

# IMPLEMENTING THE MINIMUM STANDARDS

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Children whose parents cannot afford child care often are left without the supervision they need at a critical time in their lives. Friends, relatives or older siblings may be willing and able to help out on occasion, but these arrangements often fall apart or vary from day to day. All children need to have the opportunities provided by consistent, stable child care arrangements. For many children from low-income families, child care subsidies make these opportunities possible.

- Southern Regional Task Force on Child Care and  
Action for the South

The Children of Alabama are our most precious and cherished possessions – and we must do everything possible to make sure their best interests are served.

- Governor Don Siegelman

# COMMENTARY AND RECOMMENDATIONS FOR SUPPORTING THE IMPLEMENTATION OF THE REVISED MINIMUM STANDARDS

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## FOCAL SUPPORTS LOWER CHILD/STAFF RATIOS

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FOCAL Supports the Minimum Standards which includes lower child/staff ratios. Lower child/staff ratios are better for the care, development and education of young children and FOCAL supports now, and has always supported, lower ratios. Three years ago FOCAL had great concerns about the process and the proposed Standards. Child care providers and advocates were virtually shut out of the process of developing the new standards for child care. The Department of Human Resources (DHR) heard calls for broader involvement and opened the consultation to all interested parties. For this, FOCAL is grateful. While we did not agree with each and every provision in these standards, we support their implementation based upon the Governor's commitment to provide funding to offset the costs of these changes

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## INCREASED FUNDING MUST ACCOMPANY REVISIONS

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Advocating the lowering of child/staff ratios, the Department of Human Resources with the support of the Governor, worked to lower Alabama child care ratios and to bring Alabama in line with the "National Average." Alabama took a bold step to move our Minimum Child Day Care Standards up to the National level, given we have been lagging so far behind in the investment of state funds into our child care delivery system. It is an undeniable fact, however, that implementing the revision will increase the cost of child care. The only question is how much it will cost and who will pay for the revisions.

During the past 20 years the burden of Alabama's lack of investment has been placed on the backs of poor working parents and providers, who have had to operate programs stretching dollars, paying low wages (present average \$6.03 per hour), and often cutting quality to keep costs within the means of parents. The state of Alabama has been a willing partner in creating a system of poor quality child care by contracting with providers and paying fees that were lower than what was necessary to meet the State's own Minimum Standards. This practice cannot continue if we are sincere about investing in Alabama's children and bringing the level of quality up to the national level.

**"Child care, on average, is the third largest expense for all families with preschool-age children, after housing and food expenditures."**

- Southern Regional Task Force on

Child Care

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## ALABAMA AND FIFTEEN SOUTHERN STATES

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“In late 1999, at the invitation of the Southern Institute on Children and Families, governors from 16 southern states and the mayor of the District of Columbia appointed representatives to the Southern Regional Task Force on Child Care.<sup>1</sup>” Our Governor Don Siegelman, asked Sophia Bracy Harris, Executive Director of the Federation of Child Care Centers to serve as Alabama’s representative. The research, study and deliberations of this group are profoundly timely, focused, and relevant to parents, employers, policy makers, human resource administrators, early childhood educators and caregivers. The report of Southern Regional Task Force on Child Care is an invaluable tool for those of us who are engaged in facilitating the processes of supporting and implementing Alabama’s revised Minimum Standards for child day care. Data and positions for this document draws heavily from this up-to-date and in-depth analysis of conditions and issues relative to child care in Alabama and 15 other southern states. This document also draws upon data and information from the Children’s Defense Fund and the National Child Care Information Center.

“Making financial assistance for child care a priority will produce dividends now and in the future. Inaction will produce missed opportunities that will be costly in terms of building workforce capacity, helping families avoid welfare and providing greater support for early learning that can boost school readiness across the South.”

- Southern Regional Task Force on

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## IMMEDIATE ACTIONS NECESSARY

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- FOCAL supports increased fees to child care providers to offset the significant increases necessary to implement lower child/staff ratios and other provisions of the revised Minimum Standards for Child Care in Alabama.
- Alabama must develop a funding track that equals the national average. Market rate studies must be conducted annually in a manner that insures that providers are paid the true costs of child care and done annually. An Economic Impact Study should be conducted within six months of implementation of new standards to determine impact of costs on parents and child care facilities prior to the implementation of lower ratios. It is shameful to push Minimum Standards up to the national level and then cry that Alabama is broke, and cannot afford to make an investment beyond the federal dollars. Other Southern States have made such investments. We must do no less.

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<sup>1</sup> Southern Regional Task Force on Child Care Report and Action Plan for the South

**"In North Carolina, an examination of the benefits of child care subsidies showed that the subsidies paid for themselves almost immediately in real dollars returned to government through taxes on family earnings and employment and taxation in the child care industry."**

**- Southern Regional Task Force on Child**

**Care**

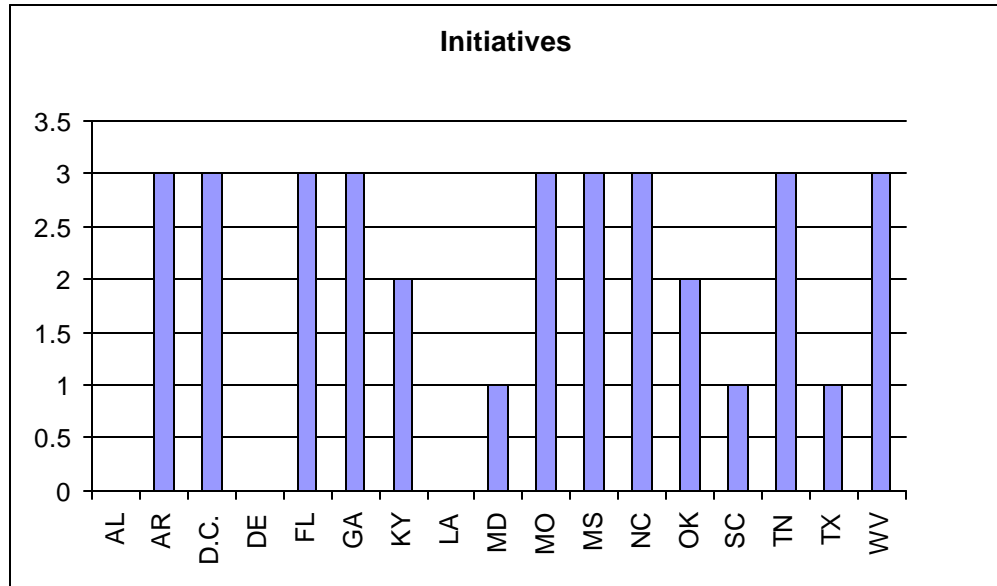
- Create a level playing field. Alabama must eliminate exempt child care. The Governor's proposal is a start, but to continue to exempt a segment of child care from licensure will not increase quality. It will only weaken the entire system over the long run because it promotes a contradiction in the state's position to protect and invest in all of Alabama's children.
- Increase eligibility scale for subsidized child care up to 200% of the poverty level. A two parent working family making \$7 per hour cannot qualify for subsidized care. In many cases, parents can pay as much as 25% of their gross income on child care costs. The national recommendation is not more than 7%. Two studies show that many Alabama families are paying more for child care than the cost of public college tuition. If a child learns more at this age level, would it not be a wise investment to support child care and provide subsidies to families in the same manner we support and invest in higher education and provide financial aide for students to attend college? By raising the eligibility scale and providing the funding to make it real, we will reach a larger segment of the population of working families who need help with child care costs. If Alabama raises its scale to 200% of the poverty level we would not be first. West Virginia has raised its level from 150% to 200%. North Carolina's scale is 214% of the poverty level and many states have capped the co-payments of poor families at 7 to 10 percent of their income with many sources of income disregarded.
- Payment needs to be made for child care training and a credentialing process needs to be put in place. For example, Georgia, and North Carolina pay for the total cost of child care training. Providers in Alabama are still paying all or a portion of the cost to train their staff. In a number of instances, they are required by Wage and Hour laws to pay for the time spent in getting this training. Because wages are so low, providers find that once they have trained their staff, they lose them to Head Start or the School System because they can offer higher salaries with benefits. The issue of higher wages to child care workers must be addressed to slow the turnover rate of the child care workforce, which also impacts quality and continue to drain the resources of the program. The number of providers of training to child care workers has increased significantly within the last five years. It is important for Alabama to create a credentialing and accreditation system that allows the many hours of training caregivers have acquired to be accounted for and one that upgrades the profession of child care and reward individuals who have made the effort to better themselves. Many southern states are finding

powerful and innovative ways to meet federal guidelines relative to market rates and increase financial support to child care providers. Missouri, for example, provides a 30% increase over their base rate for programs that serve a disproportionate share of subsidized children, a 20% increase for state approved accreditation, a 15% increase for evening and weekend care and a 25% increase over base pay for care of children with special needs. Tennessee, provides additional support by offering application and enrollment fees. Tennessee also offers \$10 per week transportation fees.

The Southern Regional Task Force on Child Care puts forth in its Report and Action Plan for the South, 10 goals which call for “. . . bold action to make child care financial aid available and accessible for low-income parents who need and seek it.”

1. Federal, state, local and private funds should be sufficient to meet 100% of the need for direct child care assistance, based on initial eligibility levels at 85% of the state median income. Redetermination levels should allow families to retain child care assistance until they reach 100% of the state median income.
2. State and communities should broaden their child care eligibility and subsidy policies to meet the economic, work and education needs of families.
3. Outreach initiatives should be designed and aggressively implemented to assure that families have accessible and easy-to-understand information on child care assistance and are provided assistance in applying.
4. The child care and redetermination processes should be uncomplicated and family friendly.
5. Establish a coordinated, seamless eligibility system so that funding sources are invisible to families and support continuity of child care.
6. Establish customer service outcome goals and set standards to ensure that all families are treated with dignity and respect and are served in an efficient manner.
7. Design the subsidy system so that rate structures assure that families receiving child care assistance have access to all types of child care and disallow charges above established co-payments.
8. Create partnerships with employers to expand child care assistance for working families.
9. Provide child care assistance to working families through federal and state tax laws.
10. States should have effective, coordinated systems to guide child care and early childhood education policy decisions and direct use of resources.

- Alabama, the other 15 participating states, and the District of Columbia, submitted information on initiatives that represent progress made towards addressing the goals and action steps. The chart below shows the initiatives reported by states.



We applaud Governor Siegelman and the Legislature for lifting the protection of children to the top of Alabama's investment agenda. Passage of the new Minimum Standards has set the train in motion, and action is needed immediately. This decision has to be backed by a sound investment of State dollars, and a commitment to monitor whether Alabama's policies are insuring that "the best interest of Alabama's children are served."

FOCAL has not wavered its vision of 29 years to institutionalize quality child care in the State of Alabama. We believe that every child has a right to be protected, nurtured and cared for in an environment that parents feel compliments their role as the primary educators of their children. FOCAL is committed to maintaining and strengthening a system of community based child care where communities are engaged in the care and education of their children, and working to make the future brighter for all children.

The Department of Human Resources, supported by the Governor, has raised the standards for provision of child day care services to levels comparable to national standards. The only opposition to this move came from families and service providers, who supported better standards, but predicted that the new standards would make child care unaffordable for poor families and close the doors of child care programs which serve poor families. A promise was made by the Governor that additional cost for implementing the new standards would be covered by the state. It is now time for the State of Alabama to put its money where its standards are.

Other southern states are taking bold and innovative steps to insure that the burden of increased quality and quantity of affordable child day care is not placed on poor families and providers who serve them. Alabama should follow the lead of these states or better still, Alabama could take the lead in creating policies and program strategies that place our children in conditions characterized by the highest quality of care and in programs which are affordable to poor and working families.

Increasing eligibility levels, placing caps on the percentage of income that eligible families pay for child care, and expanding eligibility criteria for families are primary actions the state can take to support affordability. Other actions that address the quality and affordability issues include a) mobilize all available resources including private the sector and effectively, focusing and coordinating these efforts to increase cost effectiveness and efficiency, b) create a training and credentialing system that utilizes the diversity of training resources we have in the state and organizing these resources such that care-givers can systematically move towards standard credentials, and c) maximizing the use of all possible federal and state tax laws. As the chart above indicate, Alabama, along with Louisiana and Delaware are already trailing our sister states in putting into place fundamental and forward thinking initiatives that support quality and affordable child care.

We have a history of putting our children, especially children from poor and minority families last in line for supportive services. Many people think the battle for quality child care has been won with the passage of the Minimum Standards by a committee of the legislature. This act gives us a framework quality. Only appropriation of adequate funds by the Department of Human Resources and the State Legislature along with the creation of additional progressive policies by the department of Human Resources will fulfill the Governor's promise of funds to offset the cost of implementing new standards and the vision of the Governor Siegelman: "The Children of Alabama are our most precious and cherished possessions – and we must do everything possible to make sure their best interest are served."

The Southern institute on Children and Families  
Sound investments: Financial Support for Child Care  
Builds Workforce Capacity and Promotes School Readiness  
<http://www.kidsouth.org>

Children's Defense Fund  
The High Cost of Child Care Puts Quality Care  
Out of Reach for Many Families  
<http://www.childrensdefense.org/>

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