laws which prohibits conformity with more stringent standards for programs receiving federal money, nor is there any requirement that programs which do not receive federal money comply with the federal standards. The FIDCR do not replace state licensing laws; they are additional standards for certain programs.

Clearly, the cost is a serious factor in a program's ability to comply with the federal standards. The low reimbursement rates which some states pay—three or four dollars a day—may not be adequate to pay for the staff required by the law. Those reimbursement rates should be raised.

However, we seriously question whether the additional costs of meeting the standards are necessarily as great as Congress has been led to believe. Even with relatively low reimbursement rates in some states, child care programs which believe in the standards are finding ways to meet them—through extensive use of volunteers (which are clearly authorized by the FIDCR), and by the creative use of other resources such as VISTA, foster grandparents and other senior citizens programs, college work-study programs and internships, and manpower programs. The Committee has received testimony from such programs which do manage to meet the standards even though the Title XX reimbursement they receive is less than $5 a day.

We have reviewed the testimony which the Committee has received from Wisconsin, which suggests that the added costs of meeting the standards in the state would be over $1,700 per child per year. In fact, a close examination of the figures presented to the Committee suggests that the actual cost would be far less. Accepting the projected additional cost of $8,606.20 for the new staff person, that is an added cost for the care of a group of *ten* children (shifting from a 10 to 1 to a 5 to 1 ratio), so that the actual per child cost would be $860—still a significant amount, but not as much as originally suggested. Further, $1,000 of that cost would be for training, which can be paid with the open-ended training money already available under Title XX. Nearly $1,800 would go for unexplained "supervision" costs.

This is not to say that we do not support the efforts of the sponsors of S. 2425 to provide additional money to improve child care programs. Availability of those funds would put an end to excuses for failure to meet the standards. Further, it could permit some states to expand eligibility for child care, in order to bring into the program more low and moderate-income families who do have difficulty meeting the entire costs of high quality care on their own. In addition, it would allow programs which are now using volunteers to provide regular employment and training for those individuals.

We are particularly enthusiastic about the incentives in S. 2425 to hire welfare recipients to work in child care programs. It is essential that program staff include persons with formal training and experience in the field of early childhood. But Headstart and other community child care programs have proven that parents and other low-income persons without traditional academic credentials can and do make extremely effective child care personnel. The parent, the family, and the program all benefit from their participation. It goes without saying that welfare recipients, like any other new staff, must be provided adequate and continued training, and we would recommend additional language in S. 2425 to require that the state agency provide that training with funds already authorized under Section 5 of Public Law 93–647.

In conclusion, we reiterate the need for strong federal standards for the child care which public dollars buy. The Department of Health, Education and Welfare and state social services agencies must provide the leadership and the technical assistance to help individual programs get into compliance with the standards where they are not meeting them now. We support S. 2425 and will work with the Committee toward its enactment. But under no circumstances should Congress abandon the standards nor set about rewriting them. We cannot afford to do that to our children.

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