

Improving Children and Families' Access to High-Quality Early Childhood Experiences: Priorities for the New Administration

The Child Care and Early Learning Coalition welcomes President-Elect Obama's strong commitment to significant new investments in early childhood that involve strengthening and expanding existing programs that support children and families as well as helping states to fund initiatives for children birth to age five through Early Learning Challenge Grants.

In order to make significant strides on a strong early childhood agenda, President Obama can take a number of steps—immediately upon taking office, in the first 100 days, and in the first year of his new administration.

Provide Critical Funding for Child Care and Head Start in the Economic Recovery Package

President Obama should work with Congress to enact an economic recovery measure that immediately increases funding for the Child Care and Development Block Grant and Head Start by \$2 billion in the first year of an economic package. The current economic crisis has created tremendous strains for families as well as child care and Head Start providers who were already vulnerable after years of neglect of these critical programs. Investments in these programs will have a strong stimulative effect, allowing child care and Head Start programs to serve more families and hire additional staff. Studies have shown that child care is a key part of the economy and is responsible for generating nearly \$580 billion in labor income and \$69 billion in tax revenue and providing more than 15 million jobs.

In order for families to succeed, making child care affordable must be an essential component of any economic recovery strategy. Low-income families struggling to pay all of their bills during this challenging economic time need help affording stable child care so they can get and keep a job or participate in the job training they need to compete for employment in new sectors. The cost of child care is one of the highest expenses for many families, especially low-income families, and it has been increasing faster than inflation. In just the period from 2006 to 2007, the price of full-time center care for young children increased at nearly twice the rate of inflation. Parents will not be able to fully benefit from an economic recovery package without a focus on increased access to affordable child care.

Although the cost of child care has been steadily increasing, and an additional 350,000 working families were low-income in 2006 compared to 2002, funding for the CCDBG has been nearly flat since 2002. States have cut assistance, with nearly 140,000 fewer children receiving child care help in 2005 than in 2002. As a result, states have had to turn away many low-income families eligible for child care assistance. A growing number of states place families on waiting lists rather than providing them with assistance. In addition, most states are not paying adequate reimbursement rates to child

care providers who serve children receiving assistance, which affects the quality of care providers are able to offer.

When parents are unable to receive help paying for child care, and cannot afford it on their own—because, for example, they find themselves earning less income in this economic recession—they may be unable to retain or accept employment or choose the child care they want for their young children. In some cases, families may have no choice but to use care that is not reliable and does not adequately support their children's learning. To help these low-income families afford good-quality care that enables parents to work and children to get the strong start they need, funding for CCDBG should be increased by \$1 billion in the first year of an economic recovery package. This will allow states to provide funding for child care for more than 164,000 children in low-income working families. States have the capacity to serve these children—and many more--through their child care assistance programs.

Head Start, the nation's premier early childhood program, helps parents find jobs and gives our poorest children the early learning experience they need to begin school ready to succeed and be productive workers in the future. Head Start and Early Head Start have been shown to improve children's short- and long-term educational and health outcomes. Seventy-one percent of families participating in Head Start have at least one working parent, demonstrating that Head Start also helps families work and succeed. Yet these critical programs experienced a 13 percent real cut in funding from FY 2002 to FY 2008. As a result, programs have been forced to lay off critical program staff, cut back on the number of children served, eliminate some supportive services for families, and reduce transportation, making it difficult for families to access Head Start's comprehensive services. Only about half of preschoolers eligible for Head Start and less than 3 percent of infants and toddlers eligible for Early Head Start are currently able to participate. To prevent further reductions in the availability and quality of services, Head Start needs an increase of \$1 billion in the first year of an economic recovery package. This amount would meet the FY 2008 authorized funding target, and begin to make up for the real cut in funding experienced by these programs over the past several years.

As economists look past the immediate crisis, evidence suggests that low-income families will be slower than other families to recover from the recession. As a result, additional funding for CCDBG and Head Start should be considered in a 24 month cycle. State child care assistance programs and Head Start programs have the capacity to serve many more children and their families, and to help stimulate the economy through direct employment of providers, teachers, and support staff and to assist in parents accessing job training and employment opportunities.

Establish an Office of Early Care and Learning in the Department of Health and Human Services

President Obama should take immediate steps to establish an Office of Early Care and Learning in the Administration for Children and Families in the Department of Health and Human Services (HHS) to house the Child Care Bureau and the Office of Head Start.

Currently, the two major federal early childhood programs—the Child Care and Development Block Grant (CCDBG) and Head Start—are in separate parts of HHS. The Child Care Bureau is located within the Office of Family Assistance, where it is primarily focused on providing child care as a work support for families receiving or moving off of Temporary Assistance for Needy Families (TANF), although CCDBG funds are also intended to serve low-income families not receiving TANF and to improve the quality of child care. The new Office would allow for greater coordination and support to maximize the reach and effectiveness of early childhood programs, and would be the first step in establishing early childhood as a top priority for the new Administration and moving toward implementation of a strong early childhood system as set out by the President-Elect.

Provide a New Investment of \$10 Billion for Early Childhood in the FY 2010 Budget

Investing in early childhood helps America's children, families, workers, and communities prosper. Young children need to be in safe and stimulating environments that will prepare them to succeed in school and in life. Reliable, high-quality early childhood opportunities also give working parents the support and peace of mind they need to be productive at work. As a first step toward building a comprehensive system of high-quality child care and early education, President Obama should request an increase of \$10 billion for early childhood programs in his first FY 2010 budget, and work with Congress to enact such an increase. This new investment should be divided equally among the Child Care and Development Block Grant, Head Start, and the new Early Learning Challenge Grants proposed by candidate Obama. These new grants should include a strong focus on helping families with young children access high-quality child care options that enable their children to thrive and families to work.

Expand and Improve the Child and Dependent Care Tax Credit

The Child and Dependent Care Tax Credit (CDCTC), which currently helps 6.5 million families afford child care, should be improved so that it is available to more families and provides them with more assistance. Although paying for child care takes a larger bite out of the budget of lower-income families than higher-income families, millions of lower-income families can receive little or no benefit from the current credit because of the way in which it is structured. President Obama should work with Congress to enact permanent improvements to the CDCTC, including making the credit refundable and allowing low- to moderate-income families to receive a credit of up to 50 percent for allowable child care expenses, as proposed by candidate Obama, along with other improvements, including an adjustment in expense limits and indexing the expense limits and sliding scale for inflation. These changes would benefit families at all income levels.

Provide Greater Access to Nutritious Meals through the Child and Adult Care Food Program

The reauthorization of the Child and Adult Care Food Program (CACFP) should include provisions to expand access for children enrolled in family child care homes and child

care centers. They should be able to take advantage of not only the meals and snacks offered by the CACFP program but should also be able to benefit from the routine monitoring and technical assistance that builds the quality of their early childhood programs. Special attention should be paid to making it less burdensome for family child care providers, who care for many of our nation's infants and toddlers, to participate. This could be accomplished by eliminating the means test for children enrolled in family child care homes as well as reducing the paperwork burden for providers. (See attachment)

Begin a Dialogue on the Reauthorization of the Child Care and Development Block Grant

Recognizing that the Child Care and Development Block Grant has not been reauthorized in over a decade, a group of national and state children's advocates have worked to develop an Agenda for Affordable, High-Quality Child Care to guide the next reauthorization of CCDBG. (See attachment) It is essential to begin the discussions about strategies to strengthen and expand CCDBG so that policymakers can create an environment where children in child care settings can thrive and parents can be productive at work.

The following Child Care and Early Learning Coalition members endorse these recommendations:

Alliance for Children and Families
American Federation of State, County and Municipal Employees
American Psychological Association
Center for Law and Social Policy
Cherokee Nation
Child Care Law Center
Child Welfare League of America
Council for Professional Recognition
Early Care and Education Consortium
Easter Seals
First Children's Finance
The First Five Years Fund
IFF
Insight Center for Community Economic Development
Leviticus 23:25 Alternative Fund, Inc.
Local Initiatives Support Corporation
Low-Income Investment Fund
MomsRising
National Association of Child Care Resource and Referral Agencies
National Association for the Education of Young Children
National Black Child Development Institute
National Child Care Association
National Council of Jewish Women

National Head Start Association
National Migrant and Seasonal Head Start Association
National Women's Law Center
Nonprofit Finance Fund
Opportunity Finance Network
Pre-K Now
Service Employees International Union
United Neighborhood Centers of America
Voices for America's Children
Women Work! The National Network for Women's Employment
Women's Business Development Center
Zero to Three