

**Southern Regional Task Force on Child Care Press Conference
National Press Club
Washington, DC
December 13, 2000**

**Sarah Shuptrine Remarks
Chairman, Southern Regional Task Force on Child Care
President/CEO, Southern Institute on Children and Families**

Thank you for being with us today to release the Report and Action Plan of the Southern Regional Task Force on Child Care. My name is Sarah Shuptrine. I am President of the Southern Institute on Children and Families, and it is my honor to chair the Task Force.

The Task Force is composed of 22 members. At the invitation of the Southern Institute, appointments were made by governors in 16 southern states and the mayor of the District of Columbia. Additional appointments were made by the Southern Growth Policies Board and the Southern Institute on Children and Families, which is the nonprofit public policy organization leading the initiative.

This initiative has been made possible by a grant from The David and Lucile Packard Foundation. The Foundation is represented here today by Marie Young.

The full membership of the Task Force is in your press packets. I would like to introduce the Task Force members who are here today:

1. Carol Burnett, Director, Office of Children and Youth, Mississippi Department of Human Services
2. Pat Cronon, Executive Director, Hand'N'Hand Child Care Center, Florida
3. Gwen Hamilton, Executive Director, Children's Cabinet, Office of the Governor, Louisiana
4. Robert Harbison, Child Advocate, Oklahoma
5. Linda Heisner, Executive Director, Child Care Administration, Maryland Department of Human Resources
6. J.T. McLawhorn, President and CEO, Columbia (SC) Urban League
7. Joan Ohl, Secretary, West Virginia Department of Health and Human Resources
8. Diane Rath, Chair, Texas Workforce Commission
9. Julie Sharpe, Georgia Child Care Council
10. Carrie Thornhill, Vice President, Youth Investment and Community Outreach, DC Agenda

I'd like to also introduce members of the Staff Work Group who are present:

1. Linda Hoke, Senior Program Manager, Southern Growth Policies Board
2. Barbara Ferguson Kamara, Executive Director, Office of Early Childhood Development, DC Department of Human Services

And also, Zenovia Vaughn, Deputy Director for Child Care at the Southern Institute.

Never before has there been a more compelling need in our country to enact progressive child care policies. In what the US Department of Labor calls "one of the most significant social and economic trends in modern US history," the percentage of women in the workforce has jumped from 28 percent in 1940 to 60 percent in 1998. In the South, the number of employed women with children exceeds the national average.

The title of the Task Force report is ***Sound Investments: Financial Support for Child Care Builds Workforce Capacity and Promotes School Readiness***. The title conveys our intent to get the message across that child care is not a "soft" public policy issue. Assuring that safe, affordable, quality child care is available and accessible is a public policy issue with far-reaching consequences for southern states. To develop and maintain the workforce required to fuel economic progress throughout the South, greater investments in strategies that make child care more accessible and affordable are essential. To sustain the ability of families to stay off the welfare rolls, financial assistance in paying for child care is imperative. To assure that all children have greater opportunities to participate in early childhood development programs that enhance their readiness to learn, helping families afford quality services is basic. Despite the huge gap between the price of child care and the ability of low-income families to pay, public and private subsidies for child care are woefully inadequate.

And with millions of parents working at the lower end of the wage scale, many leaving the welfare rolls, assistance in paying for child care is perhaps the most critical work-support measure in which the federal government, states and the private sector can invest. For low-income parents trying to enter or remain in the workforce, the high cost of child care can be a deal-breaker with regard to employment. And the inability to obtain financial aid restricts access not only to basic child care but also child care of sufficient quality to promote early learning that improves school readiness.

Child care is the third largest expense for all families with preschool-age children after housing and food expenditures. And the expense of child care disproportionately impacts low-income families, who pay a much higher percentage of their income on child care than middle or upper income families. Studies have shown that minimum wage parents can spend as much as 40-60 percent of their income on child care based on the price of child care in their states. A comparison of child care costs to the costs of public tuition showed that in 16 states and the District of Columbia, the annual cost of placing a four-year-old child in a full-time child care center exceeds the cost of annual public college tuition in every southern state. So, where's the financial aid?

Because financial aid issues are central to helping low-income families access quality, affordable child care, the initial focus of the Task Force is on improving access to financial aid through public subsidies, tax strategies and corporate partnerships. Beginning in January 2001, continued support from The David and Lucile Packard Foundation will enable the initiative to conduct state meetings to present and discuss the Task Force Action Plan, which I will present in a few minutes. This continued support will also facilitate collaboration across the southern region to address additional issues related to accessing quality child care.

During its deliberations this past year, the Task Force held meetings across the South and received testimony from professionals, families and representatives of the business community. The culmination of the first year of work by the Task Force is the development of an Action Plan to improve access to financial aid for families who need and seek assistance.

The Task Force report discusses the many reasons why priority attention must be given to making quality child care more accessible and more affordable for low-income families, including:

- the positive effect child care can have on workforce capacity;
- the advantages child care can bring to the welfare reform effort; and
- the much-needed financial support child care can provide for early learning opportunities for children in low-income families.

The report provides results of a survey of the 16 southern states and the District of Columbia that collected detailed information on the state/federal subsidy system policies and procedures in each state. State-by-state survey results are presented in the appendix to the report.

The Task Force identified the following issues as barriers to child care financial assistance:

- significant underfunding of the public child care subsidy system;
- eligibility policies and systems that hinder access to public child care subsidies;
- the need to create employer partnerships;
- the lack of federal and state tax strategies, e.g., refundable child care and dependent tax credits.

Across the South, states surveyed overwhelmingly cited a lack of funding for child care assistance as the major barrier to serving all eligible families. The Task Force report states that insufficient federal funds have been appropriated under the Child Care and Development Fund (CCDF) to help states provide subsidies to all families within the designated federal target group, which is those families with income at or below 85 percent of each state's median income level. According to a recent federal study, in 1998, states obligated all the available federal mandatory child care funding, including federal matching funds and still, nationwide, only 10 percent of income eligible families received child care assistance. The percent of income eligible families who received child care assistance in the southern states ranged from 4 percent to 24 percent. New data released last week by the Administration on Children and Families show only a slight increase in the percent of eligible families receiving assistance.

Every state surveyed reported that families with no current or previous connection to the welfare system receive help paying for child care only when – and if – funds are available. They simply fall behind welfare related families in the priority system that has been created to ration scarce child care subsidies.

The Action Plan developed by the Southern Regional Task Force on Child Care calls for bold action by the federal government, states and the private sector to make child care financial aid available and accessible for low-income parents who need and seek it. The 10 goals and 52 action steps included in the Action Plan urge public and private sector leaders to support specific initiatives, including significant increases in child care resources, eligibility simplification,

improved customer service, implementation of tax strategies and creation of employer partnerships. Task Force members submitted information about initiatives in their states that represent progress made toward addressing the goals and action steps, and brief descriptions are presented in the report.

The 10 goals and 52 action steps are listed in Chapter 3 of the report beginning on page 17. I will briefly specify the 10 goals.

GOAL 1

Federal, state, local and private funds should be sufficient to meet 100% of need for direct child care assistance, based on initial eligibility levels at 85% of the state median income. Redetermination levels should allow families to retain child care assistance until they reach 100% of the state median income.

GOAL 2

States and communities should broaden their child care eligibility and subsidy policies to meet the economic, work and education needs of families.

GOAL 3

Outreach initiatives should be designed and aggressively implemented to assure that families have accessible and easy-to-understand information on child care assistance and are provided assistance in applying.

GOAL 4

The child care application and redetermination processes should be uncomplicated and family friendly.

GOAL 5

Establish a coordinated, seamless eligibility system so that funding sources are invisible to families and support continuity of child care.

GOAL 6

Establish customer service outcome goals and set standards to ensure that all families are treated with dignity and respect and are served in an efficient manner.

GOAL 7

Design the subsidy system so that rate structures assure that families receiving child care assistance have access to all types of child care and disallow charges above established co-payments.

GOAL 8

Create partnerships with employers to expand child care assistance for working families.

GOAL 9

Provide child care assistance to working families through federal and state tax laws.

GOAL 10

States should have effective, coordinated systems to guide child care and early childhood policy decisions and direct use of resources.

It is now my pleasure to introduce three members of the Task Force who will make brief remarks on initiatives in their states that represent progress toward achievement of the Action Plan goals:

Secretary Joan Ohl, from West Virginia, will speak to Goal 1, which calls for full funding for all families who need and seek child care assistance.

Carol Burnett, from Mississippi, will speak to Goal 4, which calls for simplification of the application and redetermination processes.

Diane Rath, from Texas, will speak to Goal 8, which urges states to create partnerships with employers.

After these brief remarks, DC Deputy Mayor Carolyn Graham will speak to the importance of leadership in achieving action on behalf of families needing child care assistance.

We will then open for questions from the press.