

Senator Christopher J. Dodd
Senate Finance Committee Hearing
“Issues in TANF Reauthorization: Building Stronger Families”
May 16, 2002

Good morning. I want to thank you for inviting me to talk about S. 2117, the Access to High Quality Child Care Act, cosponsored by Senator Snowe, Senator Jeffords, Senator Breaux, Senator Rockefeller, and Senator Daschle on this Committee and Senator DeWine, Senator Reed, Senator Harkin, Senator Collins, and Senator Clinton on the HELP Committee. We have a bipartisan group representing members on both the Finance and HELP Committees joining together to improve and expand our nation’s child care system.

All of us have spent a lot of time, in a bipartisan manner, identifying the current problems with the child care system. In a bipartisan manner, we have worked to propose ways to improve the system while also recognizing that we need to expand assistance among working poor families – families just above the poverty line who are struggling every day to make ends meet. They’re not on welfare. They are working. But, they are earning low wages living paycheck to paycheck.

Only one out of seven eligible children receive child care assistance. It’s better to receive assistance than not, but the current system with low state reimbursement rates – that is, low subsidies compared to the actual costs of care in any given community – and high co-payments relative to income, leave too many parents with too little choice among child care providers.

If we really care about the environment children are in, we need to do better.

As you know all too well, child care in too many communities is not affordable. And, in too many more, it’s not available, or even worse, of questionable quality.

About 14 million children under the age of 6 are in some type of child care arrangement every day. This includes about 6 million infants. The cost of care averages between \$4,000 and \$10,000 a year – more than the cost of tuition at any state university.

Every week, about 7 million children go home alone after the last school bell rings. Some are as young as 6 or 7. I am concerned as you think about whether to increase the work requirements from 30 hours a week to 40 whether more children will go home alone. As you know, most elementary school children are only in school for 30 hours a week and many communities report shortages in the availability of after-school care.

Nearly 20 states currently have waiting lists for child care assistance. But, every state has difficulty meeting child care needs. No state serves every eligible child. A number of states, including my own state of Connecticut, do not authorize the use of waiting lists. That doesn’t mean that these states are serving all eligible children, it just means that the state does not keep waiting lists.

A report recently released by the Urban Institute describes in detail the difficulties eligible families face in accessing and retaining child care assistance. Too many states do no outreach to eligible families to let them know about the availability of child care assistance. Too often there is no coordination between the local TANF and child care offices. Caseworkers give no information about child care or equally frustrating – wrong information.

Parents have to take off from work, often repeatedly, to physically go to the TANF agency or child care agency or both to fill out paperwork. Many have to wait all day to see a caseworker and then have to come back the next day – all time taken off from work. Parents who don't bring in the right paperwork experience additional delays and frustration. In one state, parents are required to provide eight different pieces of documentation to qualify for assistance.

As if qualifying for assistance is not hard enough, the recertification process – what's needed every few months or in some states once a month – to keep child care assistance is equally daunting -- more in person visits requiring parents again to take off from work, often requiring parents to show the very same documentation yet again to hold onto their child care. It's no wonder that failure to recertify is the biggest reason that parents lose child care assistance.

While on paper it looks like parents transitioning from welfare to work are guaranteed child care assistance, in practice, retaining child care assistance is anything but a guarantee. In fact, in reading the Urban report, it's a miracle. It's amazing that a program designed to help the working poor requires parents to take off from work so often to retain their child care assistance.

Our bill strengthens the coordination between TANF and child care offices. We simplify the recertification process. We encourage states to find ways to make the process of obtaining and retaining child care assistance more in sync with the needs of low wage workers.

For the hearing record, I ask that a copy of a chart from the Urban Institute study detailing the steps parents must take to get and keep child care assistance be included.

In recent weeks, I have listened to members both on and off this committee talk about child care. What I have heard is that members want to make sure that whatever the work requirements are under welfare reform, that sufficient child care funds are available to meet those work rates.

I commend you on those statements and applaud your efforts. I totally agree with you. At the same time, meeting the needs of those required to work under welfare reform is only part of the picture.

When Senator Snowe and I first began outlining the principles behind our legislation, we agreed to 4 basic points:

One, that whatever the work rates are agreed to under welfare reform, there must be sufficient child care funds to help parents required to work.

Two, that we need to maintain our commitment to helping those who are transitioning from welfare to work;

Three, that given the large number of working poor families struggling to pay child care costs, we need to continue expanding assistance to the working poor; and,

Four, given the number of hours every day, every week that children are spending in child care, we need to improve the quality of care.

Why the emphasis on the working poor? Because the Child Care and Development Block Grant is not a welfare program. This program was designed to meet the needs of working families struggling to find and pay the cost of child care while they work.

In March, the HELP Committee heard from a young woman from Maine, Sheila Merkison, who works at an insurance company. She earns about \$18,000 a year and is eligible for child care assistance, but is on the waiting list. In the meantime, she pays half her income each week to child care so that her 2 year old son has the care he needs. She told us she's only able to do that because she and her child live on her grandmother's couch.

At a joint hearing a few weeks ago between my Children's Subcommittee and the Family Policy Subcommittee chaired by Senator Breaux, we heard from another parent, Vicky Flamand, from Florida who was lucky to receive child care assistance for 2 years. But, on March 1 of this year although she was only earning \$13,000 a year, her 2 year transitional child care assistance ended. She was told that she would now have to add her name to the bottom of Florida's regular child care waiting list of 47,000 children. Her caseworker told her to go back to welfare. But, she doesn't want to do that. She's working.

If the goal of TANF is to gear parents up to work, then we ought not pull the rug out from underneath them when they are working.

An equally compelling challenge both of our committees face is the quality of child care. As I said, about 14 million children under 6 are in some type of child care arrangement every day.

A recent survey found that 46 percent of kindergarten teachers report that a least half of their students enter kindergarten not ready to learn. This has long been a problem, but it is a far greater problem now in the wake of federal education reform.

The education bill that passed the Congress just a few short months ago will require schools to test every child every year from third through eighth grade, and the results of those tests will be used to hold schools accountable.

If we expect children to be on par by third grade, we need to look at how they start school. The learning gap doesn't *begin* in kindergarten, it is first *noticed* in kindergarten. If we are serious about education reform, we need to look at the child care settings children are in and figure out how to strengthen them.

Our bill, the Access to Quality Child Care Act, helps states address the biggest challenges to improving the quality of child care—whatever the setting.

We set aside 5 percent of the block grant to work in partnership with the states to increase provider reimbursement rates for child care. Higher rates will enable parents to have real choices among child care providers. Currently, about half the states set their rates below the level recommended by HHS.

We set aside 5 percent of the block grant to work in partnership with the states to promote child care workforce development. These funds will go toward helping states improve child care provider compensation and benefits, offer training in partnership with community colleges and Resource & Referral organizations, offer scholarships for training in early childhood development, training for providers caring for children with special needs, so that more child care providers—regardless of setting—will have an opportunity to learn about the social, emotional, physical, and cognitive development of children, including preliteracy development.

If we don't improve the quality of the child care workforce, we can't improve the outcome for children.

With the hours that children spend in child care, we cannot close our eyes to the environment that children are in. Therefore, the quality of care that children receive is as important as the availability of assistance. The two go hand-in-hand.

As you think about child care funding, think about those who are transitioning from welfare to work and those who have never been on welfare but who struggle to pay their child care bills. Think about the quality of care children receive and whether or not they will start school ready to learn or fail.

We have a chance here to make a difference, but only if we provide the resources.