



National Conference of State Legislatures

CHILD CARE NEWSLETTER

A QUARTERLY REPORT ON FINANCING, QUALITY OF EARLY CARE AND EDUCATION ISSUES

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NEWS FROM THE STATES

Recent state child care funding shortages have prompted some difficult legislative decisions regarding how money should be allocated and which programs should be given priority. A recent Children's Defense Fund report found that budget cuts have threatened improvements in child care quality, including health and safety; limited low-income families' access to child care assistance; and affected a wide range of programs that serve children. The report also found that other results of some states' cuts include longer waiting lists, restricted eligibility for child care assistance, and reduced provider compensation.

Despite increased demands for assistance and limited funds, many state legislatures have found creative ways to address early childhood needs in the areas of financing, quality, low-income assistance, safety and others. To view these laws, visit each state's legislative Web page, which may be accessed by linking from NCSL's Web site, www.ncsl.org, and then by clicking on "State Legislatures" and "Internet Sites." NCSL will publish its comprehensive legislative summary, *Children, Youth and Family Issues: 2002*, in early 2003.

Financing

States funded child care and early education initiatives in a variety of ways, including grants, quality incentive programs, preschool and tax credits. The *Maryland* legislature approved a law that provides \$2,500 grants to child care programs that meet certain quality standards. *Alabama* legislators allocated \$42.5 million of the state's tobacco settlement revenues to the Children's Trust Fund, requiring some of this money to go to child care initiatives. Two states (*Colorado* and *North Carolina*) established or funded a pilot preschool program. The *Colorado* legislature added funds to the state's preschool program to serve 1,000 additional children. *North Carolina* legislators appropriated \$6.5 million for the 2001-2003 biennium for the state's voluntary prekindergarten pilot program for at-risk 4-year-olds.

NCSL has moved! Please make note of our new contact information.
7700 East First Place
Denver, Colo. 80230
(303) 364-7700
(303) 364-7800 (fax)

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Two states (*Louisiana* and *Oregon*) passed laws that entitle certain taxpayers to a refund of child care tax credits that exceed tax liability. The *Louisiana* law changes the state child care tax credit to an income-based credit. State lawmakers in *Nebraska* and *Oklahoma* extended business tax credits for employers that support the care and development of their workers' young children.

Two state legislatures (*Michigan* and *Nebraska*) adopted measures that involve using private funds. *Michigan* requires the state to leverage private funds to continue the development of an early childhood system. *Nebraska* requires state solicitation of private financial assistance for information packets to parents of newborns.

Low-Income

As part of state legislative financing approaches, lawmakers continued to improve child care access, affordability and quality for low-income families. Laws in *Colorado*, *Maryland*, *Michigan* and *North Carolina* provide grants to providers or subsidies to low-income families, either for school readiness or quality improvements. *Maryland's* grants target providers where 25 percent of the children receive child care assistance. *North Carolina* set the state's maximum child care eligibility at 75 percent of the SMI. *Colorado* targets school readiness improvement grants to programs in which at least half of children come from low-income families. Other states addressed public assistance, prohibiting sanctions when child care is unavailable (*North Carolina*), reducing work requirement exemptions (*Washington*), and permitting the receipt of child care subsidies instead of public assistance benefits (*New York*).

Quality

Recognizing the importance of good quality to early childhood programs, legislatures in at least eight states (*Colorado*, *Florida*, *Illinois*, *Maryland*, *Michigan*, *New Hampshire*, *Oregon* and *Pennsylvania*) approved bills to support quality care. Two state legislatures (*Maryland* and *Oregon*) created grant programs to improve child care quality and child outcomes. State lawmakers also committed to identify ways to attract more quality child care services in high-need communities (*Illinois*) and to involve health

professionals in early education (*Oregon*). In *Colorado*, a new law requires a voluntary school readiness rating system to measure quality in programs with children from low-income families and low-performing elementary schools and in consolidated child care pilots. The initiative, which requires strategies to improve quality, is funded by unspent Child Care and Development Block Grant (CCDBG) funds from previous years, matched by a private, nonprofit source.

Research has shown that professional development for early childhood providers—including training, education and compensation—has been shown to improve child care quality and outcomes for children and families. In 2002, several states enacted laws that provide support for training, including training for in-home aides and relatives in *Michigan*, educational loans in *Colorado*, and required training for providers who care for children with allergies in *Connecticut*. Another important component of child care quality is increasing low provider wages and providing health care benefits. To address this, *Michigan* lawmakers approved a one-time \$150 payment to providers who complete minimum training hours, and *New Hampshire* legislators required a study about the effects of worker compensation on quality.

Facilities/Supply

State policymakers are increasingly concerned about the adequate supply of child care programs, including sufficient facilities. Two states (*Georgia* and *Tennessee*) established facility authorities to administer construction and expansion of child care centers. A *Vermont* law requires a portion of fees for vehicle registration plates to be deposited into a fund for the expansion of child care facilities.

Nontraditional Hour Care

Because many jobs available to low-income working families are at night or on weekends, several state legislatures considered the need for nontraditional hour child care, and two states (*Illinois* and *New Hampshire*) enacted legislation to further examine the issue. Michigan lawmakers required the state to spend \$1.35 million in child care

assistance funds for grants to expand 24-hour child care access and care during weekends.

Family Support/Coordination/Health

Another strategy for improving quality child care is to provide comprehensive services for both children and parents. Several states enacted legislation that integrates child care with services provided at community centers (*Oregon*), health programs (*Oregon* and *Connecticut*) and courts (*Colorado*). A part of *Hawaii's* new youth child care center pilot project is dedicated to intergenerational child care services.

Safety

State lawmakers in many states focused on children's safety this year, enacting requirements that range from immunizations (*Indiana*) to stricter standards for swimming pools at child care facilities and homes (*Minnesota* and *New York*). Several states addressed licensure or inspection, including unannounced inspections of family child care homes (*California* and *Connecticut*) and development of a single licensing procedure (*Oklahoma*). Several state laws focus on other provider safety issues, such as CPR certification requirements (*Indiana*) and background checks and screening (*California, Georgia, Illinois, Iowa* and *Maine*). State legislatures also strengthened regulatory enforcement for guest child care facilities at ski areas (*Colorado*) and visitor check-in procedures (*New York*). In addition, states en-

acted laws to protect children from dangerous environmental conditions, including pesticides (*Rhode Island*) and molds (*California*).

Infant and Toddler Care and Development

As in previous years, legislators emphasized the care and development of infants and toddlers, and several states (*Montana, New Hampshire* and *Oregon*) enacted laws concerning at-home infant care. In 2001, *Montana* legislators established a pilot program that will pay parents an amount equivalent to the current state child care rate to care for their infants at home. A *Nebraska* law requires information about child development and other children's issues to be sent to parents of newborns.

Disabilities

Several states enacted legislation on care for children with special needs. *California* allocated federal special education funds for counseling services for parents, guardians and families of children age 3 and older who participate in Early Start Family Resource Centers. An *Oregon* law requires voluntary early childhood system plans to include early intervention specialists, among other professionals. *Michigan* required a report to the Legislature regarding increased access to care for children with special needs. *South Carolina* lawmakers made credential requirements more flexible for caregivers who themselves have special needs.

NCSL TECHNICAL ASSISTANCE

Arkansas

In the spring of 2002, Arkansas early childhood policy leaders reported findings of the interim study on child care financing to House and Senate Education Committee members. With the legislature in its biennial interim, legislators and executive branch officials closely examined options for early childhood funding to present to the 2003 legislature.

A specific concern is that the state's beer tax, a primary funding source for the state's preschool program for 4-year-olds, is due for reauthorization in 2003. The beer

tax has been essential to the maintenance of the program since a late change in the 2001 general revenue forecast reduced the amount of state funds available for preschool. The 3 percent tax (about 15 cents on an average six-pack) raised approximately \$4.6 million between August 2001 and April 2002, and the state estimates that it will generate a total of \$6.6 million in fiscal year 2002. In addition, a 2001 lower court ruling, *Lakeview School District vs. Huckabee*, requires Arkansas to spend funds to ensure adequate education for children from low-income families. The case currently is on appeal with the Arkansas Supreme Court. Because of these and other economic factors, state

policymakers are exploring a broader range of possible strategies to fund both early education and child care.

Led by the House Early Childhood Education Subcommittee chairman, Representative Leroy Dangeau, and the director of the Arkansas Division of Child Care and Early Childhood Education, Janie Huddleston, state policymakers planned a two-day meeting on the issue in May 2002 to discuss potential approaches. They invited local providers, advocates, parents, legislators, state administrators from different agencies and NCSL staff to help inform decision makers on options to consider. A significant group of legislators from several committees in both houses who have been leaders on the issue participated in and spoke at the meeting.

To help them address overall early childhood funding, national financing expert Louise Stoney presented a variety of conceptual, concrete and systemic options, some of which leaders in other states have developed. These included looking at layered or multiple funding, combining funds that support an institution (“direct”) and an individual child (“portable”), and focusing on families from all income levels. Stoney recommended that lawmakers frame the early childhood issue in an economic development context and provide the rate of return on investment associated with child care spending when offering legislative proposals. Some of the key approaches that she talked about were:

- Investing in quality improvement grants or initiatives;
- Including early childhood funds in high-quality school readiness programs;
- Establishing a child care facilities financing initiative that provides subsidized loans, grants and tax-exempt bonds;
- Using “sin” taxes, such as cigarettes and alcohol, and revenue “earmarks,” such as lottery, gambling or tobacco, for early childhood programs;
- Expanding or establishing dependent care tax credits for families;

- Creating a child care investment tax credit based on a low-income housing credit;
- Using health care funds to pay for child care providers’ health insurance;
- Establishing a matching grant for child care program with employers;
- Involving foundations to build child care endowment funds; and
- Providing partial wage replacement through temporary disability insurance for maternity leave.

The state also is transferring \$12 million during two years in federal welfare (TANF) funds to the CCDBG and uses TANF money directly for child care. In addition, state officials are considering increasing the child care reimbursement rate above the 75th percentile of market rates.

With two Arkansas commissions proposing expanded state funding for early childhood education for all preschool-age children whose parents want services, legislators and administrators asked about other states’ preschool funding, costs and use rates among eligible families with access to programs. NCSL’s Scott Groginsky discussed other states’ funding levels, the number of children served, and the populations targeted for services. He also presented use (or “uptake”) rates and projections in several states, including general numbers for a state with universal preschool and states with preschool aimed primarily at children from low-income families. In some states, rates range from about 70 percent to 85 percent, while other states are projecting lower usage (50 percent to 60 percent). Arkansas officials may consider these rates in projecting its preschool budget.

To close the meeting, the directors of the Arkansas departments of Human Services, Education and Economic Development, spoke about their agencies’ roles and possible actions in funding early care and education.

NCSL book examines state child care financing options

State legislators are examining child care funding strategies that support working families and help children succeed in school and life. A recent child care project publication, *Investing in Our Future: A Guide to Child Care Financing*, identifies several principles to help guide state child care financing decisions and offers a range of financing options that have been implemented in states and communities across the nation. These principles include looking at layered funding, combining funds that support an early childhood care program (“direct”) and an individual child (“portable”), and focusing on families from all income levels. To obtain a copy of the book or more information about financing child care, contact Julie Poppe or Beth Clemens at (303) 364-7700. A copy of the executive summary can be accessed on the Web at www.ncsl.org/programs/cyf/guide.

NCSL report studies coordination of child care and early education systems

The NCSL child care project recently published *Child Care and Early Education Coordination in the States: A Statutory Overview*. The report highlights an NCSL 50-state survey of state laws focusing on coordination of child care and early education systems, including preschool and Head Start. The report found that 36 states have statutory language encouraging or requiring programs to coordinate these two systems. Key findings of the survey include the following:

- State legislatures are coordinating child care and early education systems primarily to improve government efficiency, child development and families’ access to needed services.
- Nearly half the state laws require programs to coordinate their services.

- The prevalence of coordination laws indicates that state legislatures are beginning to recognize the need for coordination, but, unfortunately, we know very little about the success of the laws.

To obtain a copy of the report or more information about the coordination issue, contact Julie Poppe or Beth Clemens at (303) 364-7700. A copy of the full report is available on the Web at www.ncsl.org/programs/cyf/coordsum.htm.

NCSL state legislative report explores the connection between brain research and early childhood policy

A new NCSL report, *Connecting Brain Research to Early Childhood Policy*, summarizes state legislative enactments and actions from 1999 to 2001 that have incorporated early brain development research. According to the report, state legislative policy activity has focused on several critical areas of early childhood, including family and community engagement, school readiness, quality child care, and coordination of services. To obtain a copy of the report or more information about the issue, contact Julie Poppe or Beth Clemens at (303) 364-7700. Legislators and legislative staff can view the report online at www.ncsl.org/legis/slr/slr2712.htm.

NCSL brief addresses mental health services for children

A recent NCSL Children’s Policy Initiative brief, *Mental Health Services for Children: An Overview*, examines critical policy issues and approaches facing state legislators, including ways that states have connected mental health services with early childhood programs. This report provides an overview for legislators who are interested in learning more about options to address the mental health needs of children. A copy of the full report is available on the web at www.ncsl.org/programs/cyf/CPI02.htm.

NCSL focuses on state early childhood policies at 2002 Annual Meeting

Investing in Quality Child Care

To further the discussion of the linkages of early childhood research with state policy, NCSL focused on this issue at an Annual Meeting session in Denver in July 2002. A panel of legislators who have led early childhood initiatives in their states joined a panel of early childhood researchers to discuss the effects of research on state policy. The seminar, "Investing in Quality Child Care" (co-sponsored by NCSL's Assembly on State Issues [ASI] Committee on Children, Families and Health and Assembly on Federal Issues [AFI] Committee on Human Services) provided the latest findings on the effects of quality care and highlighted state actions that drew on research. Lynn Kagan, one of the foremost national experts on child care research, and Jack Hailey, a California Senate staff person with great expertise in state child care policies, moderated the session. Kagan opened the session by asking how important research is to policy discussions and if research is addressing what policymakers need it to.

Measuring Quality Care

Kathleen McCartney of the National Institute for Child Health and Human Development (NICHD) and Harvard Graduate School of Education talked about ways to determine what constitutes a quality child care program. She discussed structural characteristics (such as a program's child-to-staff ratios, group sizes, and training and education of staff) and process characteristics (teacher sensitivity, child stimulation) as key indicators of quality. She encouraged policymakers to examine specific studies that show the effects of caregiver training and child-to-staff ratios on a variety of outcomes, including a child's readiness for school, language comprehension, behavioral problems and positive social behavior.

Effects on Child Outcomes

University of Wisconsin researcher Arthur Reynolds, principal investigator of a 17-year longitudinal study of 1,000 children in the high-quality Chicago Parent-Child Cen-

ters, spoke about the wide range of long-term child outcomes resulting from early childhood programs. These include school advancement, grade retention, special education, literacy, delinquency and crime, child maltreatment, and receipt of social services. He noted that the study, which includes about 550 children in a control group, is finding that participants have 33 percent fewer juvenile arrests than those in the control group. He emphasized to legislators that these savings occur over 10 to 15 years and can be framed as prevention.

Components of Quality

Pam Winton of the Frank Porter Graham Center at the University of North Carolina, focused on what child care elements lead to positive outcomes. She noted that research points to three key ingredients that make a big difference in children's lives: regulations, staff professional development and provider compensation. She noted that most early childhood programs have progress to make in these areas, noting the 30 percent to 40 percent annual turnover in the field. She recommended that state policymakers develop and expand staff development options, link these quality factors, provide quality care incentives, involve parents and encourage interagency coordination.

Improving Safety—Tennessee

After several young children died in child care vans a few years ago, Tennessee lawmakers, led by Representative Carol Chumney, enacted sweeping reforms to the state's child care safety regulations. As chairperson of the House Children and Youth Committee, Representative Chumney sponsored a comprehensive bill that created stricter van regulations, strengthened provider criminal history checks, and established a report card system for early childhood programs that rated programs in seven key areas. At the session, Representative Chumney specified that the Tennessee law also lowered child-to-staff ratios and group sizes and increased professional development standards.

Ensuring Adequate Funding—Wisconsin

In the last fiscal biennium, the Wisconsin governor proposed to underfund the state's child care subsidy budget by \$95 million and grant the governor the authority to override all child care laws, including those that affected income eligibility, parent copayments and waiting lists. Senator Gwendolynne Moore talked about how she worked with Assembly leaders to overturn the governor's proposed cut. These efforts led to increased federal child care matching funds and additional TANF funds for child care, as well as continued funding for a program that focused on improving quality of care. Senator Moore also discussed how the federal funds would help improve quality through wage incentives for providers who completed more training and education.

Supporting Quality Care—Utah

Representative Sheryl Allen, a member of the state's child care task force in the late 1990s, talked about concrete actions Utah has taken to strengthen quality child care. Consistent with the research findings presented earlier in the session, Utah has developed a career ladder for early childhood providers that includes financial incentives for programs that meet provider training, accreditation and other quality criteria. Representative Allen also talked about the state's use of standard rating scales for all grants to programs, as well as technical assistance to providers through resource and referral programs. Other related Utah initiatives include a provider help line, direct reimbursement to parents, and a study of the early childhood workforce in the state. Representative Allen said that the workforce study is finding that child care providers have low wages, few benefits and low respect.

Coordinating child care and preschool

To improve government efficiency and families' access to quality services, state policymakers are increasingly taking a holistic view of their early childhood systems. Among other things, legislators are requiring better coordination between subsidized child care and early education programs. State leaders are recognizing that many of the children whose families receive child care assistance are simi-

lar to children in state-supported preschool programs. These similarities include being at risk for educational problems, having parents with low incomes, and age. At the same time, state child care systems often are structured very differently and separately from state preschool systems or Head Start, the federal preschool program for children living in poverty. State human services agencies typically administer, fund and oversee child care programs, while preschool is usually the responsibility of education agencies. In addition, child care and preschool usually are dealt with by different legislative committees. As a result, funding streams are different and standards and regulations vary.

A recent NCSL survey found that three-quarters of the states have enacted laws that encourage, require or facilitate child care-preschool/Head Start coordination to varying degrees. These actions include requiring child care and preschool programs to collaborate in order to receive funding, authorizing an agency or agencies to ensure systemic coordination, or streamlining statutory definitions.

At the 2002 NCSL Annual Meeting in Denver, legislators, legislative staff and others took up this issue at the session, "Coordinating Child Care and Preschool." Moderated by former Iowa Senator Charlie Bruner, participants heard various national and state perspectives on this issue and met in small groups to discuss coordination issues and questions that they are facing in their states. Speakers included a state administrator, a state legislator, a federal regional representative, and a national policy specialist.

- Ohio has been highly active in systemic collaboration between child care, preschool and Head Start, including significant expansions in Head Start and preschool funding during the past decade. To discuss these policies, Jane Wiechel of the Ohio Department of Education outlined an array of recent actions in the state. These have included making statutory and budgetary adjustments to Head Start to accompany the state's relatively strong financial support of Head Start. Ohio leaders made these changes to Head Start to more closely align the program with the state's child care policies. Wiechel specifically discussed the state's FY 2002-2003 budget language that allows Head Start

grantees to enroll families that are receiving child care subsidies and authorizes them to partner with child care programs or have direct access to child care subsidies. These Head Start-child care partnerships have led to more full-day, year-round care that meets the needs of working families, provides more comprehensive services and continuity of care, improves the quality of programs, and promotes collaboration through shared outcomes.

- Rachel Schumacher of the Center for Law and Social Policy (CLASP) presented key findings of that organization's 2001 study that examined the effects of federal rules on state collaboration and how three states (Georgia, Massachusetts and Ohio) handled this issue. She said that each state has some interagency coordination and delivers prekindergarten services in both Head Start and child care programs, as well as in some schools. Schumacher said that states are addressing fiscal collaboration challenges with creative use of federal and state money from multiple programs and blended funding. She talked about state developments that have streamlined early childhood regulatory policies, including tying funding to certain standards, coordinating reimbursement policies, making child care rules more flexible, and strengthening standards for all programs. She also spoke about ways in which states have implemented policies across administrative structures and measured results that promote systemic collaboration.

- The Acting Regional Administrator for Region VIII of the U.S. Administration for Children and Families, Judy Galloway, discussed federal efforts and proposals to further early childhood coordination. She said that federal rules have helped facilitate integration of child care and early education by allowing states flexibility to set income eligibility, copayments, reimbursement rates, and TANF spending for child care. She talked about the president's "Good Start Grow Smart" proposal that would help streamline early childhood provider qualifications, whether funded through the CCDF, TANF, Head Start or state preschool funds. Galloway also highlighted state efforts to provide full-day services by combining use of prekindergarten and child care funds.
- Colorado Representative Suzanne Williams talked about that state's legislative actions and policies to encourage collaboration, including the consolidated child care pilot programs enacted by the legislature in 1997. This initiative, now in 18 counties, authorizes counties to pull together and mingle Head Start, federal and state child care funds, and preschool funds into a single system of services. Although each pilot program is different, the law requires involvement from school districts and local health, human services and education agency representatives. Representative Williams noted that county pilot programs have some similar goals, including improving quality, parent choice and better access through more flexible policies.

FEDERAL UPDATE

Federal action to reauthorize the Child Care and Development Block Grant (CCDBG)

As the clock wound down for the 107th Congress, reauthorization of the CCDBG was not completed. Congress also failed to complete the appropriations bill that includes CCDBG funding. Currently, the CCDBG funding consists of \$2.1 billion in discretionary funds (subject to annual appropriations) and \$2.7 in mandatory funding. On November 19, Congress adopted HJR 124, a continuing resolution to keep federal government programs running

in the new fiscal year. This resolution extended TANF and related programs, including child care, through Dec. 31, 2002. No further action is expected on CCDBG or TANF, and new legislation must be introduced when a new Congress takes office in January.

Federal discussions about the CCDBG are difficult to predict, since a new Congress will be involved. One useful guide to the debate is to look at provisions in previously introduced legislation. Although these bills died at the end of the 107th Congress, their provisions may appear in

new legislation. The major bills containing CCDBG provisions are summarized below.

HR 4737 (The Personal Responsibility, Work and Family Promotion Act of 2002); welfare reauthorization bill that passed the House of Representatives on May 16.

Funding: This would increase by \$2 billion over five years—\$1 billion mandatory, \$1 billion discretionary. A state match at the FMAP rate would be required to receive the \$1 billion in additional mandatory funding.

Quality set-aside: This would increase from 4 percent to 6 percent.

Senate Finance Committee version of HR 4737; welfare reform reauthorization bill (“The Work, Opportunity and Responsibility for Kids Act”) passed the Senate Finance Committee on June 26.

Funding: An increase of \$5.5 billion in mandatory spending over five years and no match for the first three years (\$1 billion increase each year). For FY 2006 and FY 2007, no match is required for \$1 billion, but \$250 million additional funding for both those years and the \$1 billion must be matched at FMAP. To obtain new funds, states must spend no less than the FY 2002 state matching requirement or their MOE requirement.

Quality set-aside: This would remain the same (4 percent). The Senate Finance Committee has jurisdiction only over mandatory funds.

Senate Health, Education, Labor and Pensions Committee bill, S 2758, the “Access to High Quality Child Care Act” or “2002 ACCESS Act.” This bill passed out of the Health, Education, Labor and Pensions Committee on September 4. (The Health, Education, Labor and Pensions Committee has jurisdiction over the discretionary funds in the CCDBG.)

Funding: \$3.1 billion in discretionary funding in FY 2003; such funds are necessary in future years. Note: Discretionary funds do not require a match.

Set-asides: The bill contains numerous set-asides: 10 percent for quality (increase of existing 4 percent set-aside that comes into effect unless this requirement would result in a reduction in families receiving assistance); a new 5 percent set-aside for reimbursement rates/”parent access” to high-quality care; a new 1 percent set-aside for the secretary of Health and Human Services for child care research and data system; \$100 million for “special populations”—infant and toddler, children with disabilities, care during nontraditional hours—that increases to \$200 million in FY 2007.

Market Rates: The bill mandates that states increase payment rates to the 80th percentile of market survey rate by 2006. The current requirement is the 75th percentile. States may apply for a one-year waiver.

Other State Requirements: These include a mandate that states certify training requirements for all providers, including informal providers except relatives, and providers of children in special populations.

Early Childhood Education: \$1 billion in discretionary funds for a new Office of Early Care and Education run by the U.S. DHHS and the Department of Education. Grants to states to develop or enhance high-quality systems of early care and education. Twenty percent is set aside for High Performance Bonuses for states. There is an MOE requirement for this title based on a state’s expenditures for early care and education programs in the preceding year.

For additional information about federal budget proposals or federal legislation that affects child care or early childhood education, e-mail Sheri Steisel (sheri.steisel@ncsl.org) or Lee Posey (lee.posey@ncsl.org) or call them at NCSL’s Washington, D.C., office at (202) 624-5400.

CLASP: Increasing demand affects choices

Increasing child care demand is pressuring states to provide sufficient quality child care services, according to a new Center for Law and Social Policy (CLASP) study, *Unfinished Agenda: Child Care for Low-Income Families Since 1996 - Implications for Federal and State Policy*. The study synthesizes results from child care systems in Illinois, Iowa, Maine, Texas and Washington and puts them into context using national child care data and research. Among the findings from *Unfinished Agenda*:

- Child care funding has increased significantly, as has the number of children served—but so has the demand for child care.
- Despite these investments, most families that are eligible for child care subsidies do not receive them.
- States are forced to make policy trade-offs that effectively limit access to subsidies and providers.
- State budget shortfalls jeopardize states' ability to maintain access to and improve the quality of child care, which is important to children's early education.

The full report may be accessed at www.clasp.org/Pubs/Pubs_ChildCare.

New resource available for tax credits

The National Women's Law Center (NWLC) developed a resource for parents who are looking for child care tax credit information. The publication, *Credit Where Credit is Due: Using Tax Breaks to Help Pay for Child and Dependent Care*, is being distributed nationwide by companies and child care organizations and can be found in the child care section of the NWLC's web site at www.nwlc.org.

Early Head Start yields positive results

A new federal evaluation indicates that 3-year-old children who completed the Early Head Start program per-

formed better in cognitive and language development than children who did not participate in the program. The seven-year study, conducted by the U.S. Department of Health and Human Services, found that parents whose children participated in Early Head Start reported fewer instances of physical punishment of their children and displayed more positive parenting behavior. Specifically, parents were more likely to read to their children, be emotionally supportive, and participate in education and employment-related activities. More information about the study is located on the Administration for Children and Families' Web site at www.acf.hhs.gov/news/press/2002/release_603.html.

Study compares advocacy efforts for child care worker compensation

Efforts to improve child care worker compensation in Georgia, Massachusetts and Washington offer lessons to foundations, advocates and other stakeholders in the child care community, according to a report from the Urban Institute's Center on Nonprofits and Philanthropy. The three-state study considered how each state's advocates worked to bring more attention to child care worker compensation. The key findings include the need for information to be tailored to a state's political and economic environments and the need for advocates to build a broad and diverse constituency to support their goals. The three in-depth case studies and a comparative analysis can be viewed at www.urban.org/advocacyresearch/childcare-workerscomp.html.

New center focuses on children's social, emotional development

The Center on the Social and Emotional Foundations for Early Learning, located at the University of Illinois at Urbana-Champaign, is a new resource on social and emotional development. This five-year project aims to strengthen the capacity of Head Start and child care programs to improve the emotional and social outcomes of young children. The center, a collaborative project, includes partners at the University of Colorado at Denver,

the University of Connecticut, the Education Development Center Inc., the University of South Florida, and Tennessee Voices for Children. To learn more about the project, see the center's Web site at www.csefel.uiuc.edu.

Study: Child care providers undercounted

A recent study by the Center for the Child Care Workforce found that caregivers have been undercounted and that approximately one-third of the child care workforce consists of paid relatives, who often lack training and governmental oversight. The findings, commissioned by the U.S. Department of Health and Human Services, examined child care workers for children up to age 5. The study also recommends greater training and professional development for caregivers who work with toddlers. The study can be found online at www.ccw.org/pubs/workforceestimatereport.pdf.

Report details how states improve child care with federal funding

Professional development activities represent the most common use of federal Child Care and Development Funds (CCDF) to improve quality, according to a report, *Assessing Child Care Development Funds Investments in Quality: A Study of Selected State Initiatives*. Assessments also play a significant role in most state initiatives, since three of every four initiatives in the study included an evaluation component. According to the report, conducted by the Institute for a Child Care Continuum, other states consider program implementation issues, including use of program services and program satisfaction levels, and a few states assess effects on systemic issues such as retention of child care staff. The report, which describes more than 104 initiatives, may be viewed online at http://webstaging.bankstreet.edu/continuing/newkithkin/iccc_home.html.

Transitional child care reduces returns to welfare

Return rates for welfare leavers are high, an Urban Institute brief reports, but transitional supports—including child care assistance—can reduce the rate. The policy brief, *Who Returns to Welfare*, analyzes data from the National

Survey of America's Families and indicates that approximately one-fifth of families that leave welfare return. Families that received government child care subsidies, however, were significantly less likely to return to welfare than families that did not (about 15 percent compared to 25 percent). The full analysis is available on the institute's Web site, at www.urban.org/Template.cfm?NavMenuID=24&template=/TaggedContent/ViewPublication.cfm&PublicationID=7849.

California preschool and child care center enrollment plateaus

Despite increasing child care funding in California, little growth has occurred in preschool and center enrollment capacity. This finding is contained in *A Stark Plateau—California Families See Little Growth in Child Care Centers*, published by Policy Analysis for California Education (PACE), in cooperation with the California Child Care Resource and Referral Network. The number of state-wide center and preschool enrollment spots increased from 13 percent to 14 percent between 1996 and 2000, with some counties experiencing no discernible growth in center and preschool availability. The brief, which discusses policy implications of not equalizing children's access to centers and preschools, can be found online at http://pace.berkeley.edu/pace_publications.html.

States' budget cuts threaten child care quality for low-income families

Demand for child care assistance has risen as more families go to work, yet states' budget crises have led to cuts in child care funding, according to a recent Children's Defense Fund (CDF) report, *Low-Income Families Bear the Burden of State Child Care Cutbacks*. Growing waiting lists, restricted eligibility, reduced provider payments, and increased parent fees combine to threaten the quality of child care for low-income working families. The report, which includes a state-by-state survey analysis, can be located on the CDF's Web site at www.childrensdefense.org/head-resources.htm.

UPCOMING EVENTS

NCSL's Standing Committees Fall Forum

December 11-13, 2002, Washington, D.C.

Sponsor: National Conference of State Legislatures

Contact: (303) 364-7700, Laura Kosciwch

Web site: www.ncsl.org/public/fall02.htm

Young Children with Special Needs and Their Families: Recommended Practices for Changing Times

December 5-7, 2002, San Diego, Calif.

Sponsor: Division for Early Childhood—Council for
Exceptional Children

Contact: (410) 269-6801

Web site: www.dec-sped.org

Zero to Three 17th Annual National Training Institute

December 6-8, 2002, Washington, D.C.

Sponsor: Zero to Three: National Center for Infants,
Toddlers and Families

Contact: (202) 624-1760

Web site: [http://www.zerotothree.org/nti00/
index_main00.html](http://www.zerotothree.org/nti00/index_main00.html)

Putting Child Care Health Consultation on the Map

December 8-10, 2002, Princeton, N.J.

Sponsor: Healthy Child Care America

Contact: (888) 227-5409

Web site: <http://www.aap.org/advocacy/hcca/>

NHSA 19th Annual Parent Training Conference

December 13-17, 2002, Dallas, Texas

Sponsor: National Head Start Association

Contact: (703) 739-7560, JoAnn Nelson-Hooks

Web site: [http://www.nhsa.org/training/Parent/
index.htm](http://www.nhsa.org/training/Parent/index.htm)

7th Annual Head Start and Child Care Birth to Three Institute

January 7-10, 2003, Washington, D.C.

Sponsor: U.S. Head Start Bureau and Child Care Bu-
reau

Contact: (202) 638-1144

Web site: <http://ehsnrc.org/>

2003 National Smart Start Conference

January 26-29, 2003, Greensboro, N.C.

Sponsor: Smart Start

Contact: (919) 639-2218

Web site: www.ncsmartstart.org/conference/general.htm

Children 2003: Imagine an America

March 5-7, 2003, Washington, D.C.

Sponsor: Child Welfare League of America

Contact: (617) 649-4003

Web site: <http://www.cwla.org/conferences/>

NACCRRRA 15th Annual Policy Symposium

March 5-8, 2003, Washington, D.C.

Sponsor: National Association of Child Care Resource
and Referral Agencies

Contact: (202) 393-5501

Web site: [http://www.naccrra.org/About/symposium/
symposium_home.htm](http://www.naccrra.org/About/symposium/symposium_home.htm)

2003 National Child Care Association Annual Conference

March 12-15, 2003, Nashville, Tenn.

Sponsor: National Child Care Association

Contact: (800) 543-7161

Web site: [http://www.nccanet.org/conferences/
confcalendar.asp](http://www.nccanet.org/conferences/confcalendar.asp)

World Forum on Early Care and Education

April 11-13, 2003, Acapulco, Mexico

Sponsor: Child Care Information Exchange

Contact: (800) 221-2864

Web site: www.childcareexchange.com/wf/index.cfm

CHILD CARE NEWSLETTER

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William T. Pound
Executive Director

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Clemens, Julie Poppe, Natalie O'Donnell and Lee Posey. Steve Christian
of the NCSL child welfare project provided editing and NCSL Book
Editor Leann Stelzer conducted overall editing.



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