



Beyond Child Care Centers: From Programmatic Duct Tape to Real System Reform

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I. Beyond Child Care Centers

Much attention has been paid in past kindergarten readiness reform efforts, as well as in current reform proposals, to increasing access to preschool provided in Connecticut through the conventional child care center model. Yet, after a decade on this path, little progress has been made in improving access to high quality preschool services or in erasing the achievement gap.¹

This is the first in a series of briefs that offer recommendations to *broaden* Connecticut's early care and education reform agenda for young children. This first report summarizes current research on early care and education reform and uses this information to recommend that policymakers employ unprecedented creativity and political nerve in moving beyond simple programmatic solutions and move toward designing and financing the foundation for long term system reform.

II. The Elements of Smarter Reform

During a recent visit to Connecticut, early childhood policy expert Louise Stoney echoed the argument (previously made in *Smarter Reform: Moving Beyond Single-Program Solutions to an Early Care and Education System*²) that "to realize ECE's potential to benefit children, families, and the nation's economy, the focus of reform proposals must broaden." The proposal in *Smarter Reform* is that true system reform includes all of the following elements (further defined below): a) institutional support; b) a publicly funded infrastructure; c) support for non-market care and education; and d) financial aid for families. The caution in *Smarter Reform* is that a series of smart improvements that are related but not *coordinated*, do not necessarily add up to a true system reform agenda. A comprehensive framework both fixes a broken early care system *and* ensures all families, regardless of income, equal access to that system. Definitions of each element recommended in *Smarter Reform*, and recommendations for strengthening Connecticut's early care reform agenda, follow.

A. Institutional Support. Provide direct support to early care programs of all shapes and sizes: center- and home-based care, school- and community-based centers, private and non-profit businesses. Tie funding levels to compliance with standards, based on a statewide Quality Rating System.

Connecticut provides some support to public school early care and education programs and provides grant funds to some centers through programs such as School Readiness, Head Start and Department of Social Services (DSS) State Funded Child Development Centers. Such grants function, in part, as institutional support. However, their

¹ Oliveira, P. Universal Access to Preschool in Connecticut: When All is Said and Done, There's Been Much More Said than Done, (CT Voices for Children, 2006), available at http://www.ctkidslink.org/pub_detail_314.html

² Stoney, L. Mitchell, A & Warner, M.E. Smarter Reform: Moving Beyond Single-Program Solutions to an Early Care and Education System. *The Journal of the Community Development Society*, Vol. 37, No. 2, Summer 2006.

contribution to program stability is diminished because access to these programs is limited and funding is insufficient and variable. Eligibility is based on factors like family income, geographic location of the family or the center, or age of the child. In addition, funding is far below the true cost of care and it is provided “per child served.” Because these programs serve a highly mobile population, fluctuations in the amount of the grant undermine the stability that child care businesses need and that is intended through institutional supports.

Importantly, while there are these models of support to centers serving low-income children, Connecticut provides *no* institutional support directly to private or community based centers, nor to private family child care providers, regardless of the income of the families they serve. This is a significant problem because, for most centers across the state, surviving primarily on parent fees is not a viable economic model if one hopes to maintain fair compensation and high quality. In addition there is no mechanism for providing incentives to private providers to meet quality standards set by the state, beyond licensing. In other words, above basic safety regulations, the state does not have the means to neither reward improved quality nor improve poor quality because it currently does not offer institutional support to the majority of child care providers in the state.

At the root of Connecticut’s early care reform is the push toward higher quality care. However, most efforts are focused on the minority of children who are in licensed center based care. In reality, Connecticut’s licensed system can only accommodate about 40% of all the kids in need of care. The majority of children are in family, friend and neighbor care, and this is not expected to change any time soon. We need to provide support to *all* children, including the many who are not in a licensed setting.

B. A Publicly Funded Infrastructure. Provide support for a statewide system, including (but not limited to) professional development, program monitoring, support to programs to reach quality standards, consumer education and parent support, employer education and assistance, and data collection. Currently Connecticut has two distinct early care systems: one publicly funded and one privately funded. What Connecticut is lacking is the public-funded infrastructure that can to begin to bridge and combine these systems and support them to increase their quality of care.

C. Support for Non-Market Care and Education. Provide support for the care and educating that is, realistically, taking place *outside* of the traditional child care market. Although unpaid, the time invested by parents and caretakers in raising children and the loss in lifetime earnings has value and should be compensated. It is estimated that a college-educated woman with one child can easily pay a “Mommy tax” (lost lifetime earnings) of \$1 million.³ Support this essential work through paid family leave, work place policies that that encourage benefits for working families, and through state tax policies that help offset the costs of childrearing.

Connecticut’s early care and education policy is essentially silent on the time and lost wages involved in caring and educating children outside of the child care market by parents and other individuals. Current Connecticut reform proposals argue for the importance of “ready families” and their ability to nurture early attachments and language-rich environments, then seem only to recommend parent education as the means. This approach does not acknowledge the significant challenge of educating a tired, overworked and stressed parent struggling to make ends meet despite declining wages, increased working hours, and the pressure to either work and pay for child care or quit and stay home and suffer the financial losses, for the few who even have such a choice given the high cost of housing and the lack of benefits.

A recent poll found that 71% of Connecticut voters support tax credits for one low income parent to stay home.⁴ At-home family care is essential for early child development, but early child development equally depends on consistent family income.

³ A. Crittenden. *The Price of Motherhood: Why the Most Important Job in the World is the Least Valued*.

⁴ GMF poll here

D. Financial Aid for Families. Provide support to families in need of additional financial assistance to afford early care and education services. Provide portable financial aid through strategies including (but not limited to) the Care4Kids child care subsidy program, to be used at the setting of the parents' choice, and tie reimbursement rates to the quality level attained on a Quality Rating System. Provide a refundable Dependent Care Tax Credit for employed families. Encourage employer-provided scholarships.

In Connecticut, child care fees for one child can consume 25% to more than 40% of a family's annual gross income. To help pay for the high cost of child care, low-income Connecticut families can receive government support from a variety of sources. These programs can make the difference between a parent being able to work or remaining unemployed. Connecticut's three primary early care and education programs, all providing similar services at comparable levels of quality, are Head Start, School Readiness, and State-Funded Child Development Centers. In addition, if families are poor enough, they can get a child care subsidy (Care4Kids) from the Connecticut Department of Social Services (DSS) and take it to any early childhood provider (including family child care) in the state. Although these programs differ somewhat in their origins, initial intended purposes, the entities responsible for them, and their current financing, they now collectively seek to address a significant state need – to provide high-quality early care to very young children.

Programs like School Readiness target the needs of high risk preschoolers across the state, acknowledging that equal access to quality child care can help close the academic gaps among children from low-income and affluent families. However, beginning at age 3, is already too late. Children's brains are growing and learning long before preschool, and early care policy needs to respond to this reality. In addition, while providing families with access to quality center based care through an expansion of School Readiness would be a long overdue and welcomed improvement on the current system, it is not sufficient. Current funding levels for individual School Readiness spaces remain insufficient to provide the level of quality being demanded of these centers. Importantly, respecting parental choice and the right for some families to choose family based care, must be protected. It seems, instead, that infants and toddlers and the entire system of home based providers continues to be ignored.

For example, Care4Kids, Connecticut's child care subsidy program, is a primary vehicle for helping low income families, in all the state's cities, pay the high price of preschool. More families rely on Care4Kids than any other state funded child care program. Due to inadequate funding, initial eligibility for Care4Kids is set at 50% of State Median Income (down from 75% in 1992) and funding has been cut by \$46 million (34%) since 2002, when adjusted for inflation.

III. First Steps Toward Smart Reform in Connecticut

- Institute a Quality Rating System for public and private providers and include support to achieve quality standards. Without direct funding and infrastructure support to all providers there is no mechanism for holding providers accountable for high quality. And there is no justification for holding public programs for poor children accountable but not private programs.
- Develop an infrastructure for early childhood services that includes a state-level entity (a commission or board) with the authority to maximize and best distribute state resources across state agencies, according to a comprehensive system reform plan, and moving the state away from the current silo approach to funding early care programs, one department at a time.
- Include policies like paid family leave, high-quality part time jobs, and retirement credit that includes time spent caring for children. Encouragements for employers to limit work hours.
- Increase state funding for Care4Kids with a dependable funding stream. Returning to Connecticut's SFY 02 investment of \$122 million in order to return reimbursement rates to the 75th percentile (up from the current 60th percentile) and updating rates to be commensurate with the most recent market rate survey are essential steps.