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ABSTRACT

This paper provides a review of public policies affecting the quality of early childhood services for low-income families, focusing on the federally funded Head Start program, federally supported child care, and preschools operated with state education dollars. The characteristics of high quality programs are defined as including: basic health and safety protections; a sufficient number of staff for children; small group size; staff training and consistency; adequate staff salaries and benefits; and, for low income families, comprehensive services for children and their parents. The background and provisions for quality, program standards, monitoring and enforcement, fiscal policies, and training and technical assistance are discussed for Head Start; for the four major federal programs that provide direct assistance for child care: the Social Services Block Grant, the Family Support Act, the Child Care and Development Block Grant; and the "At-Risk" Child Care Program; and for state-funded preschool programs. The following principles are suggested to guide policy regarding quality across publicly funded early childhood programs: (1) all low-income children, regardless of the funding source for care, deserve the best quality of care; (2) all early childhood programs must address the comprehensive needs of children and families; (3) children must have continuity of care; (4) programs should be responsive to parents' schedules. Recommendations for improving the quality of early childhood services for low-income families concludes the report. Contains five references and one note. (DR)

A Review of Public Policies Affecting the Quality of Early Childhood Services for Low-Income Families

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NOT FOR CITATION OR REPRODUCTION

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INTRODUCTION

Three young children walked eagerly out their front doors this past September to "start school". All three children were from low-income families. All three children were four years old. All three children needed a warm and nurturing learning environment. All three children needed a program that was developmentally appropriate and responsive to their comprehensive needs for health services and family support. All three children came from families which needed full time care for their four year olds as well as their younger and older siblings.

Their names are Sarah, Kate, and Emilio. They live in the same neighborhood, but when they arrived at "school", they found themselves in at least three different lines. One was called Head Start, one was called child care and one was called preschool. Although the people who worked in these programs knew that all children and families need good quality services, what they were able to provide for these three children and their families varied widely due to differences in program purpose and policies.

This paper provides a review of public policies affecting the quality of early childhood services for low-income families. Given the renewed attention to early childhood programs which has been stimulated by the readiness goal, the quality of services provided is more important than ever. The paper focuses on three main program types: Head Start, child care, and state preschools. Although we recognize that the names for different types of programs are often arbitrary and overlapping, for ease of discussion we refer to "Head Start" as all those programs that receive federal Head Start dollars, "child care" as all those programs and providers that receive federal child care assistance, and "state preschool" as all those programs that are almost always funded through state education dollars and that usually are limited to children in the years just before they enter school.

This list is far from inclusive of all the public funding programs serving low-income young children and families. For example, we do not focus on Chapter I, Even Start, the Comprehensive Child Development Programs, the Dependent Care Block Grant funds, state child care programs, federal and state family support programs or programs funded under the Individuals with Disabilities Act.

The paper first provides a brief overview of what we mean by quality and then provides background on each type of program and how they each address quality issues. Although this paper includes a review of policies which affect quality, it is <u>not</u> a review of the actual quality of services provided. We conclude with a series of policy recommendations to improve the quality of all early childhood programs.

<u>What Do We Mean By Quality?</u>

Throughout the past two decades, a body of research has indicated that optimal child development occurs when providers of care are warm, sensitive and responsive to children. There are a number of program characteristics which tend to support early childhood providers in their effort to provide such an environment. These include:

- basic health and safety protections
- a sufficient number of staff for children
- small group size

- staff training and consistency
- adequate staff salaries and benefits

For low-income families, comprehensive services have also become identified as an essential part of quality (Ramey & Ramey, 1992). These include mechanisms to provide for health, parent involvement and family support needs either directly or through linkages with other agencies. Similarly, there has been continued recognition that good early childhood programs should focus on the needs of both generations: parents and children. This most often means providing good quality programs for the children, while meeting the full day needs of working parents.

These elements of quality can be encouraged through standards, monitoring and enforcement, fiscal policies and other program supports such as training and technical assistance. The remainder of this paper examines the policies that relate to these key elements in Head Start, child care and state preschool programs.

HEAD START

Background

Since 1965, Head Start has provided comprehensive services including health, social services and parent involvement to more than 12 million children and families. Today, Head Start is funded at $2.8 billion. It will serve over 700,000 children through more than 2200 grantees and delegate agencies, reaching children in all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands and the Pacific Territories. Head Start's primary goal is to promote the "social competence" of children by providing a sound child development program which includes involvement and support to families.

Children enrolled in Head Start come from a diverse group of families, almost all of whom are struggling to survive on extremely low incomes. Over 90 percent of all Head Start families live below the federal poverty line. Head Start serves children ages 3-5, with four year olds comprising more than 60 percent of the population. About 3 percent of Head Start children are under age three, served in Parent Child Centers and through Head Start Migrant programs.

Head Start funds have always been distributed by the federal government directly to local communities based on a state formula. A wide variety of community-based organizations serve as Head Start grantees including: community action agencies, schools, churches, and other non-profit institutions. State government has no formal role in Head Start; however there are currently 22 Head Start State Collaboration grants, funded with Head Start funds, which provide linkages between Head Start and other state and local programs.

Provisions for Quality

Head Start policies provide the most support for quality compared to other childhood services. Although they need to be updated, Head Start Program Performance Standards offer the most comprehensive standards for young children in the country. The landmark 1990 Head Start legislation took an important step toward improving the qualifications and stability of staff by earmarking funds for quality improvements including higher compensation and setting forth requirements for teaching staff. In addition, training and technical assistance funds will now be able to keep up with program expansion. Despite these policy supports, Head Start quality is still threatened by inadequate funding per child, lack of intensive training (particularly for family support staff) and fiscal policies that do not allow the program to fulfill its mission to provide high quality, comprehensive services or to provide full-day, full-year services. (NHSA, 1990)

Standards

Since the early 1970's, The Head Start Performance Standards have provided standards and guidance to Head Start programs in all four components: health, education, parent involvement and social services. These Performance Standards provide detailed funding standards that go beyond the minimum health and safety protections included in state licensing codes and also help guide program operations to ensure optimal child development and family support. These standards are the only set of federal standards that ensure immunization, health screening and follow-up treatment for every participating child as well as parent participation and linkages with other community agencies.

Rather than seeing these standards as intrusive, the Head Start community has actively supported and encouraged such requirements. In fact, the Silver Ribbon Panel report sponsored by the National Head Start Association strongly recommended a comprehensive effort to revise and upgrade the standards to reflect new knowledge, the needs of younger children and new settings (NHSA, 1990). The current standards have not been revised since the mid-1970's and do not reflect the needs of home-based children or children under age three. Although draft standards for programs serving children birth-age three were developed several years ago, final rules are still pending.

Key indicators of program quality (group size, child-staff ratio and requirements for classroom staff) have evolved largely outside of the performance standards. Head Start has traditionally considered as optimum a group size of 15 children, with a 5:1 child-adult ratio. The original recommendations by the panel of experts stated that activities were to be carried out in a small group. When Head Start began, Head Start, the Head Start Policy manual suggested a class size of 15 children with three adults, a teacher, an aide and parents. More recently, DHHS promulgated final rules that require two paid staff for every classroom and class sizes of 17-20 for 4- and 5-year- olds and 15-17 for 3-year-olds (Federal Register, Dec. 8, 1992).

With regard to staff qualifications, the 1990 Head Start reauthorization requires that by 1994, each Head Start classroom must be assigned a teacher who has:

- o A Child Development Associate (CDA) credential that is appropriate to the age of the children being served, or

- A state awarded certificate for preschool teachers that meets or exceeds the requirements for a CDA credential, or
- An associate, baccalaureate or advanced degree in early childhood education, or
- A degree in a field related to early childhood education with experience in teaching preschool children and a state awarded certificate to teach in a preschool program.

In addition, the Head Start Performance standards set forth a series of requirements which provide ongoing in-service training to ensure that staff reflect the cultural and linguistic groups of the children served.

Monitoring and Enforcement

Monitoring and enforcement of Head Start Program Performance Standards and other federal policies are carried out by a network of the 10 regional offices of the HHS (monitoring of Indian and Migrant programs is carried out through the national office). One third of all programs must be monitored each year through an on-site review. Most programs complete the SAVI, Self-Assessment Validation Instrument (based on the standards) as part of their annual reapplication. Reviewers consist of a mix of early childhood development experts and HHS Regional staff.

Over the years, numerous reports have documented the need to add additional, well trained staff to appropriately monitor Head Start programs. The 1980 report to the President (DHHS, 1980), found that despite program growth the number of national and regional office staff had declined considerably since 1970. In 1990, the Silver Ribbon Panel found that the lack of support for regional office staffs appears to have continued unchanged, and perhaps even worsened, serving as a barrier to program monitoring.

Fiscal Policies

The vast majority of Head Start funds go directly to programs based on a state formula. Funds are then distributed to the existing grantees based on an annual application. Regional offices negotiate new grants during periods of program expansion, particularly in areas where there are no existing programs. The 1990 Head Start reauthorization provided several set-aside for training and a 10 percent set aside of the total appropriation for quality improvements (in subsequent years 25 percent of all increases), with half the quality set aides earmarked for improved staff compensation.

Despite recent expansion, and the quality set-asides, Head Start programs continue to operate under fiscal policies that do not reflect the true cost of quality care and do not allow the flexibility to provide services that are responsive to family needs. Currently, the average Head Start cost per child is $3718 (FY 1993). Cost per child varies greatly across the country and even within states. Many program directors complain that there does not appear to be an equitable system for determining cost allocations (NHSA, 1992).

Furthermore, programs continue to operate without appropriate salaries and benefits for staff. In a time of program expansion and increasingly complex needs of low income children and families, Head Start programs continue to report inadequate levels of staff to provide intensive services to families (NHSA, 1990). While a Department of Health and Human Services task force recommended a caseload of 35 families per social service worker, 71% of Head Start programs nationwide had an average social service caseload of 61 families per worker. ( )

Finally, fiscal policies have not allowed programs to address the need to provide full day, full year services and to serve younger children. Although the 1990 reauthorization allows programs to use funds for full day programs, past administrations disallowed such costs, encouraging programs instead to use other child care dollars to extend the day. These policies often put Head Start programs in competition with other child care providers, placing an unfair burden on program administrators. They also force programs to spend time on exceedingly complex administrative policies for the various child care programs rather than on serving families and children.

Training and Technical Assistance

Head Start has an extensive system of support for training and technical assistance when compared with most other public early childhood or child care programs. However, over the years, Head Start staff have reported that training funds have not kept up with the pressing needs of programs. Training funds as a percentage of the Head Start budget decreased steadily between

1974 and 1990, until legislation required that two percent of total funds be earmarked for training. In FY 1992, $44 million dollars were spent on training and technical assistance.

Head Start uses a combination of direct funding to grantees and the funding of a Training and Technical Assistance network which includes a National Resource Center, 12 Regional Centers, and 1? Regional Access Projects (focused on special needs children). In addition, through an interagency agreement, the Public Health Service provides health-related training and technical assistance to Head Start programs. Over the years, Head Start has also supported the CDA National Credentialing System. Recent efforts to expand Head Start T&TA has included the funding of local teaching centers to provide on-site training and technical assistance.

CHILD CARE

Background

There are currently four major federal programs that provide direct federal assistance for child care -- they include the Social Services Block Grant, the Family Support Act (JOBS and Transitional Child Care), the "At-Risk" Child Care program and the Child Care and Development Block Grant (see chart). States repackage these federal funds, usually with the addition of varying amounts of state funds, to create a range of subsidized child care funding streams on the state level. These combined federal and state funds are usually used to cover the costs of child care for a limited number of low-income families. The total amount of federal and state child care funds varies enormously between states (see State Investments in Child Care and Early Childhood Education.).

Until recently, the largest source of federal funds for subsidized child care had been the federal Social Services Block Grant (Title XX). The SSBG was funded at $2.8 billion in FY 1992. States may use a proportion of these funds for child care. However, due to limitations in the reporting requirements, it is not possible to determine exactly what proportion of these funds are used for child care.

Passed in 1988, the Family Support Act guarantees child care assistance to parents receiving AFDC who are participating in education or training programs or working. In addition, transitional child care assistance is guaranteed for 12 months after leaving welfare due to increased income. In FY 1992, approximately $340 million was available for these programs.

In 1990, Congress created two new separate child care programs: "At-Risk" Child Care Program and the Child Care and Development Block Grant (CCDBG). Congress did not create these two separate programs in 1990 in order to accomplish different purposes. They evolved because two Congressional committees had jurisdiction over child care. Since both were eager to establish a new program, in order to reach a compromise, a final package included a new initiative under the jurisdiction of each committee. The Block Grant is funded at close to $900 million in FY 1993 and $300 million is available for the "At-Risk" program.

These two groundbreaking programs provide additional assistance for child care. Families who earn up to 75 percent of the state median income are eligible for assistance under the CCDBG. The "At-Risk" Child Care program assists families who are at risk of going on AFDC and need child care in order to work and remain self-sufficient.

Unlike Head Start where funds are directed to a core network of programs, child care funds from each of these four federal funding sources go directly to states (to human services or welfare departments, except in California where the Department of Education has responsibility for the Child Care and Development Block Grant) which in turn provide certificates or vouchers to help pay the cost of child care for eligible families. Parents may choose from a variety of providers ranging from relatives and family child care homes to child care centers. There are only a handful of states which combine vouchers with contracts which guarantee programs the funds to serve a certain number of children.

Summary would be helpful

Each of these four funding streams have somewhat different policies; for example they may set different limits on eligibility or reimbursement. Many states are struggling to put the various federal child care funding streams together in a way that creates a more seamless set of services that are more accessible to families.

Provisions for Quality

In sharp contrast to Head Start, which includes a set of federal performance standards, minimum criteria for classroom

teachers, a set aside for training, staff salary increases and quality improvements, the federal government takes a minimalist approach to child care quality. As the following sections illustrate, federal child care policy basically leaves child care standards and monitoring to the states and provides very few fiscal incentives to protect quality, ensure comprehensive services or family involvement or provide other program supports.

Standards

Strengthening the quality of child care for children and their families was not a driving force in the enactment of federal child care programs. For example, the issue was barely on the table when the Family Support Act (FSA) was debated. Policymakers often view child care solely as a means of helping low-income parents move toward self-sufficiency with little regard to the content of care for their children. There is often minimal recognition that these very poor children could benefit from an enriched child care program such as Head Start. Vague language in the statute urges coordination between FSA funded child care, Head Start and other programs.

The "At-Risk" child care statute simply states that providers must meet applicable state standards. It exempts relatives from meeting any quality protections.

The Family Support Act requires that providers receiving child care funds meet applicable state standards. States must establish procedures to ensure that all center-based care that is exempt from those standards meet state and local requirements for basic health and safety protections, including fire safety. In 1990, 13 states fully or partially exempted religious institutions from licensing requirements while a number of other programs such as those operated by schools may also be exempt from licensing. Under FSA, states must also endeavor to develop basic health and safety requirements for family day care. Relatives may receive funds without meeting any standards. Given that a number of states do not require smaller family day care providers to be licensed or regulated, policymakers are essentially allowing potentially millions of very poor children to be enrolled in federally funded child care which may not meet even basic health and safety standards.

Before 1981, providers receiving federal Title XX funds had to meet federal child care standards. That year, President Reagan recommended and Congress converted Title XX into the Social Services Block Grant, eliminated federal standards and required that subsidized child care only meet applicable state standards.

While the Child Care and Development Block Grant goes further than the other federal child care programs in recognizing the importance of quality child care, its standards provisions are still extremely limited. Though the original version of the bill included federal child care standards for programs receiving these funds, they were deleted before final passage. The final version of the bill includes the strongest quality provisions of the four federal child care programs. Under the Block Grant, all providers receiving assistance must comply with all licensing or regulatory requirements applicable under state and local law. In addition, regardless of whether a state currently requires providers to meet health and safety requirements, all providers receiving Block Grant funds (except for grandparents, aunts and uncles) must meet a set of bottom-line requirements which include:

- o Policies that prevent and control infectious diseases (including immunization);
- o Building and physical premises safety; and
- o Minimum health and safety training appropriate to the provider;
- o Parental access to the facility.

The Block Grant also includes other provisions related to standard setting. States may set standards for the Block Grant which are more stringent than those imposed on other child care providers. If a state reduces its child care standards, it must inform the Secretary of Health and Human Services of the rationale for the reduction. States must also complete a full review of their licensing and regulatory requirements no later than 18 months after they first apply for Block Grant funds unless they have done so within three years prior to enactment of the statute.

Because of the relatively minimal focus on standards in the various federal child care programs, the major responsibility for the quality of child care that children receive rests with the states. Yet many states have child care standards that are too low to provide a baseline of quality assurance that protects children's basic health, safety, and development. For example, as noted in the Children's Defense Fund's publication Who Knows How Safe? The Status of State Efforts to Ensure Quality Child Care (Adams, 1990) in 1990:

- o Eighteen states allowed child care centers to operate with five or more infants per adult, with some states allowing caregivers to care for as many as eight to 12 infants. Thirteen states allowed a single family day care provider to care for five or more infants and toddlers. This is in sharp contrast to the NAEYC accreditation standards which recommend one caregiver for four infants.
- o Thirty-five states required no training whatsoever for staff in family day care homes and 32 states did not require specific levels of formal training for teachers hired in child care centers. Only one state, Florida, requires that every classroom have a teacher with a CDA or similar credential. In addition, few states have strong licensing requirements regarding parent participation or family support. While a number of states require some form of regular communication with parents (written or verbal), only a few require a strong parental role.
- o Forty-three percent of children in out-of-home care are in settings not covered by existing state standards. These include children in family day care homes as well as in child care centers operated by religious institutions and public schools which may be exempt from regulation.

Wide discrepancies also exist across the country regarding the protections offered to children who are receiving federal child care subsidies and who are enrolled in family day care that is exempt from licensing or registration. For example, Texas -- which exempts providers caring for three or fewer children from state licensing -- requires these exempt providers who receive any public funds to meet a series of requirements including an age requirement for caregivers and on-site inspections prior to payment. Children must be immunized and providers must participate in 20 hours of training each year. In contrast, in Utah, family day care providers serving four or fewer children receiving public funds must meet only a minimal set of requirements. Providers must be at least 18 and sign a contract which lists where the care will be and assures parental access at all times. Providers must also agree to read and comply with a Department of Human Services code of conduct. They do not have to meet any health or safety or training requirements nor do children have to be immunized prior to entering child care.

There are a few states such as Massachusetts and California which require programs receiving public funds to meet higher standards than those incorporated in their child care licensing laws.

The federal regulations governing the various federal child care programs further undermine the slim statutory focus on standards, and often blatantly discourage states from seeking to raise their standards. Regulations for the Child Care and

Development Block Grant stress that a primary purpose of the statute is to increase the availability of child care and to ensure parental choice. Any state rules or requirements which are established solely for the Block Grant which would cause a reduction in the availability of care or inhibit parental choice -- even if it only restricts parental choice of poor quality care -- would therefore be interpreted as being contrary to Congressional intent. To ensure that quality standards do not diminish availability or reduce parental choice, the Department of Health and Human Services proposes to employ an effects test to ensure parental choice during a program review or if they receive a complaint. While this particular regulation may not have a major impact since states do not generally have standards in place solely for the Block Grant, it sends a chilling signal to states concerning the federal government's attitude about their efforts to strengthen the quality of child care.

Regulations governing the "At-Risk" program and child care funded by the Family Support Act also do not send encouraging signs to the states concerning child care standards. Instead, they make it crystal clear that parental choice is a paramount consideration stating that it would be "antithetical to our overall goal of supporting the family in its quest to remain independent and self-sufficient to interfere in so personal and critical a decision as who will take care of ones' children." However, they go on to recognize that Congress acknowledged the importance of health and safety in child care when it enacted the Child Care and Development Block Grant. In order to allow states to operate a seamless child care system (one in which the various

federal and state funding streams can come under the umbrella of a single set of rules and requirements), they enable them to use the identical health and safety requirements for the Block Grant for children receiving Family Support Act and "At-Risk" child care funds.

Family Support Act regulations make it very clear that they are not forcing states to impose even minimal health and safety standards on child care provided with Title IV-A funds. HHS states that "We do not believe, however, that Congress intended to limit child care only to care that is specifically regulated by current or local law. Other care, even if it is unregulated at the State or local level, is reimbursable under the Act." They are explicit in noting that child care that is exempt from state standards -- such as child care under the auspices of religious institutions, family day care homes, and care provided by in-home caregivers in a child's own home -- may receive funds under the Family Support Act.

Monitoring and Enforcement

Monitoring and enforcement of the quality requirements of federal child care programs is clearly not a priority of the federal government. While one quarter of one percent of Child Care and Development Block Grant funds are set-aside for technical assistance by the federal government, it is highly unlikely that this assistance will focus on upgrading quality. States struggle to do an adequate job. A Children's Defense Fund study Who Knows How Safe: The Status of State Efforts to

Ensure Quality Child Care (Adams, 1990) found that many states have not invested enough resources in child care enforcement to do the basic job of ensuring that child care programs meet basic licensing standards.

Licensing officials in 18 states said the lack of enforcement staff made it difficult, even impossible, to monitor and protect children in child care. And according to a national study by the U.S. Department of Health and Human Services (HHS), caseloads for state licensing inspectors who inspect a child care centers are almost twice recommended levels. The HHS study also revealed that fewer than half of all licensed or registered family day care homes were inspected in 1988.

A recent report by the GAO: Child Care: States Face Difficulties Enforcing Standards and Promoting Quality found that enforcement remains a problem for states. In the wake of budget cuts, many states have weakened their capacity to enforce standards having to actually reduce on-site monitoring. The new federal child care funds are primarily focused on child care services. Increasingly tight state budgets are now combined with increasingly heavy caseloads with federal funds encouraging new providers to enter the child care market. State officials are concerned that the limited amount of Child Care and Development Block Grant funds for quality activities will not offset these problems and therefore, will have a limited effect on their ability to monitor programs.

There are some states that have set up separate monitoring systems for subsidized child care.

Fiscal Policies

Another major factor which prohibits child care funded by the Block Grant, the Family Support Act, or the "At-Risk" Child Care Program, from offering services to low-income children and families that meet the quality criteria and enriched services discussed earlier, is their rigid limits on per child reimbursements. Unlike Head Start and some state preschool programs which factor in the costs of providing good quality care and/or comprehensive services, the child care programs are based on a market rate concept. While Title XX is silent on this issue, the other federal programs basically allow states to reimburse child care programs at levels equal to or a certain percent of the going rate for child care in their community. The Family Support Act also gives states the option of paying $175 a month for children two and older and $200 a month for children younger than two. Obviously, these rates are well below the market costs in many areas -- which can easily run close to $300 to over $600 a month. Since the market rate for child care depends heavily on families' ability to pay, it often does not support even good quality child care that encompass reasonable staff salaries and benefits much less child care that is enriched with comprehensive services. Initially, when the concept of market rate was introduced in the Family Support Act, it was seen as somewhat progressive since many states were paying providers serving low-income children rates that were far below the local market. Regulations governing the Family Support Act and "At-Risk" Child Care Program undercut even the minimal progress made by the market rate concept as they limit payments to the 75th

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percentile of the market and allow states to set a statewide limit which can be lower than the 75th percentile.

The Block Grant does allow states to reimburse providers up to the full market rate. However, regulations limit states ability to pay providers who provide higher quality care a higher reimbursement rate. The regulations only allow states to set differential rates of ten percent within categories of child care which may reflect different levels of quality. As a result, many states have been forced to reverse their current practices of reimbursing family day care providers caring for fewer children, who meet lesser standards, significantly less than providers serving more children who meet higher standards. States are also prohibited from using a differential rate structure that includes more than a ten percent differential to provide additional reimbursement to child care centers which offer comprehensive services or meet NAEYC accreditation standards.

Training, Technical Assistance and Other Program Supports

The child care system lacks both adequate funds to provide direct assistance for training and institutional support to develop training programs. Neither fiscal nor regulatory incentives are available to help enhance career development in the field of child care.

When drafting the Family Support Act, legislators recognized that a significant expansion of federal funds to help families pay for child care could increase the supply of child care thus increasing the need for trained child care providers and for staff to license and monitor programs. Their response was to authorize a very small program, Grants for Licensing and Monitoring which provided $13 million in 1990 and 1991 to help states train child care providers and monitor child care facilities. The "At-Risk" statute expanded this grants program to $50 million and earmarked half of the funds for training. However, Congress did not appropriate any funds for this program in 1992 or 1993.

Congress was much more explicit about the need to set-aside funds to assist states in improving the quality of child care in the Child Care and Development Block Grant. The statute includes a five percent set-aside for quality improvements including training, developing or operating resource and referral (R&R) programs, providing grants or loans to help programs meet state and local standards, hiring additional licensors and inspectors, and improving salaries and other compensation. States may also use 1.5 percent of their funds for either quality improvements or early childhood development activities. Seventy-five percent of their funds are set aside to help families pay for child care. However, regulations only allow five percent of the 75 percent funds to be used for quality improvement or supply building on the condition that states use ten percent of their funds for administering the Block Grant.

A significant number of states have used their quality improvement funds for a wide range of training initiatives, starting or expanding R&R systems, providing help to providers to meet standards, and hiring additional licensors. However, funds for training child care staff at all levels remain woefully inadequate. In addition, few states have targeted funds to address the issue of staff salaries and benefits. Extraordinarily low salaries make it increasingly difficult to recruit and retain qualified staff.

It is also a challenge for states to target their limited funds available for training and technical assistance to those programs serving poor children. The majority of federal dollars are used for certificates or vouchers. As a result, training dollars are not generally targeted on particular child care programs in low-income neighborhoods. Limited training dollars therefore do not always add up to improved training opportunities for child care providers serving low-income children.

Major Federal Child Care Assistance Programs

Social Service Block Grant These funds are made available to the states to meet individual social service needs. There is no specific earmark for child care. States determine eligibility and have discretion over how much is spent on child care. Of the total $2.8 billion in FY '93, it is estimated that approximately $600 million is spent on child care. Lead agency determined by Governor. No state match.

Title IV-A Child Care This is an open-ended entitlement program available to the states for children of AFDC recipients who are employed or are in approved education or training or JOB activities. The State IV-A agency is the lead. States must provide a match to receive these funds. The match is the same as the Medicaid matching rate.

Title IV-A Transitional Child Care (TCC) This is an open ended entitlement available to states to pay for child care for children of families who are no longer AFDC eligible and have received AFDC in 3 of last 6 months. Provides 12 months of child care assistance. The State IV-A agency is the lead. Medicaid matching rate. ($340 million in FY 1992 for Title IV-A child care)

Title IV-A At-Risk Child Care This is a capped entitlement ($300 million in FY 1993). States can use this money to assist families who are at risk of AFDC and need child care to continue to work. State IV-A agency is lead. Medicaid matching rate.

Child Care and Development Block Grant This is a block grant to the states to improve the affordability and quality of child care (approximately $900 million in FY 1993). Funds are used to assist families at or below 75 percent of median income to work or participate in training. Priority to very low income families and children with special needs. Governor determines lead agency. No state match.

STATE PRESCHOOL PROGRAMS

Background

Preliminary data from a forthcoming CDF study suggest that approximately 32 states funded at least one state preschool initiative in the 1991-92 school year. These initiatives ranged widely in scope -- from less than a million in some states to almost $150 million in Texas.*

State preschool initiatives generally took one of two possible approaches -- some states used their funds to supplement federal programs (most commonly Head Start) to expand services to additional children and/or to improve quality, while other states chose to fund a separate state initiative with criteria, policies and practices set by the state. Some states had multiple initiatives, using one approach in one initiative and a different

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* This section provides preliminary findings from a Children's Defense Fund (CDF) survey of state preschool policies; for more information, see CDF's forthcoming publication on state preschool initiatives in the Spring or early Summer of 1993.

approach in the other. This section focuses primarily on those separate state initiatives where the state determined the policies, as these provide the most interesting insights into state decisionmaking about quality. [Generally, states that chose to supplement the federal Head Start program followed the federal guidelines.] In 1991-92, about 27 states had such separate state initiatives in place.**

The 27 separate state-developed preschool initiatives examined in this section differ from both the Head Start and subsidized child care funding streams in a number of ways. Most importantly, the policies and funding levels are determined completely at the state level, and do not flow in any direct way from federal programs or funding streams. Consequently, the initiatives differ significantly from state to state, with policies and practices reflecting the politics, history, and interests of each state rather than any central federal legislation or regulations.

State preschool initiatives generally focus on providing preschool-age children with a preschool education, though they vary in how broadly they define their mission. Some states use their preschool funds to provide educational services only, while

** For the purposes of this discussion, state preschool programs are defined as those initiatives that are focused primarily on providing (or enhancing) preschool education services to preschool-age children. They do not include initiatives that focus primarily on parent education or family support services, or preschool/early intervention services that are limited to children with disabilities. They also do not include preschool efforts funded through Chapter I, as Chapter I funding decisions are made at the local level and no state was able to provide information on such efforts.

others take a more comprehensive approach -- similar to Head Start -- and use their preschool initiative to try to meet the broader education, health, and social service needs of children and their families. Nonetheless, these initiatives are focused (at least in part) on fostering the development of children rather than primarily on the employment of their parents, and thus are more likely to include policies that support quality than are generally found in state or federal subsidized child care policies.

Provisions for Quality

Since policies are set at the state level, and there is no central data source on state preschool efforts, there are relatively limited data available regarding the quality protections available in such programs across the country. Nonetheless, preliminary data from the Children's Defense Fund's survey provide a general overview of quality provisions in state preschool initiatives.

Standards and Regulations

The concept of quality standards or regulations do not function in the same way for state preschool programs as they do for child care or for Head Start. Instead, states vary in the extent to which they set quality requirements at the state level, what agency is (or which agencies are) responsible for setting and enforcing these requirements, and in what these requirements cover.

First, state preschool programs do not always have clear quality requirements set at the state level. While some states have program requirements that all programs must meet in order to receive funds -- similar to the approach used by Head Start or some state child care systems -- others simply offer guidelines or a baseline and leave the details up to local discretion. For example, in the 1991-92 school year, Wisconsin left all group size and ratio requirements up to local discretion in their state preschool program.

Second, some states rely on the child care licensing system to set at least some of the quality requirements (and enforce them) for some of the local preschool programs they fund. For example, roughly half of the states with preschool initiatives in the 1991-92 school year allowed local programs that were not based in schools (such as child care centers and/or Head Start programs) to be funded to provide preschool services. Though relatively few of these states required that their <u>school-based</u> preschool programs meet state child care licensing laws (thus allowing them only to have to meet whatever quality requirements were a part of the state preschool program or the school code), all required that any child care centers receiving funds be licensed as a condition of receiving preschool funds. In many cases, child care centers had to meet additional preschool quality requirements as well.

Third, states vary in the extent to which the essential components of quality were covered in their quality requirements. For example, in the 1991-92 school year, most states required that their state-funded preschool programs have staff-to-child ratios and group size limits that met professionally recommended levels. A number of states had preschool requirements in these areas that were better than those recommended by the National Association for the Education of Young Children. Thus, overall, preschool programs were much more likely to meet these quality standards than were publicly funded child care programs.

On the other hand, there were a few states that did not require their preschool programs to provide care that met professionally recommended quality requirements. For example, as mentioned earlier, Wisconsin left all group size and ratio requirements up to local discretion in their state preschool program, which means that there was no quality control in these key areas. In the 1991-92 school year, two states -- Texas and Ohio -- had class size and ratio requirements that exceeded levels recommended by NAEYC. For example, while NAEYC recommends no more than 10 four-year-old children per staff member, Ohio allowed up to 14 and Texas allowed up to 18; similarly, NAEYC suggests that no more than 20 children of this age should be cared for in a single group -- yet Ohio allowed up to 28, and Texas allowed up to 22.

Another example of variations in the basic quality requirements for state preschool programs is in the area of teacher qualifications. While a significant number of states required teachers to have some level of specialized training in early childhood education (for example, a CDA credential, or teacher certification or college degree with a specialization in early childhood education), others did not. Several states allowed teachers who were certified in elementary education (rather than early childhood education) to teach preschool, even though research has shown the importance of specialized training in early childhood education. In addition, a few states allowed individuals with no formal training to teach preschool. For example, though they have since significantly strengthened their requirements, in the 1991-92 school year Ohio allowed individuals to be hired to teach in their state preschool program as long as they were 18 or older, and had a high school diploma -- these teachers were required to receive at least 15 hours of training each year.

In a number of these areas -- such as child-to-staff ratios, group size limits, and teacher qualifications -- many states provided higher quality to a low-income child attending their state preschool program than they would to the same low-income child attending a subsidized child care program. For example, it is particularly telling to compare preschool requirements and child care licensing requirements for staff-to-child ratios and class size limits -- in 1991-92, a few states allowed twice as many four-year-olds per staff member in licensed child care centers than they allowed in their state-funded preschool programs, and about ten states did not place any limits on the number of four-year-olds that could be cared for in a single class for their licensed child care programs even though they did recognize the importance of such limits for their preschool program.

The main area where this pattern does not appear to hold true is in the area of basic health and safety protections, as there were some states that only required that local programs meet school codes. Unfortunately, school codes often do not include the special health and safety protections that preschool-age children need, in part because they were developed for school-age children rather than 3- and 4-year-olds.1/ In these cases, it is possible that state child care licensing requirements provide greater basic health and safety protections to children in licensed care than is found for children in state funded preschool programs.

State preschool efforts also vary significantly on some of the other key quality indicators laid out earlier in this paper. For example, states differ in the extent to which they require that their local preschool programs provide (or link children to) other critical services such as health and social services. Some states, such as West Virginia and Wisconsin, only required that local programs provide the basic services traditionally provided by schools, and thus had no state requirements that ensured that children received the health care or social services they may have needed. Other states, such as New Jersey's Urban Preschool Initiative (now called Good Starts), Oregon's Prekindergarten initiative, and Washington State's Early Childhood Education and Assistance Program (ECEAP) link children to a much greater array of services (more similar to Head Start). Still other states made significant efforts to at least meet the health needs of children -- for example, Arkansas will provide health screenings and diagnostic tests to every preschool child by 1993, using Medicaid to cover the costs for Medicaid-eligible children and state funds to cover the costs for those who are not eligible.

States also differ in the extent to which their preschool initiatives are family focused and reach out to involve parents. For example, while almost all state preschool efforts reach out to parents in some way, some states limit their efforts to annual parent-teacher conferences. Most states, however, do more -- the majority of states had a significant number of state-funded preschool programs conducting home visits. On the other hand, only a minority of states went beyond home visits to provide more intensive family support services or to require that parents have a decision-making role in the program as is found in Head Start.

States were generally less responsive to the needs of full-time working parents for full-day, full-year programs, though there were a few exceptions. In 1991-92, relatively few state preschool initiatives tried to address parent's needs for preschool services that operate during a full-working day. However, some states are making progress in this area -- for example, New Jersey's Urban Prekindergarten initiative and Iowa's initiative required local programs to provide at least some services for a full-working day if children in their classes need such care. In Iowa, some local programs provided full-day services directly with state funds, while others did so by linking to existing child care services.

Monitoring, Enforcement, Training and Technical Assistance

The issues of monitoring, enforcement, training, and technical assistance are sometimes less easily separable in state preschool programs than they are for state subsidized child care programs, though it depends on the state. It is particularly complicated in those states that rely even partially on state child care licensing, as there may be separate monitoring and technical assistance by the state licensing agency and the agency (often the state Department of Education) that administers the state preschool program.

Monitoring and enforcement can take a number of different forms for state preschool programs. For example, some states only monitor their local preschool programs every 3 (or more) years as a part of their periodic school accreditation effort -- as of 1991-92, for example, Texas visited local programs once every five years during school accreditation, though they have made some improvements in their monitoring efforts since that time. Other states have a combination of inspections by the state child care licensing agency and the state department of education -- though this may also average out to a site visit every two to three years.

In other states, monitoring is much more intensive and is part of a larger technical assistance and training effort -- sometimes states accomplish this by having early childhood education specialists on staff to conduct annual evaluation visits and to provide technical assistance to local programs. One of the most remarkable monitoring, training and technical assistance efforts was that conducted by New Jersey for their Urban Preschool Initiative, which provided particularly intensive support to those programs that were in their first year of operation -- conducting two evaluations (each of which involved 15-30 site visits to the program), and providing technical assistance around areas where the program was weak. After the first year, programs continue to receive two evaluations annually, but each evaluation involves 5-7 site visits rather than 15-30. In addition, they provide semi-annual training sessions, quarterly meetings with local program directors, and other technical assistance to all programs in their effort to support quality. The relatively small size of this program makes this level of technical assistance more feasible.

There is a similar variation across states in the intensity and role of training efforts. Most states included some emphasis on staff training, though some did relatively little or nothing. Nonetheless, a number of states sponsored annual training opportunities for preschool staff, and/or provided a certain number of days per year for staff development.

Fiscal Policies

States use different financing methods to fund their local preschool initiatives. Some provide funds through competitive grants, some fund programs through more traditional school financing formulas. Some states require localities to provide a local match or contribution, while others fund the preschool services fully out of state funds.

Unfortunately, it is impossible to evaluate the adequacy of state fiscal support for quality. State per child allocations varied widely in 1991-92 -- from about $1,200 to over $5,000 per child. Yet it is difficult to determine whether state allocations are sufficient to purchase quality, as the appropriate funding level depends on a range of decisions including whether they are to cover the costs of comprehensive services, full-working day services, or small class sizes and good staff-to-child ratios. This is further complicated by the fact that some local districts may contribute funds, space, staff to improve ratios, and so forth, much of which would not be counted in this state-wide average.

Despite these difficulties, there are some state fiscal policies that clearly support quality in preschool programs. One of the places this can most clearly be seen is in staff salary levels. The Profile of Child Care Settings (Kisker, et al., 1990) found that teachers in public-school based non-profit programs (many of which are likely to be state preschool programs) earned an average of $14.40 per hour in 1990, in contrast to $9.67 for Head Start teachers, and only $7.40 for teachers in independent non-profit child care centers. Not surprisingly, the turnover rate for preschool teachers was significantly lower than for teachers in Head Start programs and child care centers.

Other states have fiscal policies that support quality in specific areas. The most commonly supported area was that of training -- many states covered the costs of training either directly or indirectly. In addition, some states provided fiscal support to ensure other policies that are related to quality. For example, Illinois covered the higher cost of full-day, full-year services for some programs; Oregon required the same comprehensive services required by Head Start, and based their per child costs on that used by the federal Head Start program; and as noted earlier, Arkansas will cover the costs of health services by using a combination of state health care funds and federal Medicaid and EPSDT funds.

CONCLUSIONS

Given the fact that research indicates that our society will only reap the benefits of early childhood services for low-income children if they are high quality and comprehensive. Public policies must support such efforts across early childhood programs. While there are a number of steps that must be taken to bolster the quality of Head Start, it still has the strongest standards and supports, and remains the only program with a mandate for comprehensive services. However given the serious problems facing Head Start families, and the lack of full federal funding, and the years of inattention, threats to program quality still remain. Fiscal policies still stand in the way of allowing the program to be responsive to the full range of family needs.

Generally to provide care for poor who work or receive trng.

On the other hand, federal child care programs are not supported by either statutory or regulatory provisions which guarantee or support even minimum levels of quality. In addition, child care policies (which rely increasingly on providing support only to parents through certificates without providing any core support to programs) are making it even more difficult to provide quality comprehensive services. Quality is further threatened by reimbursement rates that do not reflect the

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true cost of quality care. Finally, although less is known about state preschool policies regarding quality, there is some indication that although programs may have better ratios and class sizes than child care programs, as well as better paid and qualified teachers and less turnover, they often do not respond to the full range of services needed by low-income children and their families.

In order to ensure that all poor children enter the schoolhouse door ready to learn, public policy must build on the strengths of each system and guarantee that <u>all</u> publicly funded child care and other early childhood development programs are responsive to children's <u>and</u> families' needs. The mission of both federal and state child care and other early childhood development programs must be a dual one: responding to the needs of children and responding to the needs of their families.

Although we recognize and support a diversity of funding streams across the early childhood system, we believe that all programs serving low-income children and families must have access to the necessary resources to encourage quality care.

We therefore set forth the following principles to guide policy regarding quality across publicly funded early childhood programs:

- <u>All low-income children regardless of the funding source care deserve the best quality of care</u>. This is important not only in terms of equity but also vital if as a nation we are to ensure that our poorest children enter school ready to learn.

- **All early childhood programs must address the comprehensive needs of children and families.** All low-income children and their families should have access to comprehensive services which include education, health, mental health, and nutrition, social services, and parent involvement. The early childhood system should ensure that these children and their parents receive such services either by providing them directly or through linkages with other programs.
- Children must have continuity of care. Very young children, especially those who live in communities that are shattered by violence, poverty and constant change, need the security of a constant and loving caregiver.
- Programs should be responsive to parents' schedules. If child care and other early childhood development programs are to help low-income parents to work and become self-sufficient, they must make it easy, not more difficult, for parents to go to school, attend training programs, or hold down a job. This requires that they offer full-day, full-year services.

RECOMMENDATIONS

- Regulations and standards set a baseline of quality. Therefore, it is key that all programs be held to similar standards. All publicly funded early childhood program statutes and regulations should require all publicly funded programs to meet a set of standards for quality programs. Resources to help programs meet such standards must be available.

- Once children are enrolled in a publicly funded early childhood program, they should be allowed to remain until their family is no longer eligible for child care assistance under any federal or state funded child care program. For example, children whose families are receiving transitional child care assistance under Title IV-A, should receive child care help until their families' incomes exceed those set for the Child Care and Development Block Grant. To further encourage continuity of care, if states set eligibility for the Block Grant below 75 percent of the state median income, they should allow families receiving child care assistance to remain eligible until their incomes reach 75 percent of the state median income. As families' incomes increase, they would help to pay for the cost of care based on a sliding scale.
- A range of strategies should be employed to assist child care and other early childhood programs in providing comprehensive services to children and families. Federal and state child care initiatives should build in fiscal incentives for providing comprehensive services. Child care policies must go beyond a limiting market rate concept for reimbursing child care programs. Child care and preschool statutes should provide the flexibility to allow programs to be

reimbursed for the full cost of quality child care as well as for additional staff necessary to offer comprehensive services. In addition, Head Start grantees should be encouraged to use Head Start dollars in child care and preschool settings to pay for comprehensive services for low-income children.

- All early childhood programs should be accessible to parents who work outside the home and provide a stable, continuous source of care for young children. For example, Head Start funds should be available to fund full-day, full-year child care. Head Start programs should not be forced to make cumbersome and difficult marriages between Head Start and federal and state child care dollars in order to provide child care assistance for parents who work outside the home. Similarly, state prekindergarten programs should provide the option of a full-day, full-year program to parents who need such services.

- Head Start grantees must also receive an adequate and equitable cost per child in order to provide comprehensive services.

- The high quality, comprehensive services that are the hallmark of Head Start must be expanded downwards to serve younger children as well. Very young children can no longer wait until they are three for the child development, health, nutrition, and family support services that characterize Head Start.

- Resources must be available to all early childhood programs, as they are for Head Start, for a stable training technical assistance system which ensures that good quality training is accessible to all early childhood professionals within a state.

- Resources must also be available for all early childhood programs for periodic monitoring visits by well-trained staff and peers with the necessary follow-up and enforcement needed to achieve good quality care.
- Policies must build in adequate compensation and benefits for staff, to ensure a stable and well-trained early childhood workforce.
- Provision should be made at the federal and state level to encourage collaboration and coordinated planning across early childhood programs at the local level.

As federal, state, and local policymakers strive to achieve these recommendations, we urge them to remember Sarah, Kate, and Emilio. Whatever line they end up in, they will all need a stimulating and supportive preschool experience in order to get the most out of their early school years. Their parents will need help to enable them to be self-sufficient and actively involved in their learning. Finally, as programs and policies are restructured to ensure that all of these three children receive a warm and nurturing learning environment, it is key to remember that policy guidelines set an important baseline for the quality of care but they still operate at a distance. The bottom line affecting the quality of Sarah, Kate and Emilio's experience will be the personal skills and effort of their caregivers. We strongly urge that public policy invest in nurturing these key links to quality as well.

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