

Delivery of Preschool Services and Programs in Virginia

House Appropriations Committee Retreat

November 14, 2006

Susan Massart

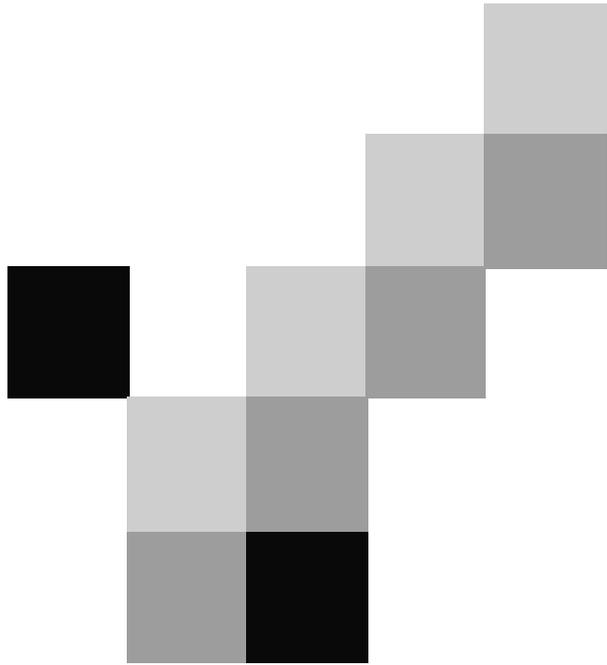
House Appropriations Committee Staff



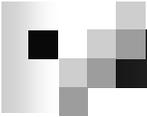


Services Provided to Preschool Children

- Virginia provides preschool services and programs for children primarily through two agencies
 - Department of Social Services
 - Department of Education
- Focus of presentations today are those services which provide early learning experiences for children
 - Child day care programs
 - Preschool educational programs



Child Day Care



Child Day Care Services

- Child day care is a critical component in supporting working families
- U.S. Dept. of Labor statistics indicate:
 - 70.7 percent of women with children in the U.S. work¹
 - 62.2 percent of women with children under age 6 work¹
- Almost one-third of families with children under age 18 are headed by single parents²
- National data indicate that about 60 percent of children ages 0-5 and not yet in kindergarten are in child care at least once per week³
 - 60% of these children are in center-based care (child care centers, Head Start, preschools, pre-kindergarten programs)
 - 35% in care with relatives
 - 22% in care with non-relatives
 - Percentages do not equal 100 because many families may use more than one type of care during the week

¹U.S. Dept. of Labor Statistics, Women in the Labor Force: A Databook, May 2005; data from 2004.

²U.S. Bureau of the Census, 2003 Current Population Survey, Current Population Reports, Series P20-553.

³National Household Education Surveys Program of 2005, National Center for Education Statistics, U.S. Dept. of Education



Child Day Care in Virginia

- 2000 Census data for Virginia indicate:
 - 69.2 percent of women with children in Virginia work¹
 - 63.3 percent of women with children under age 6 work¹
- Almost 28% of families with children under age 18 are headed by single parents²
 - Single parents typically use more hours of child care per week to work full-time
 - Center-based care for an infant and a 4-year old for a low-income single parent in Virginia could consume about 53% of that parent's income³
- Recent population estimates indicate that Virginia has 521,060 children under the age of 5 (6.9% of Virginia's total population)⁴
- Applying the national rates, Virginia may have 312,636 children under the age of 5 in some type of child care arrangement at least once per week

¹U.S. Bureau of the Census, 2000 Census of Population and Housing, Table P45, Presence of Own Children Under 18 Years of Age by Employment Status for Females 16 Years & Over.

²U.S. Bureau of the Census, 2000 Census of Population and Housing, Table P17, Family Type by Presence of Related Children Under 18 Years of Age of Related Children for All Families.

³Sound Investments: Financial Support for Child Care Builds Workforce Capacity and Promotes School Readiness, December 2000, Southern Regional Task Force on Child Care Report and Action Plan for the South, The Southern Institute on Children and Families

⁴Population data based on 2005 population estimates, Demographics and Workforce Section, Weldon Cooper Center for Public Service, University of Virginia, July 31, 2006

Child Care Capacity in Virginia

Type	No. of Providers	Capacity
Center-based Care		
Child Day Center	2,583	236,205
Religiously Exempt Center	895	75,429
Short-term Child Day Center	121	11,237
Certified Preschool	9	628
Home-based Care		
Family Day Home	1,756	19,133
Local Ordinance Providers	2,027	10,871
Voluntarily Registered Family Day Home	1,126	5,630
Local DSS approved providers	312	1,560
Unregulated Providers	1,985	9,925
Total	10,814	370,618

Characteristics of Child Care in Virginia

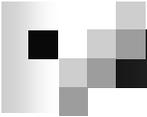
Type	Definition	Licensed/Regulated
Child Day Center	2 or more children in setting other than private residence; or at least 13 in a single location	Licensed
Short-term Child Day Center	2 or more children in setting other than private residence	May or may not be licensed
Religiously Exempt Center	2 or more children	Exempt
Certified Preschool	n/a	Regulated through accreditation
Family Day Home	6 to 12 children in provider's residence or the residence of any of the children in care (# excludes providers own children)	Licensed
Family Day Home System	Maximum of 12 children	System licensed
Voluntarily Registered Family Day Home	Maximum of 5 children (in addition to provider's own children)	Regulated*
Unregulated Family Day Home	Maximum of 5 children (in addition to provider's own children)	n/a*

*Arlington, Fairfax and Alexandria have local ordinances which regulate unlicensed providers. Voluntary registration is not available in these areas. Local DSS also may have approved providers which are not licensed.



Federal Emphasis on Child Care for At-Risk Populations

- The federal Child Care and Development Fund (CCDF) block grant was the product of the federal welfare reform legislation which folded several child care programs into one block grant to states
- Federal welfare reform legislation also allowed states to transfer up to 30 percent of their Temporary Assistance to Needy Families (TANF) block grant to the CCDF block grant for day care assistance for low-income families
- The CCDF block grant is the primary source of funding for child care assistance for low-income families
- Federal welfare reform legislation recognized that:
 - Difficulty obtaining affordable and safe child care was a major barrier preventing families from leaving welfare and achieving self-sufficiency
 - Expense of child care disproportionately impacts low-income families
 - Subsidies increase employment and earnings for low- and moderate income parents
 - Safe day care arrangements for low-income families can support child development

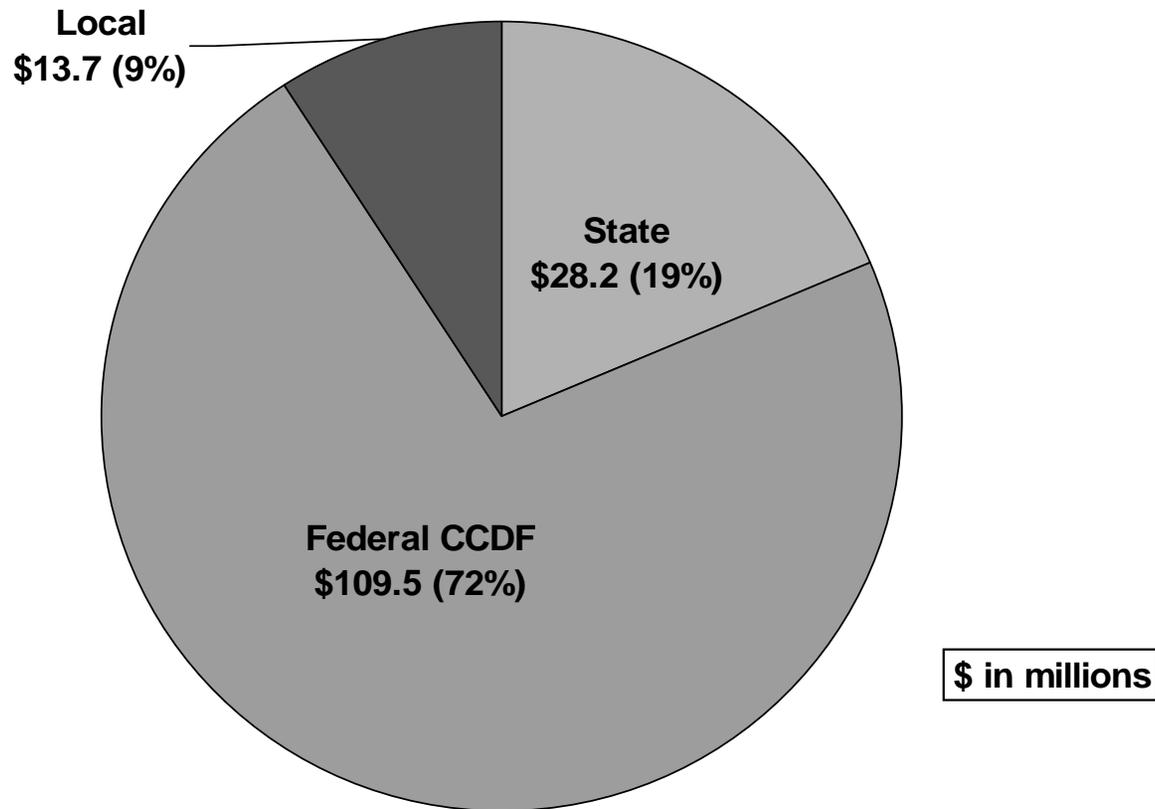


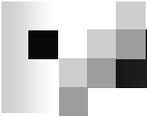
Child Day Care Assistance Programs for Low-Income Families

- DSS administers CCDF child care assistance programs within federal parameters
 - Must assure that parents have choice in selecting day care provider in the community
 - Child care assistance must be used for legally operating child care including, licensed, unlicensed and religious exempt care
 - Care can be home or center-based care
- Day care subsidy programs serve low-income families who are:
 - TANF recipients enrolled in the Virginia Initiative for Employment not Welfare (VIEW) who are working or participating in an approved education or training program
 - Transitioning from TANF/VIEW to work
 - Head Start recipients
 - At-risk of receiving TANF
 - Homeless or have children with special needs
- Day care subsidies are available for families with children ages 0-18
- Subsidy amounts vary by program & may require copayments

Child Day Care Expenditures

- Virginia spent \$151.3 million on child day care services in FY 2006 for low-income families
- Major source of funding is the federal Child Care and Development Fund (CCDF) block grant





Child Day Care Assistance Payment Rates

- CCDF regulations require that rates paid for child care services be sufficient to ensure that eligible families have access to child care services
 - Rates are to be comparable to the rates paid by the general public (market rate)
 - However, payment at the 75th percentile of the market rate is considered sufficient to ensure equal access
- DSS must conduct a market survey every two years with the expectation that maximum reimbursement rate will be adjusted according to the findings of the survey
- According to DSS, Virginia's maximum reimbursable rate has not kept pace with the increasing cost of child care
 - 63% of Virginia's payment rates fall below the 75th percentile of the market rate
 - Last rate increase for the subsidy program was implemented in December, 2004 for a limited number of providers and age groups (infant, toddler, and preschool care for licensed providers and providers approved under local ordinance in Arlington, Alexandria, and Fairfax)
 - Rates for unlicensed providers and rates for school age care in licensed and unlicensed programs did not increase.
 - In two Northern Virginia localities sampled, parents are paying between \$42.00 and \$236.00 per month in charges above the maximum reimbursable rates paid by the Child Care Subsidy program in addition to the family's required 10% co-payment



TANF/VIEW Child Day Care

- Federal Child Care and Development Fund block grant requires states to serve:
 - Families receiving TANF
 - Families transitioning off TANF
- TANF/VIEW eligibility based on family income which is roughly equivalent to 33% - 55% of the federal poverty level depending on place of residence
- Copayments not required from TANF/VIEW recipients if their combined TANF payment and income from working is at or below the federal poverty level
- Income eligibility for families transitioning off TANF is based on higher income limits established for at-risk families

TANF Monthly Income Limits by Locality Grouping Compared to Federal Poverty Level (FPL)

Family Size	100% FPL*	Group I	Group II	Group III
1	\$817	\$270	\$322	\$450
2	\$1,100	\$424	\$475	\$605
3	\$1,383	\$546	\$596	\$727
4	\$1,667	\$662	\$714	\$845
5	\$1,950	\$781	\$845	\$1,003
6	\$2,233	\$875	\$942	\$1,097
7	\$2,517	\$990	\$1,055	\$1,212
8	\$2,800	\$1,113	\$1,177	\$1,334
9	\$3,083	\$1,215	\$1,280	\$1,441
10	\$3,367	\$1,328	\$1,395	\$1,550
Each person above 10	\$283	\$113	\$113	\$113

*The monthly FPL is calculated from the 2006 annual poverty guidelines updated periodically in the Federal Register by the U.S. Dept. of Health and Human Services under the authority of 42 U.S.C. 9902(2).



At-Risk Subsidy Program (Fee System)

- Eligibility based on gross monthly income equal to 150% to 185% of federal poverty level depending on place of residence
 - Low-income families
 - Families transitioning off TANF
- Alexandria and Fairfax County have waivers that permit subsidies to families with income up to 250% of the federal poverty level
- Copayments required
 - 10% of gross family countable income
 - Virginia Beach and Arlington have waivers for alternative copayment requirements, depending on family income
 - Families with a child in Head Start are exempt for that child's care if income is at or below federal poverty guidelines, sibling care requires a copayment
- Local social services departments may limit receipt of fee day care to a maximum of five years
- Eligibility re-determinations are required annually, with some exceptions (Head Start, special needs child)

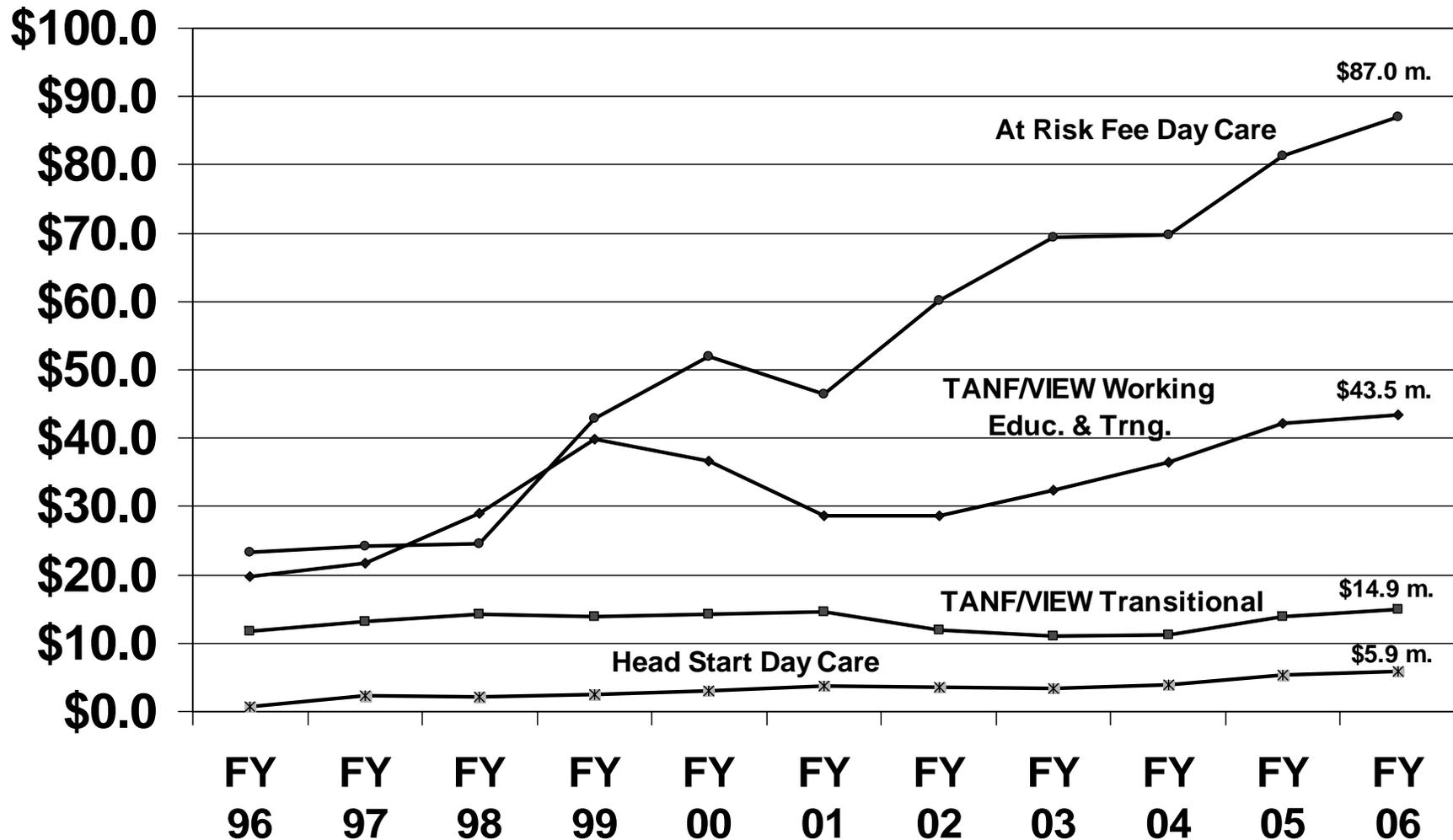
State Income Limits for At-Risk Child Care Subsidy by Locality Grouping Compared to Federal Poverty Level

Family Size	100% FPL*	Group I 150% of FPL	Group II 160% of FPL	Group III 185% of FPL	250% of FPL**
1	\$817	\$1,226	\$1,307	\$1,511	\$2,042
2	\$1,100	\$1,650	\$1,760	\$2,035	\$2,750
3	\$1,383	\$2,075	\$2,214	\$2,560	\$3,459
4	\$1,667	\$2,500	\$2,667	\$3,084	\$4,167
5	\$1,950	\$2,925	\$3,120	\$3,608	\$4,875
6	\$2,233	\$3,350	\$3,574	\$4,132	\$5,584
7	\$2,517	\$3,775	\$4,027	\$4,656	\$6,292
8	\$2,800	\$4,200	\$4,480	\$5,180	\$7,000
9	\$3,083	\$4,625	\$4,934	\$5,705	\$7,420
10	\$3,367	\$5,050	\$5,387	\$6,229	\$7,578

*The monthly FPL is calculated from the 2006 annual poverty guidelines updated periodically in the Federal Register by the U.S. Dept. of Health and Human Services under the authority of 42 U.S.C. 9902(2).

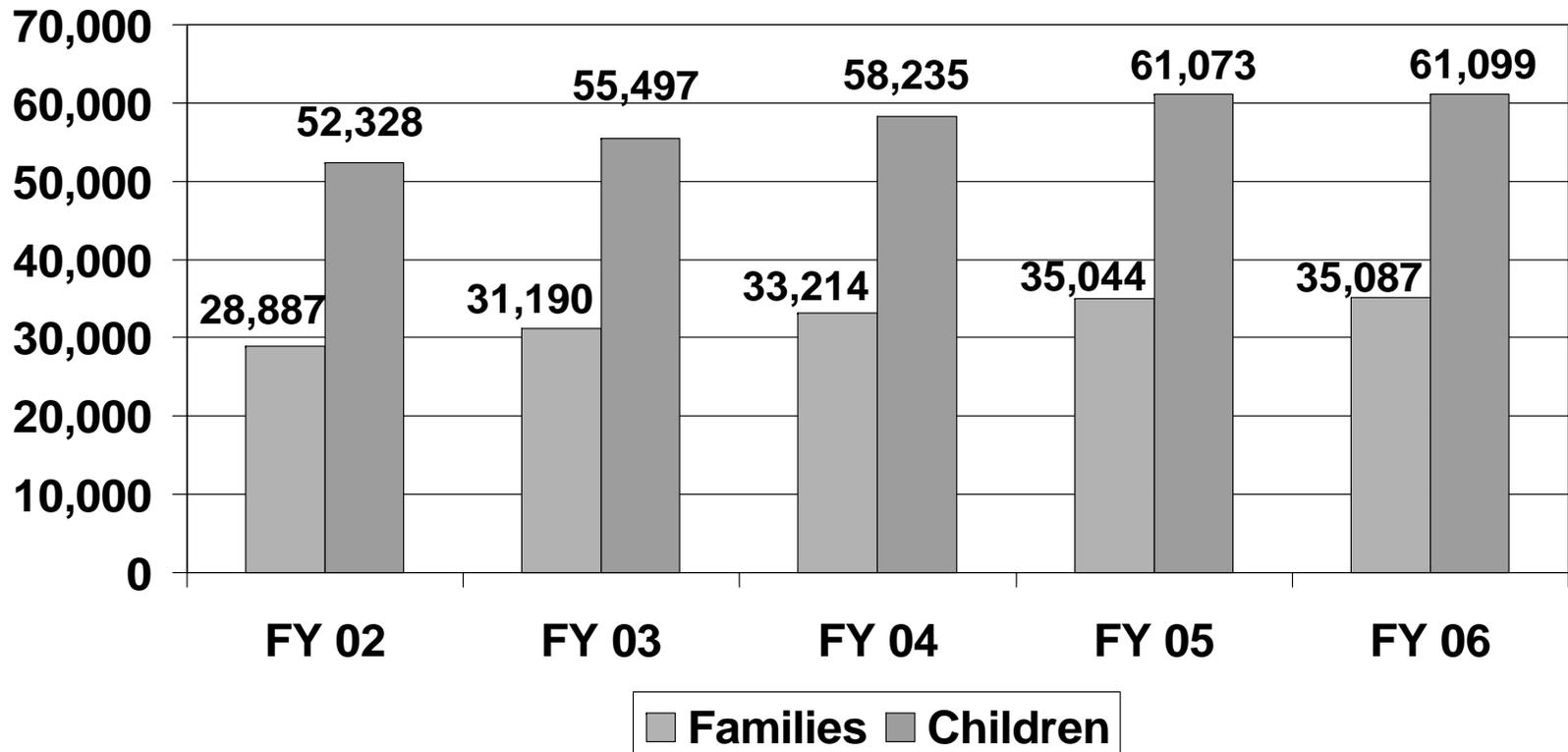
**Alexandria and Fairfax County have waivers to permit higher income eligibility for low-income at-risk families.

Child Day Care Expenditures by Program FY 1996-FY 2006 (\$ in millions)

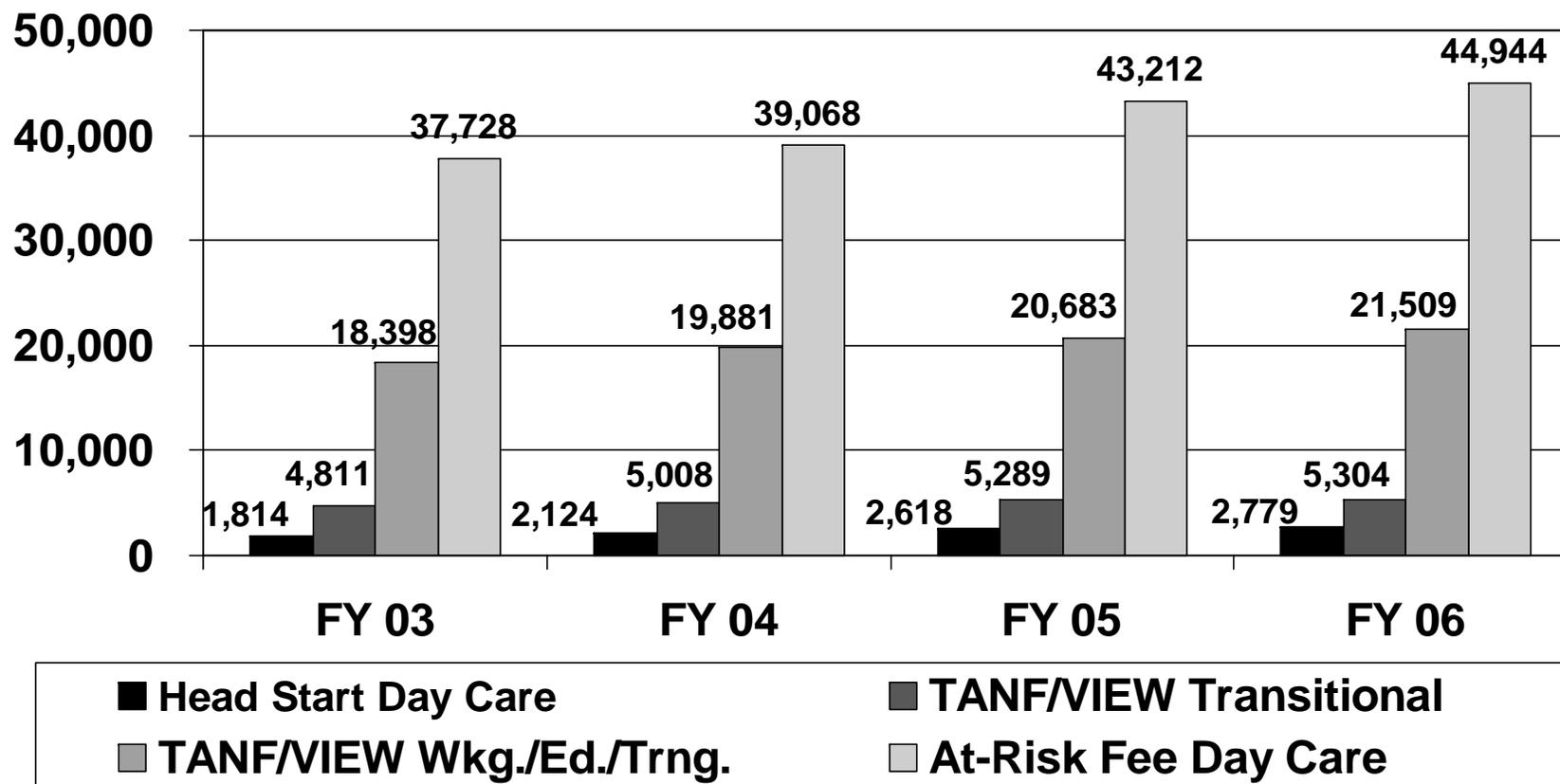


Total Number of Children & Families Served

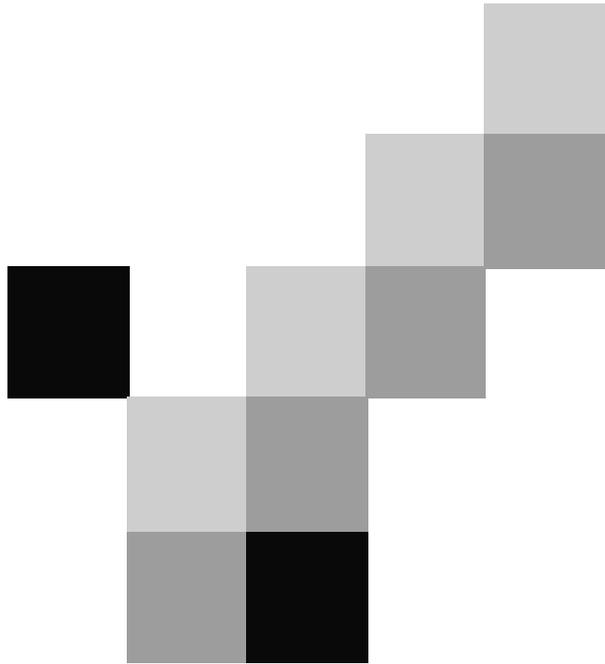
- 35,087 families and 61,099 children were served in state day care assistance programs in FY 2006



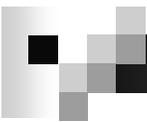
Number of Children Served by Type of Program



Note: Numbers for each year may total to slightly more than the unduplicated total because some children may be served in more than one program during the year.

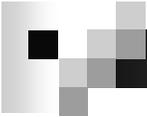


Child Day Care Assistance for Preschool Aged Children



Day Care Assistance for Preschool Aged Children

- In FY 2006, about 6.3% of preschool aged children (32,742 children) received child care assistance
- Four-year-olds represent about 13% of the 61,099 children who received day care assistance in FY 2006
- A total of 7,726 four-year-olds received child care assistance in FY 2006
- Majority of four-year-olds appear to be served through the at-risk fee day care program

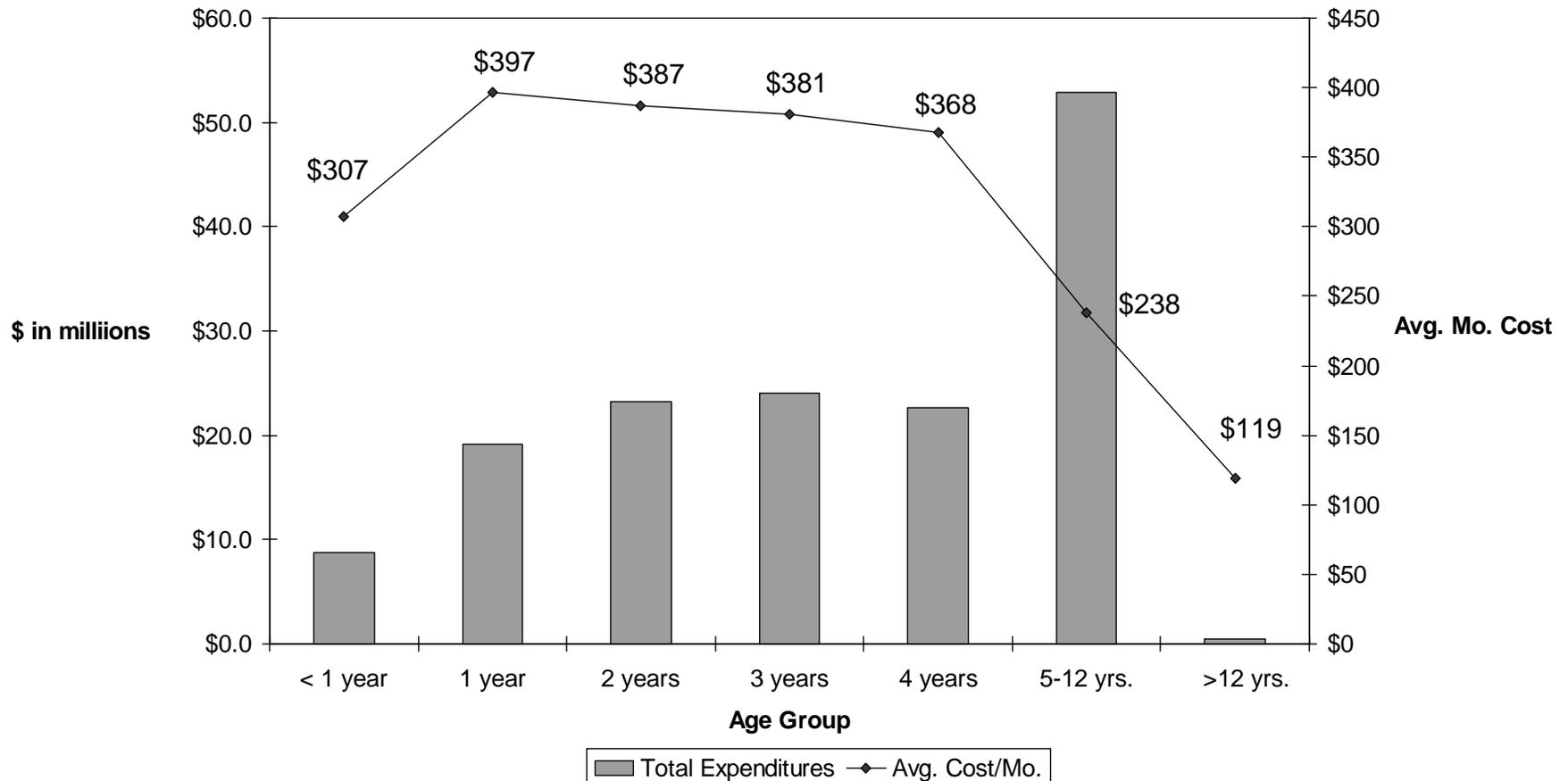


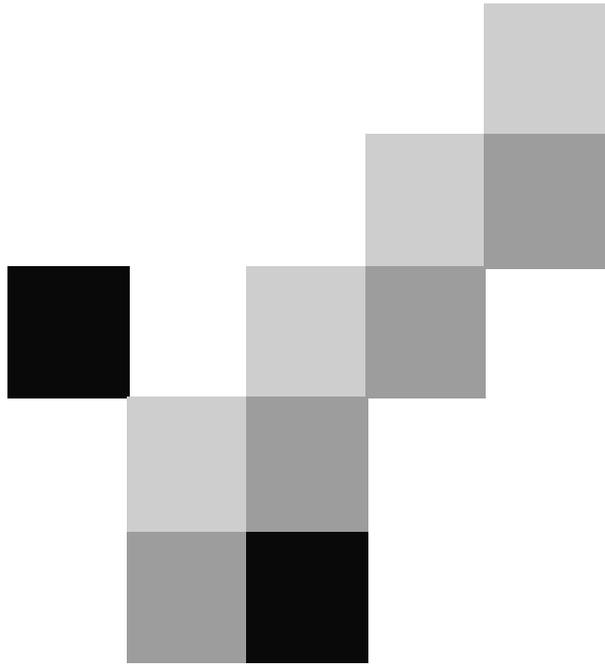
Estimated 4-Year-Olds Served by Child Care Assistance Program

Child Care Program	Number of 4-yr.-olds
At-Risk Fee Day Care	5,843
TANF/VIEW Working, Ed. & Trng.	2,796
Head Start Day Care	1,219
TANF/VIEW Transitional	690
Note: Numbers reflect a duplicated number of children served as some children may have been served in more than one program during the year	

FY 2006 Child Care Expenditures & Avg. Monthly Cost by Age Group

- Average monthly cost of assistance for 4-year-olds was \$368 in FY 2006





Child Day Care Assistance & Early Learning Experiences



Links Between Quality Child Care & Early Learning

- Research on early childhood development indicates
 - Good quality child care promotes early learning and development in children, particularly low-income children who may begin school at an academic disadvantage
 - Characteristics of good quality care
 - Better health and safety practices are typically found in higher quality settings
 - Caregiving is more stimulating and supportive
 - Some research indicates that higher educational qualifications of staff provide richer environments for cognitive development



Federal Emphasis on Quality Day Care & Early Learning

- The federal Child Care and Development Fund (CCDF) block grant is the primary source of funding for state activities to promote, develop and expand quality child care for *all* children
- The Child Care and Development Fund (CCDF) block grant requires states to:
 - Promote quality child care
 - Assess progress towards developing voluntary guidelines on language, literacy, pre-reading, and early math concepts (part of President's Good Start, Grow Smart initiative to promote early learning)
 - Have a plan for the education and training of child care providers on the early learning guidelines



Federal Emphasis on Quality Day Care & Early Learning

- The Child Care and Development Fund (CCDF) block grant also requires states to set aside no less than 4% of CCDF funds for quality activities, including:
 - Activities in support of early language, literacy, pre-reading, and early math concepts development
 - Professional development, including training, education and other technical assistance
 - Improving salaries and other compensation for child care providers
 - Healthy Child Care America and other health activities including those designed to promote the social and emotional development of children
 - Comprehensive consumer education
 - Grants or loans to providers to assist in meeting State and local standards
 - Monitoring compliance with licensing and regulatory requirements
 - Activities to promote inclusive child care
 - Other activities that increase parental choice and improve the quality and availability of child care



Virginia's Early Learning and Quality Initiatives

- The Department of Social Services (DSS) is the lead agency with responsibility for implementing quality and early learning initiatives to benefit all Virginia children who receive day care

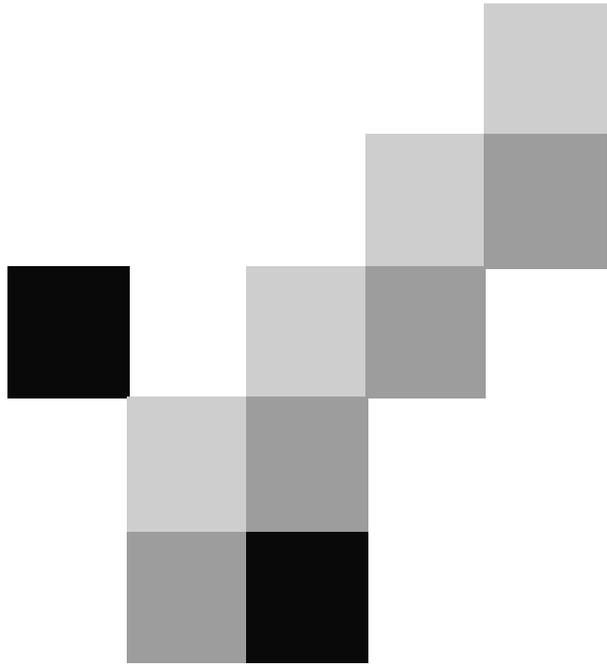
Voluntary Guidelines for Early Learning

- DSS has worked with the Virginia Department of Education (DOE) to develop and implement early learning guidelines
 - DOE developed the voluntary Early Learning Standards for Literacy and Mathematics through the Virginia Preschool Initiative
- DSS quality activities are focusing on encouraging child care providers to implement the early learning standards
 - Training has been offered on the guidelines to all child care and Head Start providers
 - Implementation voluntary
 - No assessments on the voluntary implementation of the guidelines have been conducted



Virginia's Quality Initiatives

- Child care provider professional development
 - Training classes (150-200 annually)
 - Distance Learning Opportunities
 - Endorsement program (college credit for training classes)
 - Alignment project to develop: core competencies, early learning guidelines, a career lattice for child care workers and a voluntary quality rating system
- Scholarship program (\$600,000 annually) to assist child care workers with courses at 2-year and 4-year institutions
- TEACH-VA program (\$200,000 annually)
 - Assists child care providers with the cost to earn their associate's degree focused on early care and education - covers tuition, books, travel and wage incentives through participating employers
- Early Childhood Partnership grants to improve the quality of early care and education in Virginia (\$1.5 million annually)
 - Three 2-year grants of \$500,000 each
 - Local coalitions to strengthen community programs to improve care and education
 - Goal to replicate strategies to prepare children for success in school
- Virginia School-age Child Care Grant to improve quality of child care (\$384,239 annually)
 - 11 sites statewide
- Resource and referral (\$350,000 annually)
 - Toll-free phone line to assist parents in finding quality child care
 - Training for providers and parents
- Expansion and/or start-up grants for before and after school care to a portion of the schools participating in Virginia's Partnership for Achieving Successful Schools (PASS)
- Consumer education
- New parents kit



Summary & Conclusions



Summary

- Most child care in Virginia is paid for by parents, guardians and primary caregivers
- State activities to promote early learning and quality in child day care settings benefit all children in care
 - Quality child care may particularly benefit low-income children
 - Virginia is still in preliminary stages of implementing early learning guidelines in child day care settings
 - Efforts to increase day care provider early education skills will enhance educational readiness of children in day care settings