In their own

voices:

Parents and Providers Struggling with Child Care Cuts

I couldn't save and I couldn't advance.

I am building a foundation and a future for my family and it would not be possible without child care.

Families are really struggling right now... They have to make a decision whether to put food on the table, pay their mortgage, get gas for the car, or whether to pay a copayment for child care.

You cannot survive if you're working at a low-paying job.

Your choice is, cut back hours and try to qualify for welfare.

If I do not receive child care within the next upcoming weeks, I will have no other choice but to resign from my job… This cut will put me back to the welfare line. Please, I've worked hard to stay off welfare.

...what is really happening is that very dedicated people are subsidizing child care for the rest of the country, working at great personal sacrifice.

...parents need to make a decision about where to cut somewhere, and your child's needs come first.

I want to be the best child care provider I can be.

When people are given the tools to succeed, we will as long as the policies out there are meant to help, not hinder our success.

We have parents come in all excited because they have a job and they're ready to go and they feel so good about themselves. Then they go over to the DES [Department of Economic Security, the agency that provides child care assistance] and they qualify but they tell them there's no money and then they're in tears. They think, 'we work and work and worked to get off welfare and here we are'... we have someone who has initiative, goes out on her own, finds a job, goes into DES, is eligible and then there's no money for her.

Due to lack of funding, I am paying more for child care than I am making weekly.

We [child care providers] all do it because we love children, but when you're burning on all four burners, twelve hours a day, it's an awful lot to give.

NATIONAL WOMEN'S LAW CENTER
EXPANDING THE POSSIBILITIES

The National Women's Law Center is a non-profit organization that has been working since 1972 to advance and protect women's legal rights. The Center focuses on major policy areas of importance to women and their families, including employment, education, health and reproductive rights, and family economic security—with special attention given to the needs of low-income women. Karen Schulman is a Senior Policy Fellow and Helen Blank is Director of Leadership and Public Policy at the Center.

In their own voices:

Parents and Providers Struggling with Child Care Cuts

I couldn't save and I couldn't advance.

I am building a foundation and a future for my family and it would not be possible without child care.

Families are really struggling right now... They have to make a decision whether to put food on the table, pay their mortgage, get gas for the car, or whether to pay a copayment for child care.

You cannot survive if you're working at a low-paying job.

Your choice is, cut back hours and try to qualify for welfare.

If I do not receive child care within the next upcoming weeks, I will have no other choice but to resign from my job... This cut will put me back to the welfare line. Please, I've worked hard to stay off welfare.

...what is really happening is that very dedicated people are subsidizing child care for the rest of the country, working at great personal sacrifice.

...parents need to make a decision about where to cut somewhere, and your child's needs come first.

I want to be the best child care provider I can be.

When people are given the tools to succeed, we will as long as the policies out there are meant to help, not hinder our success.

We have parents come in all excited because they have a job and they're ready to go and they feel so good about themselves. Then they go over to the DES [Department of Economic Security, the agency that provides child care assistance] and they qualify but they tell them there's no money and then they're in tears. They think, 'we work and work and worked to get off welfare and here we are'... we have someone who has initiative, goes out on her own, finds a job, goes into DES, is eligible and then there's no money for her.

Due to lack of funding, I am paying more for child care than I am making weekly.

We [child care providers] all do it because we love children, but when you're burning on all four burners, twelve hours a day, it's an awful lot to give.

KAREN SCHULMAN | HELEN BLANK | August 2005

NATIONAL WOMEN'S LAW CENTER
EXPANDING THE POSSIBILITIES

Acknowledgements

The development and production of this report would not have been possible without the contributions of a number of members of the National Women's Law Center's staff. The authors wish to thank Nancy Duff Campbell, Co-President and Joan Entmacher, Vice-President for Family Economic Security for their comments on a draft of this report, and interns Rebecca Maltzman and Allison Dencker and Program Assistant Tessa Maulhardt for their assistance with the interviews. The Minnesota Department of Human Services provided important assistance in administering the survey of parents on their state's waiting list for child care assistance. We are also grateful for the state experts in early care and education and the many YWCAs who helped with this project. Most importantly, the authors deeply appreciate the parents and providers who took the time to share their stories.

Finally, this report would not have been possible without the generous support for the Center's child care and early education work from the Annie E. Casey Foundation, Ford Foundation, JPMorgan Chase Foundation, David and Lucile Packard Foundation, William Penn Foundation, A.L. Mailman Family Foundation, Inc., Rockefeller Family Fund, George Gund Foundation and an anonymous donor.

Table of Contents

Introduction 4
Background on State Child Care Cuts 4
About This Report 5
Why Child Care Assistance Matters for Parents 6
Why Child Care Assistance Matters for Child Care Providers 7
Why Child Care Assistance Matters for Children 8

Effects of State Child Care Cuts on Parents 9
Parents Waiting for Child Care Assistance in Minnesota *10*
Parents Trapped in a System Punishing Work, Encouraging Welfare 11
Parents Penalized for Getting Ahead at Work 13
Parents Discouraged from Going to School 14
Parents Trying to Break Free from Abusive Relationships 15
Parents Under Serious Financial Stress 16
Parents Juggling Work and Family on Tight Budgets 18
Parents Giving Up on Trying to Apply for Help Due to Waiting Lists 19
Parents Seeking Help and Confronting Bureaucratic Barriers 19
Parents Denied Help Finding Care 20

Effects of State Child Care Cuts on Child Care Providers 21
Providers Suffering from Financial Loss as a Result of Low Rates 22
Providers Forced to Cut Staff Compensation 23
Providers Handling Stressful Work 24
Providers Reducing Staff as States Limit Child Care Assistance 25
Providers Losing Opportunities for Training and Professional Development 26
Providers Deprived of Incentives or Support for Sustained Quality Improvements 27
Providers Straining to Reduce Expenses to Make Ends Meet 29
Providers Making Personal Financial Sacrifices 31
Providers Making Difficult Choices about Serving Low-Income Families 32
Providers Turning Away Low-Income Families 34
Providers Forced to Shut Down Their Programs 35

Effects of State Child Care Cuts on Children 37
Children Taken Out of Programs That Help Them Thrive 38
Children in Poor-Quality Care 39
Children in Multiple and Shifting Child Care Arrangements 41
Children Deprived of Consistent Caregivers Due to Staff Turnover 42
Children Left Home Alone 43
Children Denied Comprehensive Supports 44
Infants Affected by a Scarcity of High-Quality Care 45
School-Age Children with Inadequate Options 47
Children with Disabilities and Other Special Needs Deprived of Appropriate Care 48

Ripple Effects of Cuts on the Child Care System and Other Family Supports 50

Recommendations 52

Endnotes 54

Introduction

Over the past several years, federal funding for child care assistance has declined, and many states have taken steps backward in their child care policies. These cuts have strained an already-fragile child care system.

To gain a fuller understanding of how the cuts have compounded existing challenges for child care, it is essential to examine not just the specific cuts that have been made but how these cuts have affected low-income families who cannot afford child care without help, the child care providers trying to serve these families, and the children who need high-quality care. This requires moving beyond the basic funding numbers, policy data, and the analysis of policy makers, to seek out the voices of the parents and providers themselves. This report aims to give an opportunity for those directly affected by federal and state child care cuts to have their stories heard.

Background on State Child Care Cuts

Federal funding for the Child Care and Development Block Grant (CCDBG), the main source of support for child care, has not only declined due to inflation, but has actually dropped in absolute terms over the past several years, from $4.817 billion in FY 2002[1] to $4.800 billion in FY 2005.[2] At the same time, the amount of Temporary Assistance for Needy Families (TANF) block grant funding used for child care has decreased. States are permitted to transfer up to 30 percent of their TANF block grant funds to the CCDBG or use TANF funds for child care directly within the TANF block grant. The total amount of TANF funds transferred to the CCDBG or used directly for child care dropped from a peak of nearly $4 billion in FY 2000 to $3.3 billion in FY 2004 (the most recent year for which data are available).[3] These funding trends, combined with state budget deficits, resulted in cuts to child care programs in many states.

Federal CCDBG funds are distributed to states, which use the funds to help families trying to move from welfare to work and low-income working families pay for child care. The CCDBG program allows states to have a great deal of flexibility in setting their child care assistance policies.

A report by the National Women's Law Center that examined trends between 2001 and 2004 found many areas in which state policies had moved backward[4]:

- Families have had to meet more restrictive eligibility criteria to qualify for help paying for child care. Between 2001 and 2004, the income cutoff for a family to qualify for child care assistance declined as a percentage of the poverty level in about three-fifths of the states.

- Families that were eligible for help often did not receive assistance. The number of states that had waiting lists or had frozen intake for assistance altogether for low-income working families not receiving welfare rose slightly between 2001 and 2004, from twenty-two states to twenty-four states. This is despite the fact that income eligibility criteria became more restrictive in many states, reducing the number of eligible families.

- Parents receiving assistance were required to pay a greater portion of the cost of care (the copayment). In about half the states, a family with an income at 150 percent of poverty ($21,945 for a family of three in 2001, $23,505 in 2004) saw its copayments increase as a percent of income between 2001 and 2004 if it was receiving child care assistance, or was no longer even eligible for help.

- The rates that states paid to providers serving families receiving assistance failed to keep pace with the rates providers charged in the private market. In 2004, nearly three-quarters (thirty-seven) of the states failed to set reimbursement rates for child care providers at the level recommended in federal regulations.[5] This was worse than in 2001, when twenty-nine states lacked adequate rates.

A number of states have also cut funding for initiatives designed to improve the quality of child care. States are required to spend at least 4 percent of their CCDBG funds on quality-improvement and supply-building projects. Yet, in the past few years, several states that were spending above this minimum reduced funding devoted to these efforts. For example, in Washington, the percentage of CCDBG funds spent on quality enhancements dropped from 12 percent to 4 percent.[6] This resulted in cuts to provider training, grants to help providers purchase materials and supplies, and other areas.

At the same time, some broader initiatives that address child care as well as other early childhood needs have had funding reductions. Several states support comprehensive early childhood initiatives that distribute funds to local communities, which then determine how to best use these funds. Communities can devote the money to child care assistance and projects to improve the quality of care as well as other supports for children and families such as child health care, child mental health services, parenting education, and social services. Communities are allowed flexibility in the way they spend the funds, but the state may set certain parameters. North Carolina's Smart Start program, the largest of these comprehensive early childhood initiatives, has seen funding drop from $231.2 million in 2000-2001 to $190.7 million in 2004-2005.[7] Other comprehensive early childhood initiatives such as Massachusetts' Community Partnerships for Children and South Carolina's First Steps have also experienced cuts in state funding.[8]

About This Report

To gain a fuller understanding of the impact of these child care cuts and policy changes, the National Women's Law Center conducted approximately 200 in-depth interviews with parents, child care providers, and state child care experts across the country from the spring through the fall of 2004. The Center selected states that had made significant cuts to their child care programs — states with more restrictive eligibility criteria, growing waiting lists, frozen reimbursement rates, higher parent copayments, and/or reduced spending on efforts to improve the quality of care.

Child care experts in these states were contacted and asked to provide data and specific examples of how providers and parents were being affected by changes in state child care policies and funding. They were also asked to refer Center staff to parents and providers as well as to other experts with state and local child care agencies and organizations who could provide the Center with additional information and contacts. The Center had a general outline of questions for interviews with the experts, parents, and providers, but additional follow-up questions were asked based on the information provided. The parents and providers who participated in the study were not selected on a random basis, but rather because of their ability to provide specific, qualitative information about the impact of state child care cuts.

To supplement the information gathered through individual interviews with parents and providers, the Center worked with the Minnesota Department of Human Services to survey parents on the waiting list for child care assistance in the summer of 2004. The state agency mailed the surveys to parents on the waiting list, and parents were asked to return the surveys to the National Women's Law Center, which analyzed the responses.[9] Parents were able to preserve their anonymity, unless they chose to provide their names on their returned surveys. Surveys were sent to approximately 1,000 parents,[10] and over 250 surveys were returned.

It is also essential that families who leave welfare—and low-income families who are diverted from welfare in the first place—are truly succeeding in being able to work, achieve self-sufficiency, and provide a healthy environment for their children.

The stories and insights of the parents and providers interviewed, combined with findings from the Minnesota waiting list study, provide concrete examples of the impacts that state child care cuts are having across the country.

Why Child Care Assistance Matters for Parents

Child care assistance is critical to families trying to move off welfare and low-income families trying to keep their jobs and stay off welfare. Significant changes in the federal welfare law were passed in 1996 with the intent that new work requirements paired with increased funding for work supports would give families the impetus to move off welfare as well as a helping hand to enable parents to work and gain self-sufficiency. Child care assistance was seen as a crucial part of this strategy as policy makers recognized the reality that working parents live with every day: parents cannot get and keep their jobs if they do not have a safe, reliable caregiver for their children while they work. As a result, states made child care assistance central to their efforts to move families from welfare to work. The amount of federal funding available for child care increased significantly during the late 1990s and up through 2002. Federal funding for child care—including CCDBG funds, TANF funds transferred to the CCDBG, and TANF funds used directly for child care—grew from $3.1 billion in FY 1997[11] to $8.3 billion in FY 2002.[12]

The new welfare law did accomplish at least one of its objectives: it moved families off welfare. Since 1996, the number of families receiving welfare has decreased by over 50 percent.[13] Yet the jury is still out as to whether the changes to the welfare program have made families' lives appreciably better.[14] Did families who left welfare truly improve their situations? Are parents better able to support their families? Are they earning more? Are their children more likely to receive the care and nurturing they need? It is not enough just to know that fewer families are receiving welfare. It is also essential that families who leave welfare — and low-income families who are diverted from welfare in the first place — are truly succeeding in being able to work, achieve self-sufficiency, and provide a healthy environment for their children.

Child care assistance helps ensure that the 1996 welfare law is about enabling families to succeed in supporting themselves, not just about moving families off of welfare. It is also fundamental for helping low-income families who have never been on welfare and want to remain self-sufficient but cannot afford the high cost of child care. The funding made available through the CCDBG has given many families access to this critical support that enables them to improve their lives. With assistance, parents can afford reliable child care, which increases the chances that they can get and keep a job and gain a stable financial footing while ensuring the well-being of their children.

Child care assistance is especially important for low-income women and their families. A large proportion of the welfare families and other low-income families who need child care assistance are headed by single mothers. More than nine out of ten (91 percent) of adult welfare recipients are female.[15] Female-headed families with children account for one-quarter of all families with children, but make up nearly half (46 percent) of families with children and incomes under 200 percent of poverty.[16]

Yet with the erosion and outright cuts in child care funding since 2002, and the negative policy changes that have resulted, families have had less access to this essential support. This has frustrated families' efforts to move ahead. Instead of being rewarded for working, families who manage to struggle their way out of poverty find themselves suddenly without the supports that helped them move forward. Families who desperately want to avoid becoming dependent on welfare are stymied by a system that they feel is rigged against them.

> Child care providers—98 percent of whom are women—also bear the brunt of these cuts.

Why Child Care Assistance Matters for Child Care Providers

Parents trying to work are not the only ones hurt by state child care cuts. Child care providers — 98 percent of whom are women[17] — also bear the brunt of these cuts. In several states, child care providers have been simultaneously affected by lowered eligibility cutoffs that reduce the number of families that can participate in their programs, frozen reimbursement rates that fail to keep pace with inflation over several years, and higher parent copayments that may be very difficult to collect from cash-strapped families.

Child care providers, who already operate on very tight margins, make enormous personal sacrifices to keep their programs open. Not only do directors and teachers accept lower wages than their qualifications would merit, but they also take money out of their own pockets to purchase supplies, take on additional responsibilities when their programs cannot afford to hire more staff, and in some cases use up their own savings to cover their programs' debts.

Child care providers constantly try to balance their responsibilities to their staff, parents, and children, and often feel they are letting down one or more of these groups. Many providers feel an obligation to serve low-income children receiving subsidies, but they feel an obligation to pay their staff decent salaries as well, which is next to impossible to do given low state reimbursement rates. Accepting more children with subsidies at exceedingly low rates can also make it hard for providers to even keep their programs operating for the other children they serve. At the same time, providers want to improve the quality of their programs so they can offer better care for children. Yet, quality improvements can be costly, and can require providers to increase how much they charge parents, who can barely afford care as it is. State child care cuts essentially pass off the responsibility for making difficult trade-offs on to providers.

Why Child Care Assistance Matters for Children

In the end, the most serious impacts of all of these cuts to child care assistance programs are those felt by children, since what affects their parents and providers ultimately affects them as well. Even as state policy makers increasingly emphasize the importance of school readiness, many children are deprived of the strong early learning experiences that they need to prepare them for school because parents cannot afford high-quality care and providers lack the resources to offer it.[18] Some children are forced to leave programs to which they have grown attached because their parents have lost assistance. Some stay in the same program but see their teachers leave because salaries are far too low. Other children are in programs that cannot afford to buy new playground equipment, or even purchase books and crayons and other materials. Children also suffer when parents do not have enough to cover basic household expenses, either because they are devoting much of their income to child care or because they cannot afford child care and therefore cannot work.

The impacts of child care cuts are magnified by the fact that in many cases children, families, and communities are simultaneously dealing with cuts in other crucial supports for children, such as education, health care and social services. Cuts in child care can place increased demands on other family support programs, and vice-versa. With cuts in multiple programs, families trying to achieve financial security and ensure their children's well-being can find themselves with nowhere to turn.

The stories of parents, providers, and children told in this report clearly demonstrate that when policy makers make decisions about child care funding and policies, they are not just altering programs — they are altering lives. Whether or not a state makes adequate child care assistance available can mean the difference between a parent's getting or keeping a job, a provider's sustaining or shutting down a program, and a child's being ready to succeed upon entering school or starting out far behind.

Effects of State Child Care Cuts on Parents

State child care cuts have clear impacts for low-income parents who desperately want to work and succeed while being able to support and nurture their children.

The cuts have led to multiple barriers that prevent many parents from accessing the child care help they need:

- As a number of states have lowered their eligibility cutoffs, many families have lost child care assistance or are not able to qualify for help in the first place because they do not meet the more restrictive eligibility criteria.
- Many families who are eligible for help are still not able to receive it. Instead, they are placed on waiting lists or are turned away without the state even taking their names. Without new funds to serve families on waiting lists, a number of states' lists have stayed long or grown longer.
- In some cases, families are eligible to receive help, but cannot take advantage of the assistance because the state would require them to pay a much greater share of the costs — the parent copayment — than they could afford.
- Families may be eligible to receive assistance but may not be able to find a provider willing to accept the reimbursement rates offered by the state because the rates have failed to keep pace with current market prices.
- Eligible families may often find it difficult if not impossible to get through the application or renewal process and end up shut out of the assistance program because of an inadequate number of administrative staff or other administrative problems. With funding cuts, some states have had to reduce administrative staff. Limited funding also means that states have less incentive to facilitate the application and renewal process for families, since resources may not be sufficient to serve them.

The following stories of parents and the providers who serve them demonstrate how these policies, often working in combination, affect parents. Parents discuss how the lack of child care assistance affects their ability to work and be independent and creates enormous financial and emotional stress. Obviously, when parents are unable to afford decent child care, or cannot work and make a living because they lack child care, and are under constant strain, it is their children who ultimately suffer the consequences.

Parents Waiting for Child Care Assistance in Minnesota

In a survey of families on the waiting list for assistance in Minnesota, many of the parents who responded indicated that the lack of child care assistance had forced them to change their work plans and created serious financial pressures.

- Nearly three-quarters of parents responding had made changes in their job or education plans as a result of being on the waiting list.
- Nearly half said they had to reduce and/or change their work hours.
- Almost one-fifth said they had to cut their school hours or quit school altogether.
- Over one-quarter said they had to use their savings to pay for child care.
- More than one-third said they were unable to pay other household expenses due to child care costs.

A number of parents wrote additional comments about how the lack of child care assistance was affecting them, their jobs, their finances, their plans for the future, and their children.

- A mother of two was unable to enter the workforce and was left with food stamps and $650 a month in child support as her only sources of income. She was three months behind in her rent and was concerned she would soon become homeless.
- A mother of two said she was unable to work and earn a living and as a result was in default on the loan for her trailer home, was unable to pay for her utilities, and was about to have her phone disconnected.
- A mother with a two-year-old and a five-month-old who had been abused by her husband said that the waiting list "really makes it hard to get out of a bad situation."
- A mother of two wrote, "I am a very hard-working single mom and have managed to stay off of welfare completely and not receiving child care assistance has made it very hard to continue my education."
- A mother with a ten-month-old wrote, "I receive no public assistance, all I am asking for is help with child care."
- A mother of two had missed work and had been threatened with being fired.
- A single father of two spent $195 a week out of his weekly salary of $415 on child care.

Parents Trapped in a System Punishing Work, Encouraging Welfare

Many parents do all they can to support themselves and their families and do not want to be dependent on cash assistance. They may simply need some help after finding themselves in difficult situations, often due to circumstances beyond their control. Unfortunately, they do not always receive this help. Despite their deep desire to be self-sufficient, some parents face disincentives to work and get ahead as a result of the way in which states prioritize families for child care assistance. Top priority is given to families receiving welfare, and then to families transitioning off welfare. This may seem reasonable as a strategy to help families leave welfare. Yet, many other low-income families are only one unstable child care arrangement away from welfare themselves. "Welfare families" and "low-income families" are not distinct groups, but often one and the same — a working family that is not receiving welfare today may be receiving welfare tomorrow, and vice-versa. The goal of the child care assistance system should be to ensure that families receiving welfare have the child care help they need to get and keep a job so they can get off and stay off welfare while at the same time ensuring that other low-income families have help so they can continue to work and avoid welfare in the first place. Unfortunately, funding shortages and the rationing that results lead some low-income families to feel that, despite their wish to remain independent, they have to turn to welfare just to receive help paying for child care.

The director of the New Hanover Smart Start Partnership in North Carolina commented that parents who are trying to move from welfare to work before exceeding the time limit for welfare often lose their child care assistance just as they are getting started with their job. Then they are back at "ground zero while their time clock is ticking." The New Hanover Smart Start Partnership had fewer resources to help these families due to state cuts in funding for Smart Start, an early childhood initiative that provides funds to counties to address the comprehensive needs of young children and their families. The community's Smart Start allocation declined from $3 million, with $1 million of it used for subsidies, in prior years to only $2.1 million in total, with just about $600,000 available for subsidies, in 2003-2004.

A provider in Muncie, Indiana told of a case in which she had a parent "literally standing in front of the admission desk in tears saying, 'I can't afford to work.'" The parent received some help through the sliding fee scale at the center, funded with United Way contributions, but this still left her with a significant share of the costs. The provider, discussing the state's very low income cutoff for child care assistance, went on to say, "It pays to be on welfare now and it does not pay to get off welfare. The minute you rise above 127 percent of poverty[19] there's no help, no help… Nobody qualifies for assistance now who's working. I don't know how it got to this point; it's not a pretty picture. We're back where we were before welfare reform started. This is not just *pushing* them in the wrong direction, it's *forcing* them in the wrong direction. You cannot survive if you're working at a low-paying job. Your choice is, cut back hours and try to qualify for welfare." The provider was a "firm believer" that her center's twin responsibilities were to both help foster children's successful development and to encourage parents' self-sufficiency, but she felt that the system was working against her: "…my center is here to provide quality developmental programs for kids and also to help families become self-sufficient. Right now I can't promote self-sufficiency because it is not possible: there aren't enough resources to support the working poor. You can't *be* working poor — nobody's gonna help you."

> "You cannot survive if you're working at a low-paying job. Your choice is, cut back hours and try to qualify for welfare."

Another provider in Indiana talked about a family she served that was homeless yet was still on the waiting list for child care assistance because the family was not on welfare. The mother had recently divorced her husband, the father of their twins. She bought a trailer and then found out that its furnace did not work, so she had to move out of it because her children kept getting sick from the cold. The family was living with friends, but it was not clear how long that would last. The provider arranged for the mother to receive some assistance through United Way, charged her the lowest fee on the sliding fee scale, and was understanding when she got behind in paying. The provider let it go because she knew the mother was having an extremely hard time and "always catches up when she can." The provider explained, "She is working, she is not on TANF or any support, she is on the waiting list for the voucher program, but as she is not a TANF recipient it may be a very long time [before she gets help]."

A provider in Phoenix, Arizona—where families not receiving welfare were being denied assistance due to a waiting list—described the frustration parents felt as they tried to move off welfare: "We have parents come in all excited because they have a job and they're ready to go and they feel so good about themselves. Then they go over to the DES [Department of Economic Security, the agency that provides child care assistance] and they qualify but they tell them there's no money and then they're in tears. They think, 'we work and work and worked to get off welfare and here we are'… we have someone who has initiative, goes out on her own, finds a job, goes into DES, is eligible and then there's no money for her."

"…I have two boys in need of child care. If I do not receive child care within the next upcoming weeks, I will have no other choice but to resign from my job… This cut will put me back to the welfare line."

In Montgomery County, Maryland, where many families were languishing on a waiting list for child care assistance, a parent determined to remain independent described her situation. In a testimonial collected by the Montgomery County Commission on Child Care, she wrote (as translated from the original Spanish), "…I'm a single mother and have a baby. I work hard, have a legal status, and pay my taxes… If I don't have money, nobody wants to take care of my child, and if he is not in care I can't go to work, and I can't pay my bills. If I'm not able to do that where am I going to stay? On the street? Or, should I apply to get welfare benefits? …I'm not willing to do that."

A parent in Rockville, Maryland expressed similar concerns that she would be forced to return to welfare without assistance. She wrote, "…I have two boys in need of child care. If I do not receive child care within the next upcoming weeks, I will have no other choice but to resign from my job… This cut will put me back to the welfare line. Please, I've worked hard to stay off welfare. I do not wish to return to that road."

In Alabama, a state with a long waiting list, some families are reportedly quitting their jobs, applying for welfare so they can get child care assistance, and then returning to the same jobs they quit after going on welfare. These are typically jobs in nursing homes and hospitals that have a strong demand for employees and are willing to take them back.

Some families simply give up trying to work when they cannot get sufficient help with child care expenses. A mother in Louisiana with a five-month-old girl saw her copayment for child care assistance increase by $153 a month without much notice. She could not afford child care with such a high copayment, so she had to quit her job at a child care center, which was also the center her daughter attended. The mother had been working there since high school and loved her job, but she had no choice. At first she had been able to rely on her mother to provide care, but she could only do that for a short period of time. A child advocacy organization tried contacting this mother to find out what happened to her, but her phone had been disconnected.

Parents Penalized for Getting Ahead at Work

Parents who do manage to work and receive child care assistance are often penalized for trying to move forward in their jobs as a result of low eligibility cutoffs for assistance. Some parents literally beg their employers not to give them raises because it would put them over the cutoff for child care assistance, without providing nearly enough additional income to cover the cost of care. According to a provider in Indiana, parents are "terrified" of getting raises. Working families simply cannot get access to child care assistance for long enough to gain stability in their jobs and financial situations.

This problem is even more pronounced in states that have reduced their income cutoffs to very low levels — far below the income at which families could be reasonably expected to pay the full price for care. It does not take much for families in these states to exceed the income cutoff. For example, New Mexico's income cutoff for a family of three decreased from $28,300 in 2001 to $23,508 in 2004. In 2004, Indiana's income cutoff for a family of three was $19,080 a year — down from $20,232 in 2001 — and Ohio's cutoff was $23,505 a year — down from $27,066 in 2001. In Missouri, the cutoff has remained at the same level — $17,784 a year for a family of three — without even any adjustments for inflation, since 1991.[20]

A child care resource and referral agency in New Mexico worked with one parent who would have made $6 too much to qualify for assistance if she took a raise. The agency spoke twice with the parent's employer who called and could not believe it was really true that the parent would be cut off if she received the raise.

A Kansas provider said that when the state temporarily lowered the eligibility cutoff for assistance, some parents went to their employers and told them they did not want a raise. These parents "had bettered themselves… and were penalized for working up the ladder." To the provider, "that is not what this world is about. Everybody pushes for independence, yet these policies don't support it."

The director of a center in St. Louis, Missouri talked about the dilemma many families faced as they tried to move ahead: "Families come in here a lot… and you have to be glad for them, that they got a raise and they're happy. But really you're thinking, 'You have no idea what that means,' because they might have gotten a raise for a couple hundred dollars a year and in turn they're losing out on tens of thousands of dollars of services like child care subsidies and Medicaid."

In this system of twisted incentives, job advancement is not a positive but a negative. A mother in Cincinnati, Ohio who was promoted to manager no longer qualified for child care assistance as a result of the raise that accompanied the promotion. With child care for her son costing $560 a month and no help paying for it, her bills added up to $300 a month more than she was making. She said she did not understand how her assistance could be taken away, "because isn't there some rule about every child deserving to eat and to learn?" She and her son's father tried to arrange their schedules so that one parent could take care of their child while the other was working and they would not have to pay for child care. But there were still days when they were both supposed to work, forcing her to miss work so she could take care of her son. She was not working all of the hours she was supposed to and was concerned about how this would look to her employer. Given that she was using up her sick time, she was also worried what would happen if she actually got sick.

Sometimes it does not even take a permanent raise to bump a family off assistance; overtime pay on a one-time basis may be all that is needed to disqualify a family. A provider in Indiana talked about a single mother of two who was working full time in a factory and who lost her child care assistance for a year because she worked mandatory overtime for a week, which temporarily put her over the income limit.

A New Mexico mother had mandatory overtime that put her over the income limit one month, and her assistance was terminated. The mother tried to appeal the decision and wrote letters to the mayor, the governor, and the state child care agency. She had a school-age child who needed transportation before and after care, which is very hard to find, and she could not afford the provider she had on her own.

Even if a raise does not make a parent ineligible for child care assistance, it could still force the parent into a higher copayment bracket. A small raise can make a dramatic difference in the copayment parents are charged, particularly when coming at the same time a state is raising copayment for all parents. A mother in Oregon working at the same child care center where her three-year-old daughter was enrolled received a raise of just ten cents an hour (about $17 a month for full-time work). Her copayment increased from $162 a month to $213 a month—an increase of $51 a month, or three times the amount of the raise. This was a tremendous hardship for her. She earned just $7.60 an hour (including the raise), or about $1,300 a month, and she did not receive consistent child support. After child care expenses, health care costs, and taxes, she was left with just $900 a month. This had to stretch to cover $425 a month for rent in low-income housing as well as food, utilities, car payments, and car insurance. The director of the center where the mother worked commented, "You get a small raise and it's not equitable how much you're losing—you feel like you're not getting anywhere. You're further behind than you were before."

Parents Discouraged from Going to School

Child care cuts serve as an obstacle not only to parents trying to work and make progress in their jobs but also to parents going to school to increase their chances of getting a good job. In many cases, assistance for parents in school is one of the first areas to be affected by funding cuts, as states place greater priority on serving working families with their limited funds. Yet, education is key to women's ability to earn a decent income and stay off welfare:

- In 2003, median earnings were just $13,695 for women over twenty-five who did not graduate from high school, compared to $20,759 for those who graduated high school but did not go on to college, $24,018 for those with some college, and $37,839 for those with four-year college degrees.[21]
- A study of families that left welfare found that only 17 percent of those who had at least some postsecondary education returned to welfare, while 27 percent of those with less than a high school education returned.[22]

In Martin County, North Carolina, a mother lost her assistance when the local Department of Social Services decided that it would no longer provide assistance to help parents going to school. This mother had a husband in the National Guard, and she was just ten weeks away from finishing her degree in nursing when her assistance was cut off. Her child attended a child care center, and the director of the center continued to serve the child at no charge, absorbing the cost.

A provider at Portland Community College's child care center described Oregon's child care assistance program for parents attending school as extremely unpredictable. The assistance program lost all funding in June 2002. In 2004, 400 parents in school were able to receive help, but this was just a fraction of the 2,000 that were eligible. Moreover, the assistance was in danger of being cut due to the state's budget situation. When asked what parents did when they found out they would lose assistance, the provider replied, "Cried." He went on to say, "Some stopped going to school. Some bounced kids around to [who] knows where. And the effects of that, we'll pay the price for a long time to come." The provider discussed the tremendous stress parents were under trying to afford care, even if they were receiving some help through the center's scholarship funds or other sources.

In Chemung County, New York, which lost about 30 percent of its child care assistance funding after the state reallocated money based on new Census data, some teenage parents who were getting assistance to pay for care while they continued their high school education lost their subsidies. Some of the parents indicated that they were concerned that they might have to drop out of school.

When parents do manage to receive child care assistance to attend school, it can enable them to improve their lives. A single mother in Evanston, Illinois, with a nine-year-old daughter and sons ages five and six, worked at a medical facility part time doing clerical work, earning between $14,500 and $17,000 per year depending on how many hours she worked, and also attended school. The mother explained how child care assistance had helped her: "Nothing is more important to me than my family, which is why I am working so hard now and making sacrifices to secure our future happiness. In my former job I was making enough money to support my family but we were living paycheck to paycheck. I couldn't save and I couldn't advance. I took a huge risk and quit that job so I could go back to school full time while also working part time. I am an honors student, finishing my associate's degree and I plan on getting my bachelor's degree in International Business. I am building a foundation and a future for my family and it would not be possible without child care." Her older children were able to be in school-age care and her youngest went to a child care program that she described as a "godsend." She could "see each day the difference a high-quality child care program… means to me and more importantly, to my children. Each day that my son comes home and shares what he has learned, whether it is the days of the week or his colors or writing his name, I see how well prepared he will be for kindergarten." She felt that child care assistance was essential "to help parents like me just enough so that we can get by on our own… When people are given the tools to succeed, we will as long as the policies out there are meant to help, not hinder our success." Unfortunately, many families who want to attend school are not given such opportunities.

Parents Trying to Break Free from Abusive Relationships

Many parents who need child care assistance are not only struggling to find a steady job and support their families on limited incomes, but face other major challenges as well. Some of these parents are trying to get on their feet and create a stable home for their children after experiencing domestic violence. Child care assistance can be a tremendous help to parents in this situation. However, the assistance they need is often not available, or not available long enough to give them time to recover from the trauma they have experienced. As a result of state cutbacks, even the most vulnerable parents have found assistance more difficult to come by.

In Hood River, Oregon, a mother was trying to get her life together after leaving her home because the father of her children was abusive. She was living in a shelter, didn't have a job, "didn't have anything," according to the child care provider serving the family. The mother was receiving child care assistance, but could not afford the high copayment. With the state making cuts to its child care program rather than investing more to address exorbitant copayments and other gaps, it was the provider who had to help the mother by taking a loss.

> "Some stopped going to school. Some bounced kids around to [who] knows where. And the effects of that, we'll pay the price for a long time to come."

A New Jersey mother of two who was a victim of domestic violence and ended up homeless explained that everyone she met while living in the shelters "is someone who out of the blue was hit upside the head. Everyone in the system has had something tragic happen to them…everyone I've met *wants* to be on their feet. Nobody wants to be in a shelter. *Nobody* wants to be taking charity." This mother had won a lottery for a housing voucher and was trying to work and gain more financial security. However, while she wished she could work more, she could not afford to pay for any additional hours of child care. She dropped her four-year-old off at a child care center at 7 a.m., then rushed to get to work by 7:30 a.m., and then at 3:30 p.m. had to rush out of work so she could meet her ten-year-old when she got off the bus after school. Her older daughter used to go to an after-school program that she loved, but she had to stop because her mother could no longer afford it. The mother had received help paying for child care while living in the shelter, but she was no longer eligible for that. She put her name on the waiting list for the state-funded child care assistance program, but was not very hopeful about actually receiving assistance since she knew a woman who had signed up two years earlier and was 150th on the list. Statewide, the waiting list had grown from 9,800 children in 2002 to nearly 14,700 in 2004.[23]

Parents Under Serious Financial Stress

Parents who are struggling to pay for child care without help, or who are struggling to make their copayments even if they do have help, are under tremendous financial strain. As they try to manage on very tight budgets, they must make painful trade-offs among essential needs. They are often forced to choose between paying for child care, housing, food, health care, or clothing. State cuts that have limited parents' access to assistance and raised copayments have increased parents' risk of finding themselves in such financial straits.

A provider in Des Moines, Iowa said that she could not count how many times, when she tried to collect copayments from parents, they responded by asking "Do you want me to pay you or pay my rent?" or "Do you want me to feed my kids or pay you?" The provider was already struggling with state reimbursement rates that had eroded in value because they had not been raised since 1998, so she could not afford to lose out on parents' copayments as well. Yet she recognized that parents were having as much difficulty as ever affording their copayments.

A provider in Georgia—where the waiting list had more than doubled between 2001 and 2004[24]—talked about how parents have to sacrifice so much in order to provide for their children. The parents she served were typically working in low-wage jobs such as fast food, nursing homes, and housekeeping at hospitals. The provider saw many parents with bad teeth because that is "just another thing they can't afford" to address. She said that "parents need to make a decision about where to cut somewhere, and your child's needs come first."

Sometimes families are simply unable to pay their rent while also trying to afford child care. A provider in Tucson, Arizona—discussing the impact of a state waiting list that was instituted in 2003 and continued through early 2004—told of a case in which a parent had tried to pay for child care, failed to pay the rent, and ended up getting evicted. The family had to live in a shelter to pay for child care.

The resource and referral agency in Spokane, Washington saw many parents borrowing from relatives or taking out loans with very high interest rates to make their increased copayments. The agency had to put more than forty families into collection for not paying their copayments. In these cases, providers are required to notify the state, at which point the state terminates all child care assistance for the family. At the time of the interview, the state was also about to increase the premium for families enrolled in the Child Health Insurance Program (CHIP), which serves families with incomes between 200 and 250 percent of poverty, from $10 per month per child to $15 per month per child.[25] This would stretch families' budgets even further and leave many parents with the untenable choice of paying their copayment for health care or child care for their children.

A provider in Ohio described how families struggled to afford the higher copayments the state had imposed: "Families are really struggling right now… A copay of $15 a month went up to $95 or $100 a month. Just that in itself, they couldn't afford to pay. They have to make a decision whether to put food on the table, pay their mortgage, get gas for the car, or whether to pay a copayment for child care. You know, they don't have enough money to pay for all those things, so they've had to make incredibly difficult choices." A provider in Cincinnati, Ohio echoed these comments about copayments, saying, "Some people went from $1.50 a day to $6 or $7 a day. They let other bills go, or they let us go and pay the more important bills like phone, electric, and then we're on top of them all the time to get their payment."

Families in Minnesota were particularly hard hit by copayment increases. A resource and referral agency in Minnesota worked with a parent whose copayment was raised from $72 a month to $256 a month because she took a third job to make ends meet and her income went up at the same time the state increased copayments for all families. The mother felt she was being punished for trying to work and make it. In another case, a mother of two who was trying to move off welfare got a job making $28,000 a year and went from having no copayment to having a copayment of $479 a month (21 percent of income) after the higher copayments were put into effect.

The mother had to start paying this copayment after receiving only two paychecks. Two other families had stopped receiving assistance because they could not pay the copayments. One was a single mother with two children, one of whom had special needs. The other was a single mother trying to support her two children with minimal child support. Two other families said that with the increase in their copayments they would have to quit work and go back to welfare.

> "I will go without food and I can deal with one pair of shoes for a while and I don't really need new clothes... as long as my kids are in a good day care where they're getting fed, taken care of and where I feel safe when they're playing on the playground."

Increased copayments also presented a challenge for a married mother of two living in Portland, Oregon who worked as a restaurant hostess and was the sole source of support for her family. Her husband, who had a physical disability, could not work or take care of the children. The family found a center with an infant-toddler program for its younger child and its older child started kindergarten. This arrangement was the only one that would work for the mother's schedule, since she had to be at her job before 7:30 a.m. She dropped off her younger child at the center and then returned home to leave her car and take public transportation downtown since she could not afford parking near her job. The mother was struggling to cover her copayment after it increased from $58 a month to $212 a month. She paid the higher amount the first month, and then received an emergency stipend to help pay for care, but she was not sure what she would do in the following months. She was feeling overwhelmed and received very limited income from her job, but she stayed with it because it provided health benefits for her and her family. She had no savings or other source of income.

A mother with two children, ages four and five, living in Tucson, Arizona discussed what a major difference it made to her financial situation when she finally began receiving assistance. When she had initially applied for assistance, she was told that she would have to wait three to six months, but she ended up waiting for a year and a half, during which time she had to move in with her parents. She said, "Seriously, going to the grocery store used to be like 'We have $23, what are we going to get with $23?' Now we can get groceries and get food that we want to eat. It leaves a lot of our lives a lot less stressful and we don't have to worry as much. Since now we only have to pay $22 [a week for child care], if something breaks in the house or if something breaks in my car or if I have to take time off work because one of the kids gets sick, we don't really have to stress about it as much. There's a little bit more of a cushion—before we were just barely squeaking by." This mother was willing to make financial sacrifices to ensure her children were in good care: "You know what, I will go without food and I can deal with one pair of shoes for a while and I don't really need new clothes and I can squeeze by with Wal-Mart clothes for the kids, as long as my kids are in a good day care where they're getting fed, taken care of and where I feel safe when they're playing on the playground."

A provider in Lincoln, Nebraska said that the changes to state child care assistance policies, including a decrease in the income cutoff for child care assistance and increases in copayments, had thrown many families into crisis. Families frequently ended up in debt or having to quit their jobs. These families were already on the edge, with many experiencing homelessness, domestic violence or other difficult situations. These stresses often led to poor parenting. The provider said that "when so many families already don't have support systems, one change can set them into crisis mode." The loss of child care assistance can be just this type of change that sets off a negative chain reaction.

Parents Juggling Work and Family on Tight Budgets

While parents at all income levels twist themselves in knots trying to balance work and family, it is particularly difficult for those with limited incomes. Low-income parents often cannot afford reliable, convenient child care that could help them manage these competing demands, and with child care cuts, getting access to assistance has only become more difficult. Even if parents can receive assistance, stagnant provider reimbursement rates limit the child care options available to them. Parents in low-wage jobs have other disadvantages as they try to juggle work and families. They are more likely to lack benefits such as paid leave that would give them more flexibility to be there for their children when they are needed.[26] In addition, these parents may not be able to afford a car, and instead may have to depend on public transportation, which is not always convenient or reliable. In some cases, parents can turn to other family members to help them out. Yet relatives may not always be available because they may have to work themselves, or may have their own family responsibilities.

A mother in Holyoke, Massachusetts who was receiving assistance still faced a tight schedule, in part because she was unable to send her younger daughter to the same program as her son. Her son's center could not afford to accept any more children receiving assistance due to low state reimbursement rates that had failed to keep pace with rising costs. The mother was generally happy with both of her children's centers, but having them in separate places created some challenges. Her son's center was far from where she worked and lived. She had considered trying to find a center that was closer to her home and her job, but she did not want to move her son from a center where he had made friends and that was familiar to him. Her son was able to be at his center by 7:30 a.m., but her daughter could not be at her center before 8 a.m., which made the mother late for work every day. Her employer told her she needed to find an alternate plan.

A staff member of a community action program in New Jersey who worked with families receiving assistance told about one mother who could not purchase child care in her town with her subsidy. The state reimbursement rate was not nearly high enough given what providers in the area charged, so most providers there were unwilling to serve families with subsidies. As a result, this mother had to use child care in another town, but she did not have her own car. So every morning she got on a bus to take her children two towns away, dropped them off at their program, and took the bus back to where she worked, which was just one block from her home. The whole trip took three hours.

A staff person from a child care resource and referral agency in Morris County, New Jersey knew a mother who got out of work at 5:30 p.m. and then had a forty-five-minute trip to her child care provider. She had to pay "by the minute" for all of the time after 6 p.m., which is when most providers close. Transportation issues were a particular problem in that county because bus service was limited to certain routes and only available for a few hours in the morning and at night.

A provider in Muncie, Indiana discussed a family in which the two parents were working nights and were unable to take the opportunity to switch to day shifts because they could not afford child care. The parents were caring for their children during the day, and then the children's grandmother took care of them at night while they were sleeping. The provider wondered, "How can you work eight hours and then stay awake with little kids all day?"

Restrictive state policies can make it particularly difficult for parents to juggle their responsibilities for their children with work and/or school. A provider in Springfield, Ohio talked about how the state's policies allowed parents going to school to have only fifteen minutes before and after class to get back and forth from campus to their children's child care center. "This shows that the people making the rules do not know about the importance of communicating with their teachers and nurturing behavior. It means the parents are running back and forth and stressed and in a hurry and don't have time to be at the center."

Parents Giving Up on Trying to Apply for Help Due to Waiting Lists

Between 2001 and 2004, a number of states instituted waiting lists or had their waiting lists grow longer due to cuts in child care funding.[27] Long waiting lists can cause parents to give up hope of ever getting assistance and deter them from applying for help. Waiting lists can also pose a major problem for low-income parents who are receiving assistance but then suddenly lose their job. Parents in this situation are often not given enough time to find a new job before they become ineligible for child care assistance. In order to receive assistance again once they find a new job, they must reapply, putting their name at the bottom of a waiting list that may have thousands of families ahead of them.

A child care provider in Hamilton, New Jersey, encouraged one young, working mother who used her program to put her name on the waiting list for assistance, but "she doesn't think there's a point to signing up because she knows how long she'll have to wait." This attitude is understandable given that the state had approximately 14,700 children on the state's growing waiting list for assistance as of early 2004.[28]

A provider in Auburn, Maine repeatedly described families as "discouraged" by long waiting lists, to the point that they do not even bother applying. As of early 2004, Maine had over 2,000 children on the waiting list[29]—a relatively long list given that the average monthly enrollment in the state's child care assistance program was just 4,500 children in 2003.[30]

A mother of two in Glendale, Arizona who had been working and receiving child care help before she lost her job expected her assistance to resume as soon as she started a new job. Instead, she stayed on a waiting list for six or seven months after finding work again. During this time, she could not use the child care she had been using while receiving assistance, and all of the centers she checked were too expensive. Therefore, she paid her aunt, who was providing in-home care, $90 a week to take care of her four-year-old, and her mother took care of her baby. As the mother described it, "It was just a lot of people trying to run around to do what we can do."

"She doesn't think there's a point to signing up [for child care assistance] because she knows how long she'll have to wait."

She recognized that she was fortunate to have family to turn to, and that many other parents in her situation were not as lucky: "…I understand where a lot of people come from who don't have families that were willing to help them—they're stuck." The $90 a week that she paid her aunt was still a "strain" and she ended up falling behind on her mortgage and car payments.

Parents Seeking Help and Confronting Bureaucratic Barriers

Beyond more obvious measures such as reducing eligibility cutoffs or instituting waiting lists, there are also more subtle ways in which states have limited access to assistance. Families often encounter bureaucratic obstacles that prevent them from applying for assistance or renewing their eligibility, which many states require families to do every six months.[31] New, stricter rules can make it particularly difficult for parents to meet the requirements as they try to get or retain assistance. For example, Arizona eliminated a thirty-day grace period that had been allowed for families when it was time to renew their eligibility for assistance. This type of change creates a challenge for parents on tight schedules trying to juggle work and their family responsibilities. These parents have limited time available to contact their caseworkers and may not have the flexibility to take time off from work to go to an office to fill out paperwork.

Washington state made it more difficult for parents when it reduced the number of caseworkers and changed its administrative system so that parents no longer were assigned to a single caseworker. Under the previous system, a caseworker would be assigned to several families in the same neighborhood and would become familiar with that community and its providers. However, the state determined it could not afford that many staff and laid off half its workers. Now, instead of having workers that focus on child care, the state uses social workers who deal with a full range of services, and who are not as familiar with the intricacies of the rules for the child care assistance program. The workers are primarily focused on eligibility rules; according to one advocate, "it's work first, not child first." When parents go to apply for or renew their assistance, they are often told that they have to remain on the phone for a long time, or that the worker will call them back. But parents cannot spend that much time on the phone or wait around for someone to call them back when they have jobs and cannot afford to miss any work.

A provider in Mississippi talked about a mother with three children who had been receiving assistance for a few years but who was unable to get her paperwork in on time to renew her eligibility because she had broken her leg. Once she lost her assistance, she would have to go to the bottom of the waiting list to have it restored. The mother tried to call the agency and explain her situation, but they told her they could not help her. The provider did not know the outcome of the situation. The mother was holding down a full-time job while at the same time going to college, so it was clear to the provider that she was trying to make the situation better for herself and her family. The provider said that "no one can accuse her of not trying. Anytime you take thirteen hours of college class and work forty hours a week as well, you're trying to better your condition."

In Alabama, where more restrictive eligibility criteria resulted in nearly 10,000 families losing child care assistance in a two-year period, the director of a child care resource and referral agency serving eighteen counties said that families are no longer given second chances. Families are not given any leeway if they lose their job, have a problem at school, turn their paperwork in a day late, or do not pay their copayment on time.

Parents Denied Help Finding Care

Given the challenge of finding and paying for care, parents need help identifying good child care options and possible sources of child care assistance. Yet, in many states, parents have less access to help because of reductions in funding for child care resource and referral agencies.

Texas cut funding for child care resource and referral services and shifted the responsibility for certain services away from the resource and referral network to a general phone referral service. Parents previously could receive parent education, consultation, and support from the resource and referral agencies. In contrast, the reduced funding level assumes a seven-minute phone call that only allows enough time for the agency to ask parents how many children they have and the children's ages and give the parents the names and addresses of a few child care providers.

North Dakota reduced funding for child care resource and referral services, resulting in fewer staff available to help parents and providers and a greater burden for the staff that remain. Over the past few years, the number of resource and referral agencies in the state has gone from eight to six. The remaining offices are trying to cover the services provided by the two agencies that were eliminated, but this has meant less extensive services for families in the communities served by those agencies.

Similarly, Minnesota's child care resource and referral agencies have had to limit the services they can offer parents as a result of funding cuts. As of July 1, 2004, the number of sites was reduced from nineteen to just six. Before, there were child care resource and referral sites throughout each region, and they had been able to give parents customized referrals to child care providers that would meet families' individual needs. The resource and referral agencies report they now have to do more work with fewer people and less money and cannot always provide customized services.

Effects of State Child Care Cuts on Child Care Providers

Many child care providers were already struggling to make ends meet, and state cutbacks have only aggravated the situation. Child care providers earn very low salaries, making it difficult for them to support their own families — those working in center-based care earn an average of just $17,830 a year,[32] and family child care providers typically earn even less.[33]

Inadequate wages make it hard for child care workers to remain with the same program or stay in the field at all. For example, a study of child care centers in California found that the average turnover rate between 1999 and 2000 was 30 percent for all teaching staff.[34] This is much higher than the nationwide turnover rate for public school teachers, only 8 percent of whom moved to a different school and 7 percent of whom chose to leave the teaching profession between the 1999–2000 and 2000–2001 school years.[35] Child care centers and family child care homes also often lack resources they need to support training and education so providers can improve their skills, to purchase toys, books, and other classroom materials, and to upgrade facilities. Providers serving low-income families are particularly squeezed by cutbacks because they cannot increase the amount they charge parents without driving out families who cannot afford to pay.

Child care providers have been affected by state child care cuts in several ways:

- Frozen rates have the most obvious effect on providers by leaving them without the reimbursement they need to support high-quality care. When rates are frozen, that effectively cuts payment for providers because the amount they are reimbursed declines relative to their costs, which continue to rise.
- Lower eligibility cutoffs and other restrictions on eligibility criteria result in fewer families being able to receive the assistance they need to afford child care, and thus fewer families using child care centers or family child care homes.
- Waiting lists for child care assistance make it difficult for child care programs to bring in new children to fill open slots when other children leave their program.

- Increased copayments, while aimed at parents, impact providers because in many cases providers are assigned to collect the copayment from parents receiving assistance. This places an additional burden on providers, who often are unable or unwilling to ask low-income parents to give money they do not have.
- Cuts to initiatives such as the Teacher Education and Compensation Helps (T.E.A.C.H.) Early Childhood® Project, which encourages providers to further their education and rewards them with higher compensation, deprive providers of opportunities to improve their skills and increase their incomes.

Child care programs and providers have tried to cope with the state child care cuts by scaling back on costs where they can. They must do a continuous balancing act as they attempt to ensure that children receive high-quality care while maintaining the program's financial viability. Achieving this balance proves impossible for many providers, which causes children to lose out.

Providers Suffering from Financial Loss as a Result of Low Rates

Many states rarely update the rates they pay providers who offer subsidized care to keep pace with rising costs. As a result, state rates are often years out of date and far below the rates charged to parents paying out of their own pockets. In 2004, nearly three-quarters (thirty-seven) of the states had low or outdated reimbursement rates.[36] Michigan's rates were based on 1996 prices, while Missouri set its rates for infant care based on 1998 prices and all other rates at 1991 levels. In addition to low rates, providers' reimbursements are further eroded in other ways. For example, when a family no longer qualifies for help, providers do not always receive prompt notification from the state. As a result, providers often care for children believing they will get reimbursed by the state, and then do not receive payment and have to write off the loss. In addition, providers are frustrated by paperwork hassles and payment delays. They are not always reimbursed for days when children are absent or part-time care as they would be by private-paying parents. Given that child care programs already operate with extremely tight margins, any cutbacks in reimbursement policies presents them with a serious challenge. Inadequate reimbursement policies force providers to make a difficult choice —they can either accept the low rates and try to make do, or they can refuse to serve families receiving child care assistance. Either option can result in low-income children losing an opportunity to receive quality child care.

> Child care programs and providers…must do a continuous balancing act as they attempt to ensure that children receive high-quality care while maintaining the program's financial viability.

In Minneapolis, the director of several centers reported that, with rates frozen at 2002 levels, the centers were losing about $32,000 a year on the children with subsidies they served. Moreover, getting subsidies authorized was a very slow process, so it was a "gamble" for a center anytime it took a family that said it was receiving subsidies. The state had also increased licensing fees, which was one more change affecting the program's budget. The director said that the program was getting hit from every direction.

A preschool program in Summit County, Colorado with about 10 percent of its children receiving subsidies lost over $22,000 a year on these children because of the low reimbursement rates that had not been updated. For example, the state paid just $27 a day for an infant compared to the program's private rate of $48 a day. This loss is compounded by the fact that the center is not always informed when parents have been cut off from assistance. The center will serve children for several months expecting reimbursement only to find out that the family is no longer receiving subsidies. On the same morning that the center's director was interviewed, November 15, she received a notice that one child in her program had been cut off from subsidies over two months earlier, on September 1. The director said the program has to "struggle day to day," and it is "hand to mouth" just to keep its doors open.

A Georgia provider noted that everyone talks about "quality, quality, quality," but no one is willing to pay for it. The state's rates—which had not been increased since 2001—were about $14 a week lower than rates charged to parents paying out of their own pockets (private-pay rates). The provider said that there were "so many things we'd love to provide for our centers," but the low state reimbursement rates did not give them the resources to do this. The provider wished they could have lower ratios, newer baby beds and high chairs, and toys for infants and toddlers that were developmentally appropriate and that provided stimulation.

Other providers across the country receive reimbursement rates from the state that fall far below what they usually charge their private-paying parents:

- A provider in the Des Moines, Iowa area said that in 2004 state rates, which had not been increased since 1998, were $72 a week lower than the private-pay rate for infants, $65 a week lower for two-year-olds, and $39 a week lower for preschoolers.[37]
- A St. Louis, Missouri provider only received $138 a week from the state for infant care, compared to a private-pay rate of $150 a week. The state had not raised the rate it paid for infant care since 1998.[38] While the provider was allowed to charge parents the difference between the state rate and the private-pay rate, she knew that most parents receiving assistance could not afford this, so she did not push parents to pay.
- A provider in Roseburg, Oregon reported that the state's rates, which had not been updated since 1999,[39] were much lower than the rates her center charged even though the center had the lowest prices in the area. The center charged $400 a month but only received $335 a month from the state. Low reimbursement rates, said the provider, "make it hard for us to help parents."

The provider wished they could have lower ratios, newer baby beds and high chairs, and toys for infants and toddlers that were developmentally appropriate and that provided stimulation.

- A provider in another area of Oregon said she charged $660 a month for infant care, but the state rate for infant care in her region was only $455 a month; she charged $616 a month for preschoolers, while the rate paid by the state for this age group was only $435 a month.

Providers Forced to Cut Staff Compensation

State cutbacks, combined with a struggling economy, have placed financial pressures on child care programs. Given that staff salaries constitute the vast majority of programs' expenses, there is often no choice but to deny raises or even reduce salaries. In addition, health care and other benefits—which many child care teachers already lacked[40]—have been scaled back by some of those programs that had offered these benefits.

A provider in Muncie, Indiana reported that her center had not given staff any raises in three years. On top of this, the center had started requiring staff members to pay $25 a month for their health insurance. While the charge for health insurance was relatively low, it did have an impact given that it came at the same time that wages were stagnant. The center's financial difficulties stemmed in part from its determination to continue serving families who lost child care assistance after the state reduced the eligibility cutoff. The provider felt it was the center's mission to continue to serve these families, so it worked with them to have them pay what they could. Yet many families ended up being unable to afford the costs, and the center was left trying to absorb the loss. The center ultimately lost nearly $60,000 as a result of the subsidy cuts and went into debt.

A center in West Virginia, which had lost $30,000 in TANF grant money from the state, had to lower its starting salary for newly hired staff to $5.50 an hour and had not been able to give raises to existing staff in over a year. In addition, the center could no longer provide benefits to staff. The co-director said that she would have liked to do more for the staff "because they're what makes the center."

A center in St. Louis had to start charging staff a small amount for health insurance. The center felt it was essential to continue providing health insurance for its staff, though—as the director noted, "What's more important for people who reach and stretch and bend and are exposed to little germs?" In addition, while salaries had been raised somewhat over the previous few years, they remained low. Two staff that had been with the program for twenty-four years and had two-year degrees were still only making $12 an hour.

Another center in St. Louis allowed the low-income families it served some leeway in paying their bills and as a result did not have sufficient revenues to pay the higher salaries needed to attract and retain good staff. The center's director stated, "You can't give the raises that you want or you can't bring someone new and good in, because you lose out to another center that… can afford to pay them more of a starting salary than you can." The center tried to work with parents in difficult circumstances—for example, if a parent lost her job and was no longer able to receive subsidies, the center would still provide child care so that the parent could look for a new job, even if the parent could not afford to pay for child care for a period of time. The director felt an obligation to continue helping the family, even if it meant an economic loss for the center, for the sake of the children: "It's not so much about the parent, because you're like, 'You should be getting a job.' But you say to the three-year-old, 'You really need to be here in care!' We're carrying families for three weeks, a month, whatever they need. We carry them and the cost of the care, 'til they're able to get a job. What that means is we end up varying the cost of care for the family… That means there are things that you put off purchasing or can't increase wages… You don't raise teacher salaries as much as they deserve and you want to."

A provider in Lincoln, Nebraska, discussing hard-working teachers who received lower pay than they merited, stated that "what is really happening is that very dedicated people are subsidizing child care for the rest of the country, working at great personal sacrifice." The center had been affected by cuts, including the state's failure to update reimbursement rates since 2001.[41] The provider said that the center "couldn't do it without personal financial sacrifices from the staff. It's what they really believe in. But this is not a long-term solution…" The provider cut her own salary back, and wished she could pay higher salaries to her staff, which included teachers with master's degrees who were making much less than they would be making with their credentials in another job.

Providers Handling Stressful Work

Child care providers earn low wages despite the significant responsibilities and burdens of the job. Providers, especially those serving low-income children, have a very difficult task as they try to help children and their families deal with the many challenges they face. Yet outdated reimbursement rates and other state cutbacks have only decreased the odds that providers serving low-income families will receive the salaries they deserve and need to support their own families.

A provider in Springfield, Ohio discussed the hard work of her underpaid staff: "Even though I just… pay teachers $8.50 an hour, you have a two-year degree and you still have to clean your own classroom, clean your own toilet and buy your own supplies for your classroom. And you're very stressed when you leave your job because the children have no support systems and you're dealing with difficult problems and then you try to meet your payments and pay your bills and you get into a car that is not working… While the kids nap, as a teacher, you're looking for clothes for a kid that doesn't have any, you're making lesson plans, scrubbing toilets and calling parents and at the same time, you also have to worry about the kids." She also talked about her own burden: "We're a non-profit, so I'm not making anything. I weed the flower beds, I write my own grants, I water the plants and I clean the birdcages. I don't make a big salary but my desk is also filled with paperwork and I also have to be in the classroom to see what the teachers and kids need."

A provider in St. Louis, Missouri said it was difficult to recruit degreed teachers for her center, which served many high-risk children and was a challenging place to work. She said, “It is a very stressful experience working there, so it takes an extraordinary person to come into the program, and commit to working in a center where it is an uphill slog every single day.” For example, the center had enrolled four siblings who had been taken overnight from their mother and given to their father. The children had no idea what was expected of them or what the rules were, but the teachers had to incorporate them into a group of nineteen children, without having extra staff in the classroom or the training they needed.

A director of a center in South Carolina, when contacted about the challenges she faced as a result of state child care cuts, said she had just “too, too much to say about this.” She could not afford to pay for additional staff help, so she had “to do all the paperwork and take care of the children.” She worked from 6 in the morning until 6:30 in the evening and then went home and worked on the paperwork at night. She said she had no money to pay staff, and that she certainly had no money to pay really good staff. While she was working night and day for no money, she was cutting the hours for those staff she had left.

Providers Reducing Staff as States Limit Child Care Assistance

With many families unable to qualify for child care help under more restrictive eligibility criteria and others trapped on waiting lists and unable to afford child care on their own, child care programs often cannot fill their slots. As a result, some child care programs face the prospect of letting staff go. A program may at first try to cut staff salaries and benefits, but if that is not sufficient to make ends meet, it may be forced to reduce staff hours or eliminate staff altogether. The staff that remain are often left with larger classes and additional responsibilities that go far beyond their job descriptions. While they do all they can to provide the same high level and quality of services to children, in some cases it may be simply impossible.

> “While the kids nap, as a teacher, you’re looking for clothes for a kid that doesn’t have any, you’re making lesson plans, scrubbing toilets and calling parents and at the same time, you also have to worry about the kids.”

A center director in South Carolina had to lay off several of her staff after subsidy cuts led to a sudden drop in enrollment. She had gone from having eighteen to twenty children with subsidies to just four — and the director thought that at least two of these four remaining children could lose their assistance as well. The director was licensed for fifty-five slots, but only had thirty-five children on a good day, and expected that enrollment would drop further as many parents only had seasonal employment at the beach. With the decline in enrollment, her staff had gone from ten to six. Two of the staff she lost were women whom she had encouraged to get their early childhood teaching certificates. Yet once they got their certificates, they wanted raises, which she could not give them. Instead, she had to cut their hours.

A director of a center in Vance, South Carolina said that after putting it off for as long as possible, the center was getting ready to scale back on staff. The center was licensed for forty children ages two to four, but enrollment had dropped to just twenty-four children. The decline in enrollment can be at least partially explained by subsidy cuts. When she first became director, about 90 percent of her children were receiving subsidies, and at the time of the interview only one child was.

A center in Albuquerque, New Mexico had to cut staff’s hours from about thirty to forty hours a week down to about twenty to thirty-five hours a week after the state’s eligibility cutoff was reduced and the center’s enrollment dropped by about ten children. With staff working half shifts, children — who were now with different staff on different days and at different times — had less stability.

The YMCA of Greater Cincinnati Child Care program had to lay off a part-time social worker and maintenance staff and had to reduce some full-time positions to part-time. The program also had to make cuts to administrative staff, which was a particular problem because the state had started requiring programs to track attendance more closely and submit more detailed attendance reports, which created more administrative work for programs. Thus, the program was trapped in a negative cycle where more restrictive reimbursement policies led to less income for the program, which forced it to lay off the staff it needed to ensure that it received the full reimbursement it deserved and generated more income.

Providers Losing Opportunities for Training and Professional Development

Child care providers have been affected by cuts to training and education initiatives as well. Ongoing training and education is essential to help caregivers develop their skills and keep up-to-date with new information about early childhood education.[42] Providers may need incentives and support to encourage their participation in professional development activities, since they cannot always expect to be rewarded for receiving additional training and education with increased compensation. Yet several states have reduced or eliminated funding for professional development initiatives. Other states have limited the types of training available or the times when training is offered, making it more difficult for providers, who may also be working full time, to attend.

In Texas, a child care provider noted that funding for training had been cut. The only training still available was on handwashing, with no training in many other important areas such as literacy and school readiness.

The Seattle child care resource and referral agency had to drastically scale back its Child Care Careers Program after the state funds that supported the initiative were eliminated in 2002. The program helped low-income women transition from welfare to work by training them to become child care teachers or start family child care homes. It had a special focus on refugee immigrant women, enabling them to open up businesses that offered culturally relevant programs that families wanted. The program resulted in fifty-five new family child care homes. After state funding was cut, the child care resource and referral agency was able to continue the effort at the local level with help from a foundation grant for a while. However, at the time of the interview, the initiative was close to running out of funding and had already cut back from training eighty-five women a year to training just twenty at most. The state also cut funding for a community-wide project to recruit and retain child care providers by providing orientations to state licensing rules, technical assistance, and mini-grants for providers to buy equipment and supplies. The agency still offers providers some support, but this mostly involves giving providers a manual, as opposed to the intensive support previously offered. The agency lost 25 percent of its budget and had to lay off five staff people in 2003.

In Maryland, provider training was affected when the state cut funding for resource and referral services from $5.7 million in FY 2003 to $3.8 million in FY 2004. The statewide resource and referral network lost twenty-seven of ninety-five staff and had to close one of its thirteen resource and referral centers. The statewide agency suspended its technical assistance project, which had helped new providers open their doors and existing providers expand their capacity and assisted businesses in finding child care for their employees. Providers who call the statewide agency to request technical assistance are now referred to a website instead of receiving one-on-one assistance. Some individual local resource and referral agencies still provide limited technical assistance, but the statewide network can no longer do so. An advocate in Montgomery County, Maryland reported that resource and referral agencies have had to reduce the amount of free and reduced-cost training they offer for providers, so providers have less training available to them and have to pay more for the training that is still offered.

Kansas eliminated funding for a program that encouraged providers to receive training. For six years, the Kansas Association of Child Care Resource and Referral Agencies had $500,000 a year available to support incentive grants for family child care providers who received more than the state's minimum training requirement (just five hours annually). A provider receiving twenty hours of additional training was eligible for a grant of up to $1,500. New providers could receive small grants of $750 to purchase fire extinguishers or pay for other expenses necessary to meet basic health and safety standards. The organization had been providing grants to about 350 providers a year, but now is not able to provide any grants. Without incentive funds, participation in training has sharply declined as well.

As a result of cuts to Massachusetts' Community Partnerships for Children initiative, a community partnership in Cape Cod had to reduce funding for an early childhood resource center that offered professional development opportunities and resources for teachers. The community had to cut back the center's hours, cut funding for lending library materials and resources to enrich the curriculum, and eliminate some workshops and staff training. It had to eliminate five or six trainings on caring for children who have special needs or special behavioral issues. The trainings would have served approximately fifty staff in centers, public preschools, private preschools, and family child care.

A family child care provider in Michigan talked about cuts to trainings on literacy and reading that had once been offered to providers and parents. The provider commented that it was "ironic" that these trainings were cut at the same time the state was increasing requirements on literacy instruction for centers and considering such requirements for family child care homes.

In Texas, a child care provider noted that funding for training had been cut. The only training still available was on handwashing, with no training in many other important areas such as literacy and school readiness. In Piqua, Ohio, a child care teacher also found that training had been scaled back so that only basic trainings in areas such as child abuse, first aid, and communicable diseases were available.

In Olney, Maryland, cuts to provider education classes had made it more difficult for some providers to attend. For example, one provider could no longer participate in the trainings because they were not offered in the evenings, when it was possible for her to go. Instead, the classes were offered on Saturdays, when she was working with children. She wrote of her disappointment about not being able to enroll in the classes because they had enabled her to stay informed about current child care issues and practices.

Providers Deprived of Incentives or Support for Sustained Quality Improvements

Strong accreditation standards and performance criteria for early childhood programs lay out the core elements that are central to ensuring children receive nurturing care and education that promotes their successful development. These elements include positive relationships between teachers, families, and children, well-qualified staff, low child-teacher ratios, a curriculum that engages children as active learners, ongoing assessment to inform teaching practices and respond to children's needs, partnerships with parents and communities, a physical environment that provides opportunities for learning and exploration, strong leadership and administration, and health and safety protections.[43] Accreditation is a marker of higher quality, and in the process of becoming accredited providers can greatly improve their services. Yet, some states have reduced their investments in helping child care programs become accredited. As a result, child care providers—who are already struggling to achieve and maintain a high level of quality in the face of cuts to reimbursement rates and other areas—are often unable to make the quality improvements required for accreditation as much as they might want to improve the care they offer.

In Nebraska, a quality initiative to help programs become accredited was cut. First, direct financial assistance was cut, then mentorship activities to help programs through the accreditation process, and finally assistance to help programs cover fees for accreditation. The only assistance left is $10,000 to help with accreditation fees, and this must be spread across the whole state. Programs in the rural western part of the state in particular are on their own. With all of these cuts, there has been a decrease in the number of programs becoming accredited, according to one provider who had been involved in helping other providers become accredited. In Lincoln, Nebraska, there are still some efforts to help more programs get accredited, but it is very challenging. Only twenty-three of Lincoln's 132 centers and only two of the city's 638 registered family child care providers are accredited.

An accredited provider in Huber Heights, Ohio said that many programs she knew of were "abandoning" accreditation. Rates were too low to maintain the high standards required for accreditation. In order to make ends meet, she was considering increasing child-staff ratios in her accredited, subsidized center so that they just met state standards, rather than trying to maintain the higher standards required for accreditation. For example, Ohio allows one adult to be responsible for as many as seven eighteen-month-olds or twelve three-year-olds,[44] while accreditation criteria permit just five eighteen-month-olds or ten three-year-olds per adult.[45]

"...we were serving centers that were using cardboard boxes for cubbies and they were really in need of things. We were able to provide a significant amount of money so that they could get their centers equipped so they could become accredited. And that has been stopped..."

A family child care provider in Michigan said that she would love to become accredited, but the state had cut assistance to help cover the costs, so it was not worth it for her to go through the process. She wished she could become accredited, saying that "I want to be the best child care provider I can be" and that "kids deserve better, parents deserve better" than what is required by minimal state regulations.

Due to cuts in Massachusetts' Community Partnerships for Children program, one community could no longer provide the type of help programs needed to purchase materials in order to meet accreditation standards. The coordinator of community's partnership commented, "(A)t the beginning, we were serving centers that were using cardboard boxes for cubbies and they were really in need of things. We were able to provide a significant amount of money so that they could get their centers equipped so they could become accredited. And that has been stopped because we have basically had no materials money for years." Another community which was located in Cape Cod was no longer able to reimburse providers for expenses related to accreditation or, in the case of family child care providers, for attaining a Child Development Associate (CDA) credential. Yet centers must be accredited and family child care providers must have a CDA in order to serve families receiving subsidies through the Community Partnerships for Children program.

The director of the Down East Smart Start Partnership in North Carolina discussed the difficulties in trying to convince providers to commit to making sustained quality improvements. She said that providers have a hard time trusting that the money is going to be there for it to be worthwhile for them to make the investment, particularly when subsidies are available on such an unpredictable basis, rather than offering a reliable funding stream like education. It takes a great deal of work for providers to move to five stars on the state's five-star rated licensed system. Once they get there, it is challenging to maintain that level because parents cannot afford to pay for it.

An advocate with the child care resource and referral agency in Lakewood, New Jersey said that one problem she came across was that her agency would work hard with providers to get them accredited, but once they were accredited, they would not serve families in the child care assistance program. This was because the state's reimbursement rate was too low to cover the cost of providing care while maintaining the higher level of quality.

Providers Straining to Reduce Expenses to Make Ends Meet

In addition to reducing staff expenses by cutting salaries or laying off staff, programs have also had to respond to state child care cutbacks by tightening spending on supplies, materials, facilities, and many other items. While providers try desperately to avoid compromising the quality of their programs, it is inevitable that these cuts diminish the quality of care they can offer to children.

In Des Moines, Iowa, a provider described the various cuts her center had to make as a result of state funding having been "flat-lined" while salaries, food costs, cleaning service expenses, gas prices — costs for "everything, everything" — continued to go up. The center had become more dependent on short-term grants and had difficulty finding sustainable funding. The center did not have any resources to replace tricycles or other equipment and materials. Staff positions had been cut and the remaining staff had to cover wider and wider job descriptions to take care of everything that had to be done. In addition, although the center served about 120 children, its nurse was now only able to work there part time and had to be shared with other programs. The provider said the center was constantly forced to look at what it could forgo and she had to ask herself questions such as "Do I really need the carpets cleaned this month? Can I get by with two fluorescent bulbs instead of three? Can the staff pick up the difference here?" The provider called it a "juggling act" where they "must make compromises."

> "...my children never felt the direct effects of budget cuts, but the staff felt it... We had to watch things... I was just telling them, 'Be careful with the glue. Watch the construction paper. No, we can't have fluorescent pink.'"

A provider in Ohio said her program's budget was tight after child care assistance was cut and as a result, "when it came to needing orange construction paper, my teachers would buy it. This way, my children never felt the direct effects of budget cuts, but the staff felt it, because we tossed in what we needed just because we didn't want to punish the kids… We had to watch things, like any overtime the teacher would have, or I was just telling them, 'Be careful with the glue. Watch the construction paper. No, we can't have fluorescent pink.'"

To save costs, a provider in Springfield, Ohio told the trash collector she might only have trash picked up once a week because her center could not afford it, and ended up promising to make less trash. She called the phone company and stayed on the phone with them for three hours to reduce her program's phone bills by $30 a month. "(I)t gets to the point where what else can I cut without cutting cleanliness and quality?" The provider was having to struggle, in particular, to manage expenses for infant care. She explained, "It is hard to find money in our budget to buy extra diapers. We do a lot of garage sale rummaging for clothes and hats for the babies. But infants require a lot more one-on-one time. You need to sit on the floor and stack blocks with them and hold them. You need to look into their eyes, and they need to go outside. We don't just put them down to a nap and feed them. Infants require books and it's very difficult to keep quality children's books in our room. An infant put a book into his mouth, and that's appropriate, but you can only sanitize those books so many times." The provider wished she was able to purchase "more quality books."

A provider in Huber Heights, Ohio talked about the cuts her program had to make. She had once had enough staff so that she could overlap employees during the transition between staff, which allowed for good communication, but they could no longer do that. The program had a freeze on hiring and wages, made some salary cuts, cut employees' hours, cut training, and was looking at cutting benefits. The program had also cut parent activities and field trips; instead of being able to take the forty-minute trip to the zoo in Cincinnati, they were limited to field trips within a ten-mile radius that cost $2 instead of $6. The provider deeply regretted having to make these cuts, saying, "Quality should really be better than bare minimum standards."

A provider in Mississippi had to deal with cuts to the child care assistance program and with the sudden loss of funding for extended-day and extended-year services for Head Start children. The state was supposed to continue to provide this extended-day/extended-year funding through October 2004, but the program was suddenly notified in July that it would end July 30th. Five of the Head Start children remained at the program because their parents could not make other arrangements, but, as of the time of the interview, the provider "hadn't gotten a dime from them." Overall, the provider went from serving fifty-five children to fifteen, and only two of the fifteen were paying. The provider did not know what happened to the children who were no longer in her program. She said, "They're more than likely staying here and there… if the parents are working, hopefully they're not leaving the children home alone." The provider had to lay off two teachers. She said, "I really have tried to make sure the lights are turned off and that we don't waste anything… There will be no purchases of equipment or supplies for the center. The only thing that we know that we will buy is toilet paper and towels, and cleaning supplies at a limit. But no teaching supplies at all will be purchased. We just happen to make do, we use what we've got, be innovative, because we just don't have anything else. We're not going to buy anything because we have nothing to buy it with. I haven't bought equipment since 2000." The provider had borrowed $3,500 and had not been able to pay it back.

A director of a center in Toms River, New Jersey was unable to fill all the slots in her program because state child care cuts had resulted in many parents being unable to receive assistance, and therefore being unable to afford child care. This created financial difficulties for her center. She spoke about the many things she wished she could buy for her center: tables, cubbies, teacher supplies, chairs and tables that are the right size for the children "so their feet can touch the floor and they can see the table." She wanted a better playground where the children could "run and jump around." She was only able to pay her staff $7.62 an hour for teachers and $6.45 for assistants and had not been able to give them a raise in three years. Her staff was very loyal and stayed with her despite the low pay, but the director said they would have been "thrilled" with a raise of even 30 or 50 cents. She said that her center did not spend any money frivolously and that they counted every penny, but the staff still had to pay out of their own pockets for supplies.

In South Carolina, a center director reported that her center had been affected by state child care cuts as well as cuts to First Steps, a comprehensive early childhood program, and had not been able to purchase new equipment or supplies. The director wondered how she could afford expensive new outside ground cover that state licensing regulations required but that she did not have the money to buy.

"Quality should really be better than bare minimum standards."

A director of another center in South Carolina, which was licensed for thirty-nine children but at the time of the interview had only eleven enrolled, said the situation had been getting progressively worse for about a year and she "just does not know what to do." She had to turn down some parents who were unable to pay for care on their own and who had been unable to qualify for child care assistance or who had lost assistance. With her budget being squeezed, she was no longer able to do the activities she would have liked to do because she could not afford the supplies that were required, like paint and glue. She saw her program as an educational facility, so she was very disappointed that she could not offer these activities. The low enrollment also meant that the center had to have mixed age groups, which could create a challenge in designing an appropriate curriculum. The director had let two of her staff go as well. In addition, the director had taken a second job as a bookkeeper so she could keep her center open and not take any more hours from her staff. She worked at the center several hours a day, plus whenever she was needed, while doing administrative work for the center at home and her bookkeeping work at night.

A director of two centers in Tucson, Arizona was struggling to afford air conditioning because grants to help with this type of expense were no longer available. Another provider in that city running eight centers could no longer replace toys every six months. She cut down on classroom supplies such as construction paper, writing paper and books.

In St. Louis, Missouri, a center director said that to deal with the shortfall in revenues she was not purchasing as many supplies, especially reading materials, and had delayed equipment purchases. She had put off getting the roof fixed and had instead been patching it up to avoid paying that significant expense for the time being. The center was only able to pay staff $7 an hour and did not offer any medical benefits or sick leave, which made it difficult to hire staff with degrees. Instead, the director had to hire staff without degrees and train them in house.

In addition to eligibility cuts and frozen rates that impact a program's overall income and in turn prevent it from spending on equipment, materials, and facilities, programs are also affected by cuts to grants that had been specifically targeted at addressing these costs. For example, Kansas cut $1.2 million in funding for grants to centers, which was used to provide approximately sixty centers with grants of up to $25,000 each. The grants were used to buy playground equipment, classroom materials, computers, kitchen equipment, and other items. Without this funding, centers have difficulty replacing old or damaged equipment.

Providers Making Personal Financial Sacrifices

Some providers, to keep their programs running in the wake of state cutbacks, go beyond just trying to cut expenses in their programs wherever imaginable. They also dig into their own personal savings and sometimes go into debt. They take these steps in order not to compromise the quality of their programs or place an additional burden on parents.

A provider in Muncie, Indiana said she had "sacrificed every penny of my savings" to keep the center going. When interviewed, she was clearly stressed about making ends meet and said, "I'm about to cry right now." Most of the families she served were receiving assistance, which made it challenging because the state's rates were so low. In addition, parents were always behind in their copayments. Yet the provider could not come down on parents, realizing how difficult it was for them. One working mother with three young children asked her, "Do I pay day care or lights?"

A center director in South Carolina described the prior year, when many families lost their child care assistance due to state cuts and dropped out of her program, as "stress and stress and stress, and loads of paperwork." She said she had just about "run out of people to borrow money from" and that being in charge of her child care program had never been as hard as it is now. She had used up all of her husband's retirement money, even though he had only just retired the previous year.

A provider in Rockville, Maryland struggled to keep her business afloat and maintain her livelihood in the face of child care cuts. In a testimonial collected by the Montgomery County Commission on Child Care, she wrote about the sacrifices she and her husband had made to hold on to their center: "We are a small center which serves predominantly single parents with low income or on subsidy… We have used all our back-up money and have had to move into a basement [apartment]… The woman who works with us (10 years with us) had to be cut back to $6.00 an hour… She is beginning to suffer from stress caused illness… My husband, who used to teach preschool… has had to take a job as 'greeter' at a local hardware store… We've been doing this work since 1968. It's our whole life. Are we really going to lose every thing [sic] and wind up homeless? At this point that is not impossible."

A center director in Mississippi discussed how she was affected by the state's decision to eliminate funding for her after-school and summer youth program as well as new, stricter eligibility requirements for parents in school that made it more difficult for them to qualify for assistance — a change that applied to many of the parents she served. As a result of her program's tight budget, her payments to the bank were late and she was putting her own credit in jeopardy. She was also doing without a paycheck for herself. At the same time, with one staff person being laid off, plans to lay off another staff person, and a reduction in hours for other staff, the director was taking on more responsibilities. She got into work at 6 a.m. and covered classrooms when the teachers went to lunch. She was considering closing the center.

"My husband, who used to teach preschool… has had to take a job as 'greeter' at a local hardware store… We've been doing this work since 1968. It's our whole life. Are we really going to lose every thing [sic] and wind up homeless?"

Providers Making Difficult Choices about Serving Low-Income Families

Many child care providers feel that it is part of their mission to serve children from low-income families. Yet, it has become increasingly difficult to fulfill this mission as a result of state child care cuts. Providers that want to serve low-income families receiving assistance may have to absorb a loss for each family due to low rates and flawed reimbursement policies. Providers that try to serve low-income families who are unable to receive assistance — due to restrictive eligibility criteria or long waiting lists — may have to subsidize the family themselves, either formally through scholarships or informally by treating families leniently when they cannot make their payments. Providers are thus left with difficult choices about whether to accept subsidies, and about how much leeway to give parents who fall behind in their bills before asking them to leave the program. Providers cannot stay in business if they continue to serve families without being paid adequately, but they worry about what happens to children when they are no longer able to attend their program, since families may have no other affordable child care options.

A provider in Mississippi whose program was struggling in the face of child care cuts expressed her determination to continue to serve families despite the financial hardships. She said, "Most child care centers in this area are run from the heart, not from a business standpoint. Basically if I was running from a business standpoint, I would have closed last year. Our mission is to serve the most vulnerable among us, and we need to help them so they can succeed."

A provider in St. Louis, Missouri told of a family she continued to serve even after the family lost assistance. The family had become ineligible for assistance after the mother's salary went up a little bit, putting her over the state's very low income cutoff, which had not been increased at all since 1991. The provider had taken care of the child, who was now four years old, since she was a baby, so the provider did not have the heart to drop her from the program. The provider continued to serve the child at about half price, and just took the loss.

When families in Douglas County, Kansas lost their subsidies due to state cuts in eligibility, some providers continued to serve them while they waited for other funding to come through. The county decided to use a Safe Schools, Healthy Children grant through the Department of Health and Human Services and the Juvenile Justice Division to help families who lost their state child care assistance, but the process took some time. To receive help through this grant, families had to have the child care agency notify the non-profit organization coordinating the initiative, which then got in contact with the families. During that time, providers worked for free with the hope that they would eventually be paid. One center that had seven children receiving subsidies served these children for three months without being paid. This situation can be particularly difficult for a family child care home or a smaller center. Providers said they were having to choose between buying groceries and paying rent.

A provider running several centers in Georgia said his centers continued to serve children receiving subsidies despite low rates. Georgia had only given one $5-a-week increase in rates over the past eight years, which meant that the state's rates were falling further and further behind market prices. Yet he saw it as part of the centers' mission to serve children receiving subsidies—to give children the nurturing they need to succeed. The provider said, "That's what we believe, what we do, and have been doing it for over ten years." The centers serve children with special needs, including children who are in wheelchairs, children with asthma, children who are hearing impaired, and children with diabetes. However, the centers do not receive additional funding to serve these children. The provider said that they aim to continually challenge each child and to "give them the will to and want to learn." Many of the children the program served came from difficult circumstances. He explained, "we feed them extra food on Fridays."

Providers said they were having to choose between buying groceries and paying rent.

A school-age provider in Spokane, Washington said that although the state reimbursed the program at a rate of just $199 a month for before- and after-school care, compared to its private-pay rate of $290 a month, her program also still served children with subsidies. The provider had participated in efforts to convince the state to raise rates so that they were more reflective of child care prices in the city, but with the state reducing overall funding for child care, such efforts were unsuccessful. The program had considered capping its state-subsidized enrollment, but it did not want to do this because there was concern that the children "on the fringe" would fall through the cracks if the program did not serve them.

Likewise, a Mercer County, New Jersey provider did not want to turn families with subsidies away, regardless of low rates. She cared for three children, two of whom had special needs. She received $87 to $91 a week in reimbursement for caring for children with subsidies, compared to her private-pay rate of $105 a week. She worked with families to determine what they could pay, because she was worried about where they would end up otherwise.

Providers Turning Away Low-Income Families

Despite their commitment to serving low-income families, some providers suffering from the impact of child care cuts ultimately turn families away or ask them to leave their programs. Providers may decide that they can no longer continue to serve families who do not have assistance and cannot pay their bills. Some providers may conclude that they cannot handle the low reimbursement rates and administrative burdens involved with the child care assistance system and simply refuse to accept families receiving subsidies or limit the number that they will take. While these decisions can leave low-income families without good child care options, providers trying to maintain their financial viability may see no other choice.

A provider with an accredited center in Grants Pass, Oregon discussed her policy for parents behind in their payments and her dilemma over how much leeway she should allow them. If parents are one month behind they are given a warning; if they are two months behind they are put on hold and told they cannot return until their bill is paid. The provider said this system worked most of the time. She felt bad that she had to draw a line with parents struggling to pay their bills but said, "…I have bills to pay too." The provider said she hated when she was at the store and ran into a child whom she had to drop from the program—the town was small, so this occurred frequently—and the child did not say hello to her.

> "Providers don't choose not to take care of children that are low income, but when it comes to paying bills and keeping the lights on they just can't."

Parents told their children that she was the "bad guy," which hurt her a great deal. The provider felt enormous sympathy for cash-strapped families. One single father who had a four-year-old child and earned too much to qualify for assistance told the provider, "I work just to pay my bills. I have $20 left over after each paycheck."

A provider operating eight centers in Tucson, Arizona was no longer able to help low-income families on the waiting list for child care assistance as the program had once done. For a while, the centers had been accepting families on the waiting list for child care assistance and only requiring them to pay as much as they could. Yet the centers, which had left several positions unfilled and had increased child-staff ratios to make ends meet, could not afford to do this anymore. They had to tell parents that were only paying $25 a week or just a portion of the center's fees that the center could not keep their children any longer.

A provider in South Hadley, Massachusetts said that the number of children with subsidies that her center served went from twenty to eight because it could not afford to accept any more. The rate the center charged for a pre-schooler was $37.50 a day, but the state only reimbursed the center at a rate of $30 a day. The center did not accept subsidies for infants at all because the state rate was only $43 a day compared to the center's rate of $54.50. This policy meant turning away infants with older siblings in the program. The provider expressed sadness that the center, which had operated since 1972 and at which she had worked for five-and-a-half years, had to compromise its commitment to serving families of all backgrounds. She said her center just could not do it anymore. "We are struggling with our decision from a moral and ethical perspective but the board says it is better that we can serve some people than have to close." Her center was already "barebones" and could not lay off any more staff. The center was also affected by the fact that there was no longer funding through the state's comprehensive early childhood initiative, Community Partnerships for Children, for materials such as equipment and educational toys.

In the region around Gloucester, Massachusetts, only one or two out of nine family child care providers and only three of nine centers were willing to serve children receiving child care assistance. Moreover, most providers that did accept subsidies limited them or raised their private-pay rates to compensate.

While providers may not stop accepting subsidies altogether, they may limit to some extent the number of families with subsidies they will serve. A provider in Lincoln, Nebraska who reported that her program had not received a rate increase in four years said the low rates had made her program a little more cautious about serving too many children with subsidies. The program still did not have a strict cap on the number of subsidized children it would take, but it did try to avoid having any of its centers serve only subsidized children. The program might occasionally take a private-paying family over a family with subsidies, which it never would have considered before — instead, "we would have taken the family that needed us the most." The provider described the change in approach, while necessary, as "kind of sad." Still, her program, because it was part of a larger agency, was able to serve many subsidized children. For other providers, this was not financially feasible. She said, "Providers don't choose not to take care of children that are low income, but when it comes to paying bills and keeping the lights on they just can't."

A center in Frisco, Colorado that had always aimed to have 51 percent of its enrollment consist of children from low- and middle-income families was also considering placing a cap on the number of children with state child care subsidies that it would take. The center was losing money every month on these children because of inadequate state reimbursement rates. With the various funding cuts, the center had to scale back in several areas. For example, the center stopped offering free child care to employees, which had helped in recruiting staff, and started requiring them to pay 50 percent of the cost. This could be an overwhelming burden for staff, whose salaries started at just $9.25 an hour — too much to qualify for state-funded child care assistance, but not enough to make child care affordable.

> "I feel like I'm warehousing children and I always said that if that happened I'd close."

Providers Forced to Shut Down Their Programs

Some providers, despite tremendous efforts to keep their doors open through cost-cutting and other strategies, ultimately have no choice but to close. Providers operate on very tight margins, and child care cuts can bring them to the breaking point. Providers who must shut their programs express sadness about losing the programs into which they have put so much of themselves as well as concern about what will happen to the children and families that relied on them. Some providers that close had been responding to unique needs in their communities and the loss of these providers diminishes the diversity of child care options available.

A provider in Cave Junction, Oregon was about to close down her center after operating it for eleven years. It was the only center in the rural part of southern Oregon. She had previously closed the center, but reopened it after four months because parents kept calling her and begging her to do so. Yet she could not continue to operate because she could not afford to pay the staff she needed. She explained that while her program met state ratio requirements, "I feel like I'm warehousing children and I always said that if that happened I'd close." Ninety percent of the children she served were receiving child care assistance, and the remainder of the children just missed the cutoff. The provider said that the reimbursement rates in her area, which were below those in the rest of the state and had not kept pace with rising costs, were "way too low."

The provider said families, both with and without assistance, had a hard time paying for care. She spoke of families who came to her crying and saying, “I don’t know what to do, I pay you or I have heat.” At Christmastime, families say, “It’s you or Christmas.” One of the mothers she had served could not go to her job because it did not pay her enough for her child care. The provider sometimes traded with parents rather than receiving payment in cash. “I get paid in chicken,” she laughed. She went on to explain how she came to her decision to close her center: “I always told myself I’d try to give other people’s kids the care I’d want for my own kids. What I’m doing now isn’t fair to the kids, and it isn’t fair to me… So I’m stopping.”

In Minnesota, one resource and referral agency reported that thirty-three centers in the state had gone out of business between July 2003, when cuts to the child care program—including changes in eligibility and copayment policies—went into effect, and May 2004. Just in a ten-mile radius in Anoka County, Minnesota alone four centers went out of business due to a lack of enrollment, which resulted from parents pulling their children out when they lost assistance and the poor economy. One center that closed had operated for twelve years. The center was affected by cuts to early childhood family education and community education programs that had helped support the center. It was run by the school district and served fifty-five children, including many new immigrants and children who were learning English as a second language. Most of the children in the program were receiving assistance. The center also provided drop-in child care while parents were attending their welfare orientation. Another center that closed had been located in a church. A third center had a multigenerational and multicultural approach. It was located in a nursing home and served families that spoke eight different languages. The center served a mix of families with subsidies and private-paying families.

In Ohio, where the state froze rates, reduced the eligibility limit for child care assistance, and made other cuts, a provider had seen six early childhood centers in her community close, three of which were accredited and five of which primarily served low-income children. In Cincinnati, the YMCA was concerned that it would have to close a center serving fifty-six teenage parents because it was the most expensive to operate and had the biggest losses of the centers the YMCA ran in the area.

Two New York counties that had lost funding as a result of a reallocation of state dollars reported several child care program closings. In Chemung County, which lost about 30 percent of its child care assistance funding, two centers closed, others were on the brink of closing, and some family child care programs had to shut down. Monroe County lost hundreds of licensed family child care providers and had two inner-city centers close. Many other centers were in a “very very precarious” situation because their enrollment was low, and accredited centers were barely scraping by, according to a community leader. One program that had operated for over thirty years tried to bring in more children, streamline services, and take other steps in order to stay open, but it eventually had to close.

“I always told myself I’d try to give other people’s kids the care I’d want for my own kids. What I’m doing now isn’t fair to the kids, and it isn’t fair to me... So I’m stopping.”

Effects of State Child Care Cuts on Children

Children are deprived of access to high-quality care when their parents cannot get the help they need to afford it and providers do not have the resources they need to offer it. Given that low-income children already start out at a disadvantage, it is important that they are not denied the early childhood experiences that nurture their learning and development and that enable them to catch up with their more advantaged peers.

Research demonstrates the harmful consequences that poor-quality care can have for children. Children in poor-quality care have weaker reading and cognitive skills and display more aggression towards other children and adults.[46] Children also are clearly affected when their parents are constantly stressed about making ends meet and juggling work and family — stresses compounded by the lack of affordable child care.

State child care cuts affect children across all age groups, including children that often have particularly limited access to good-quality care to begin with, such as infants, school-age children, and children with special needs. For example, in many cases, the biggest gap between the maximum amount a state will pay for child care and the rates paid by parents not receiving assistance (private-pay rates) is for infant care, which makes providers especially reluctant to provide infant care to families receiving subsidies. In addition, several initiatives to enhance the quality and supply of infant care have experienced cuts. State cuts have hurt school-age care as well, reducing options for children who need a safe place to go after school as well as denying them the benefits that constructive after-school activities offer. Some families with children who have disabilities or other special needs are also having more difficulty accessing care as a result of cuts to initiatives that help parents find appropriate providers and support providers offering special needs care, which can entail additional expenses.

Children Taken Out of Programs That Help Them Thrive

Good child care programs encourage children's growth and development and help them progress from whatever skills and experiences they bring, so that they are ready for school. Children often become attached to their child care programs and providers as well as their classmates. Unfortunately, many children are abruptly pulled out of the child care program they have grown to love when their families lose assistance and find themselves without a way to pay for child care. This is very disruptive and dismaying for children who are too young to understand what eligibility limits are or how states make policy decisions.

A mother in Cincinnati, Ohio who became ineligible for assistance under the state's reduced income limit when she received a promotion had difficulty explaining to her son why he had to leave his child care program. Her son missed going to child care and was always asking, "Mommy, can I go to school tomorrow? Mommy can I go tomorrow?" The mother could only respond, "…I can't afford it." She was particularly concerned because her son had some behavioral problems and the program had been a tremendous help in teaching him to deal with his anger as well as teaching her how to handle him. She was concerned about his going back to square one after all of the progress he had made. She said, "I cried for two or three days straight and didn't have a clue of what to do, but I was ready to be demoted to get the help I needed to afford everything." She ultimately was able to receive assistance through United Way, which her child care program did not usually accept but was approved in this case because the program felt sympathy for this mother.

> Her son missed going to child care and was always asking, "Mommy, can I go to school tomorrow? Mommy can I go tomorrow?" The mother could only respond, "…I can't afford it."

In Alamosa County, Colorado—which lowered its income cutoff for child care assistance from 180 percent of poverty to 130 percent of poverty, the lowest level allowed by the state[47]—a mother who lost her child care assistance had to take her eight-year-old son out of his center and was concerned about having to do the same with her two-year-old daughter. Her son had attended his child care center since he was four years old, but now he went somewhere "different every day"—sometimes he walked home from school and stayed home alone for up to an hour, sometimes he went to the Boys and Girls club, and sometimes he went to a classmate's house. His mother was very sad about the situation and knew that her son did not like it. She said she hated to think of what would happen in the summer when there was no school. Her daughter was still in the same child care program, but it cost twice what the mother had paid for both her children when she had been receiving assistance. Child care costs were more than the mother's house payment, more than groceries, more than anything else she could think of. After she had lost assistance, she had tried to appeal the decision on the basis of her daughter's special needs, which include serious milk allergies and some physical developmental delays, but was unsuccessful. She was able to receive temporary assistance for five months from a non-profit organization to help pay for care, but she did not know what she would do when that expired. She did not want to send her daughter to unlicensed care or to a neighbor's house because her daughter received attention at her center and help to deal with her physical needs.

A number of children had to leave a center in Ohio after low rates, which the state had not updated, led it to stop accepting subsidies. The decision, which affected nineteen out of forty-nine families served by the center, resulted from the fact that the reimbursement rate from the state was about $30 to $50 less per week than the provider's rate. The director said, "My parents were very sad, because this is a small center and it's a very homey center. Many of the children had been here for a period of time, and this is where they've grown up. We have a high-quality center and they were afraid they wouldn't be able to find the high-quality elsewhere." She talked about one child in particular who had to leave the center. She referred to him as a "really tough case," but she developed a strong bond with him and he was "flourishing" at the program. In describing the new center he went to after having to leave hers, she said, "At the other center, it was a big setback for him for quite a while. There is something special here at the center that we offer the children, and he was getting something here that he is not getting at his new center. He might be one of those kids that might fall through the cracks."

When children have to leave their child care program, it affects not only the children who go but also the children and the program they leave behind. The director in Ohio said: "Since the children left, I've found a difference in the complexion of the center, meaning it wasn't as giving. Some people think, well [these parents are receiving] a voucher, so they don't have a lot, but the ones on the voucher were the most giving people, giving their time, their money, and their love to all the children." The children who remained asked why their friends were not at the center anymore. "It was hard on the kids and it was hard on the families at the center. The families didn't know who was on vouchers, and they didn't care. So I had a CEO of an industry with a hairdresser, and their children were best friends. So when that child left, how can you explain, 'Well, her mom is a hairdresser and your dad is a CEO, so you can't go to the same school, because they can't pay the same amount as you can.'"

A provider in Roseburg, Oregon talked about one child in her center who had been making progress before he was taken out. The provider described the child as "headstrong, difficult," but "with consistency he was getting better, following rules and listening better. He was really improving." The provider said that the child's having to leave the center was "sad because he was improving so much from the structure every day." His mother had to take him out of child care because her work hours were cut, and without enough work hours she was not eligible for child care assistance. This in turn resulted in her having to quit her job and turn to welfare.

"There is something special here at the center that we offer the children, and he was getting something here that he is not getting at his new center. He might be one of those kids that might fall through the cracks."

Children in Poor-Quality Care

When low-income parents lose assistance or are unable to get it because of new restrictions on eligibility criteria or growing waiting lists, they often have no choice but to use poor-quality care because they cannot afford anything better. As a provider in Anderson, Indiana commented, parents "really want their children in a quality program and they can't afford it, and the children are ultimately the ones who suffer because they go to substandard preschool — it forces the parent's hand unfortunately." It is not always possible to know what happens to children when their parents are denied child care assistance, but past studies of parents on the waiting list for child care assistance offer some indication of how the lack of assistance affects the quality of care families are able to use. For example, a study of parents on the waiting list in Santa Clara County, California found that two-thirds had changed their child care arrangements while waiting for assistance, one-third of whom said their new provider was not of as high quality as their previous arrangement.[48] In Philadelphia, a study found that one out of every four families waiting for child care assistance who were surveyed had switched providers while waiting due to dissatisfaction with the care provided, compared to just one out of seven families receiving assistance.[49]

When a mother of three in Piqua, Ohio lost her child care assistance due to a reduction in the state's eligibility cutoff, she could no longer use paid child care. She explained, "I have a good job and make decent money. But, obviously, I can't afford day care and I don't know who can." Instead, her daughter's father was watching the three children, a seven-year-old, a four-year-old, and a three-month-old. He owned a bar and had to change his work hours in order to take care of the children; he could not open his bar until 4 p.m., which cut into his business. The children went along with him on deliveries and were "in and out of the car all day." The mother said, "It would not even be worth it to work if I had to pay for day care. It is not more than I make but I own my house and I have bills and I have a car payment… I don't understand why… when you want to do something for yourself and you've worked since you were fourteen years old and they don't want to help you do nothing." She wished she could send all her children to child care "because it is much more structured and they learn more…"

A provider in Phoenix, discussing situations where children were placed in poor-quality care, summed up the difficult choices families face: "(I)f people are stressed and without the basics, and if they can't get to work, or can't afford to have somebody with…skills work with their child, sometimes they're at a loss… I have families that made poor choices because they simply could not afford to go to someone else." The provider noted that in extreme cases, children may end up in the child protective services system because they are left in poor care—and, ironically, at that point, their families may be given priority for and be able to receive child care assistance through child protective services.

"Well, we found this woman, and she is $45 a week less than you, and her house is clean. I know that she likes to watch a lot of television, but I don't have any other choice."

In New Mexico, which had reduced eligibility and made other cuts to its child care program, a poor-quality center that was ultimately shut down by the state licensing agency illustrates the dilemma facing many parents. The center had a long litany of problems, including violations of basic health and safety requirements. Yet parents still used the center before it was closed down because it was inexpensive, was located where there were few other options, opened at 6:30 a.m. (earlier than most other centers), took subsidies, and provided transportation to the elementary schools in the area. The center served a range of families, including parents who were earning relatively low incomes but still made too much to qualify for assistance under the state's reduced income cutoff. While parents said that they did not like the center very much, they thought it would be fine because it was licensed.

A provider in Springfield, Ohio described situations where parents who had lost their subsidies might use informal, unlicensed care. The parents would tell her, "Well, we found this woman, and she is $45 a week less than you, and her house is clean. I know that she likes to watch a lot of television, but I don't have any other choice."

A director of a child care center in Montgomery, Alabama was similarly concerned that parents on the waiting list for child care assistance—which had nearly tripled in length between 2001 and 2004[50]—were taking their children to unlicensed arrangements. She was worried that children were "crowded into these homes" and in unsafe situations. The director said that there are "all kinds of different folks in and out of these houses," but that parents had no choice because they were "desperate to work and get on their feet."

A provider in Cave Junction, Oregon talked about a mother who was in tears as she took her son out of the provider's child care center because it was too expensive. The mother had her son go to another, less costly, provider instead, but that provider slapped and spanked him, so the mother took him out. The mother quit her job because she could not afford the center yet did not want her son to have to go back to the other provider.

In a focus group that the Child Policy Initiative at Georgia State University conducted with families on the growing waiting list in Georgia, one parent reported that she was leaving her infant and school-age child with their grandmother even though their grandmother had a disability and was in a wheelchair. The grandmother was not able to change the baby's diaper until the eight-year-old came home from school. But the children's mother had no other options.

A center director in Laurel Hills, South Carolina discussed a family whose two-year-old child was staying with a ninety-two-year-old grandparent because the family could no longer afford a licensed child care program after losing child care assistance.

Children in Multiple and Shifting Child Care Arrangements

A sense of stability is essential for young children. Yet, child care cuts have created extremely unstable situations for children. Families who lose assistance are forced to change their child care arrangements. Families on the waiting list patch together arrangements day to day to make due in the meantime. As a result, children find themselves bounced from one caregiver to another in the course of a single day, or having a different caregiver each day of the week.

In South Carolina, a mother who was a prep cook at a restaurant had her three-year-old son at a child care center until she lost her child care assistance due to state child care cuts. The mother had to bring her son to work, where he stayed until dinnertime. The management was pressuring the mother to find another arrangement, and she was concerned she would lose her job if she did not.

"Who is being hurt here is the child, when they're told, 'Tomorrow you can't come back to school.' The child needs consistency. We've lost sight of that."

A provider in Springfield, Ohio explained how parents' child care options were affected by new eligibility restrictions that left many families without assistance. The provider described a typical example of how parents who are still trying to work despite not having help with child care costs end up putting together child care arrangements. "They try to create a schedule where Monday the kids can stay with the neighbors, Tuesday they can go to grandma's, Wednesday they can go to dad's, and Thursday and Friday I'll call in sick. Kids need to have consistency and feel safe so these schedules do not work." She also discussed the lack of stability for children when families who had been receiving assistance suddenly lost it. "Who is being hurt here is the child, when they're told, 'Tomorrow you can't come back to school.' The child needs consistency. We've lost sight of that."

A provider in Phoenix talked about a family with a twelve-year-old, five-year-old twins, and a three-year-old, who had been attending the provider's center program "forever" before they were forced to change their arrangements. The mother, whose husband had deserted her when she became pregnant with the youngest child, was working hard to get by, working overtime, but then her assistance was cut off.

She was on the waiting list for over a year before finally getting her assistance back. While she was on the waiting list, she sent her three youngest children to California to live with relatives and they cried every day. When she brought them back to live with her during the summer, the oldest child was left to care for the younger children. The mother then had a roommate who worked nights take care of the children during the day, but that did not work out. So she called the provider in tears, and the provider agreed to care for the children for free for a while.

A provider in Hood River, Oregon talked about a single mother in her center who had three jobs and could not get help paying for child care. The center charged the mother a lower fee but she still was behind in her payments. The mother had tried to switch to another child care provider for her son, but returned to the center because the other provider was unreliable. The mother never knew whether that provider would decide she just could not watch her son on any given day.

A caseworker in Springfield, Ohio described the ways in which parents sometimes patched together care provided by friends and family. The caseworker said that some parents eligible for assistance had to start relying on these arrangements after the state increased copayments to a point that they were no longer affordable for parents straining to pay all of their other bills. "But usually the child isn't at the same place everyday, meaning a boyfriend will have the child a couple days, a relative will have the child a couple days, and it is not a steady place for the child. The child is usually bounced around to a bunch of people so that's not good and they're missing out on the educational part of the program," according to the caseworker. Children whose parents worked the second or third shift were particularly affected by such arrangements "because they are not on a schedule to have their parents read to them before they go to bed at night. If they're not being put to bed by their parents, because their parents are working, who is going to read to them?"

A provider in Trenton, New Jersey discussed his concerns about what happened to children when parents failed to make their payments and had to be asked to leave the program. The provider said there were always six to eight of his families who were late with their payments. He tried to work out a payment plan with these families, but when they still did not pay he had no choice but to stop serving them. He said that when families left the program, "I don't know what happens to them, and that's the really scary part. These children are high-risk children…home is not a happy place… We like to call our center a safe haven… Making children leave our center is heart wrenching." He also said that families often went from center to center "leaving a trail of debt behind them." He talked about there being a group of families that is in "a netherworld," where they make too much to qualify for help but "have jobs where they don't make enough to live on, let alone pay child care payments."

> "These children are high-risk children… We like to call our center a safe haven… Making children leave our center is heart wrenching."

Children Deprived of Consistent Caregivers Due to Staff Turnover

Children can lack stability in their child care arrangements not only because they change programs but also because of high turnover among child care teachers. Even children who remain in the same child care program often experience disruptions as teachers to whom they have grown attached leave for better-paying jobs. While most child care programs struggle to hire and retain qualified staff, centers serving low-income families are at a particular disadvantage when child care assistance is cut.

A provider in Phoenix, Arizona explained her center's experience with teacher turnover: "I have unfortunately had teachers burn out, and that costs a lot. These were terrific teachers that gave 100 percent. We all do it because we love children, but when you're burning on all four burners, twelve hours a day, it's an awful lot to give." The fact that a Child Development Associate (CDA) program that enabled staff to take classes was cut only made it harder to encourage providers to stay.

A center director in Morristown, New Jersey talked about how she lost many of her staff because she could only pay $20,000 a year to someone with a bachelor's degree. A teacher with this credential could be paid far more and only have to work nine months a year if she worked in a public school.

It is particularly difficult to ensure that the best teachers are able to stay at a program to provide consistency. A mother in Cape Cod who was receiving assistance was happy with the child care center her son attended and was certain that the center was helping him get ready for school. A kindergarten teacher told the mother's friend that the only children in the kindergarten class who did not have to go to the "Stop and Think Chair" were the children who had attended her son's center, because those children learned better behavior. Key to the center's quality was her son's teacher, who the mother described as being like an "angel that fell from the sky" and "absolutely fabulous." When this teacher started, the whole atmosphere and energy at the center changed completely. Unfortunately, the teacher could only work during the school year because she had to work two other jobs during the summer to make more money and get her own family through the rest of the year.

When teachers leave their programs, it can be very difficult to fill their positions with staff who can provide high-quality care for children. Pathways for Children, which runs five centers in the fishing community of Gloucester, Massachusetts, found it extremely challenging to replace staff because of the low salaries it offered. One reason it was not able to increase the wages it paid was that the program had not received an increase in reimbursement rates from the state in five years. In April 2004, a position in a school-age program that had been available since January was still not filled. An infant/toddler position had been open for two months with no qualified candidates applying, so Pathways for Children was considering closing the infant/toddler classroom. The center also had to leave other positions unfilled, such as social work positions, and had to hire staff that did not have the qualifications that the agency would have liked. For example, the agency hired staff still in the process of earning their CDA credentials that would not have been hired before. The program had a waiting list (fifty-four children as of April 2004) but could not serve any more children because it did not have the staff. Employees had received no wage increase in the previous year — the first time in fifteen years the program had not been able to offer its annual incentive bonuses — while having to contribute more for health insurance. The staff was "very very demoralized" as a result of the wage freeze. They felt that the low wages indicated that "no one cares what you do."

Children Left Home Alone

Some children are left home alone to take care of themselves. Desperate parents with no other options — because they cannot receive help paying for care, cannot afford copayments, or cannot find a child care program that will accept the state's low rates — may occasionally even leave very young children home alone, placing them at serious risk of harm. Some children not only take care of themselves but also their younger siblings.

A provider in Muncie, Indiana talked about a four-year-old boy left to care for himself. His mother lost her child care assistance because she received a raise of fifty cents an hour, which was enough to make her ineligible under the state's new, lower, income cutoff. Without subsidies, she could no longer afford the provider's center. One "bitterly cold day in the winter," the four-year-old was found wandering outside after being left alone while his mother went to work. When the driver of a city bus spotted the boy, the boy told the driver his name and the name of the center he had attended. The driver brought the boy to the center. The provider pointed to this as an example of how "(r)eally good parents, when they're pushed into a corner, can make really bad decisions."

A provider with a YMCA center in Kokomo, Indiana said that families often leave their children home alone because they have no choice, and just hope everything works out. The provider said that when families were forced to choose between paying the utility bill, for example, or paying for a child care center, they frequently ended up choosing to pay the light bill while leaving their children home alone. The provider explained parents' thinking: "Last time they left the kids alone nothing happened, so I can do it again. If you don't pay the light bill, something will *definitely* happen." It is easier to put off child care, or put children in lower-quality care, because the effect is not always as immediately visible or obvious as the effect of not paying the electricity bill. But the provider said that when children are left alone or in inadequate care, it "all comes back to affect the community."

In Broward County, Florida, the division in the state attorney's office that handled truancy was finding some children ages ten to twelve were staying home from school to care for younger siblings. Funding support for after-school care had been frozen in some areas that had depleted their limited allocation of child care funds.

Some child care providers will take steps to help out low-income parents so they do not have to leave their children home alone. A family child care provider in Kansas talked about a mother who was considering having her ten-year-old son stay home by himself before and after school because she could not afford care. The provider gave the mother a discount of $10 a week so that she did not have to resort to this.

When children are left alone or in inadequate care, it "all comes back to affect the community."

Children Denied Comprehensive Supports

With scarce resources, child care providers struggle to offer basic care, much less the comprehensive supports that young children need. Child care providers face particular challenges offering comprehensive services because states have not only made cuts to child care programs but also to health care and other early education programs that could be used to fund these supports.

In Springfield, Massachusetts, cuts to the Community Partnerships for Children program are affecting the level of supports available to children. The community's comprehensive health team no longer has a full-time speech and language specialist or behavioral specialist and now has one nurse instead of two. The team also now operates on a ten-month schedule instead of year-round. It gets out to all of the centers and responds to any referrals it receives, but the coordinator of the community's partnership initiative also hears from center directors "that they're lucky to talk to them for five minutes and then they're gone. Now it is sort of superficial, the assistance is not as meaningful to people." In addition, the community used to have $40,000 for a literacy van that brought books out into the community, and now it has just $5,000.

Cuts to the Massachusetts Community Partnerships for Children initiative forced North Hampton to reduce on-site consultations on child mental health. A full-time position was replaced with a half-time position. In South Hadley, it was expected that on-site consultations would be reduced from eighteen hours a week to six or seven.

In North Carolina, Smart Start funding cuts have made it more difficult to provide comprehensive early care and education services. For example, while Orange County continued to devote the same amount of its Smart Start funds toward child care subsidies despite cuts, it did that by cutting further into other family support programs funded by the initiative, including early literacy, parenting, children's dental health, and vision screening programs. Dental services are no longer provided through child care programs, a real loss for low-income children given that there are only two pediatric dentists in the whole county that accept Medicaid.

Cuts to Smart Start also meant that the Orange County partnership was not able to help smooth the transition for its children and families as the state restructured its child mental health system, a role that the partnership would have been able to play in the past. The state was moving from a county to a regional system of evaluating children. Child care providers were concerned about whether the services would be available and timely, and wondered if parents, who were already overburdened, would be able to travel fifty miles for these services. In the past, Smart Start could have helped with the planning and provided funding for additional supports while the changes were implemented, but it no longer had the resources to do this.

The New Hanover Smart Start Partnership in North Carolina had to cut back on funding for nurses, a psychologist, an intervention specialist at Head Start, and Parents As Teachers.

Washington cut funding for a project to assist providers serving families with alcohol and substance abuse problems. The providers received training on recognizing signs of alcohol and substance abuse and referring families to services. The project also supported child mental health services, counseling, and on-site assessments of children to determine if they had fetal alcohol syndrome or had been affected by drugs. It had funded the development of a training guide, available in English and Spanish, and materials to promote public awareness.

A provider in Auburn, Maine, when asked about infant and toddler care, laughed, and said "you're lucky if you find it here."

Infants Affected by a Scarcity of High-Quality Care

Despite the fact that the earliest years are critical to children's brain development,[51] many infants lack access to the high-quality care that they need to promote their learning. High-quality infant care is in extremely short supply[52] and when it is available, the cost generally puts it out of reach for most low-income families unless they have substantial assistance.[53] Infant care is expensive to provide because it is so labor intensive—early childhood educators recommend that a single caregiver be responsible for no more than four infants under age one if the children are to receive as much attention as they need.[54] Yet families of young children are often just starting out and thus least likely to be able to afford this cost. Child care cuts have made it more challenging for families to receive the help they need to cover the high cost of infant care. Even if a family is fortunate enough to receive assistance, it may have great difficulty finding a provider who would serve that family, given that state rates for infant care often lag significantly behind current prices.

Child care providers frequently cannot find enough parents able and willing to pay enough to cover the cost of providing infant care. A provider in Auburn, Maine, when asked about infant and toddler care, laughed, and said "you're lucky if you find it here." His agency was considering starting an infant care center but realized it was completely economically infeasible.

A center in Grants Pass, Oregon had to close its separate, specialized infant room because too few families could afford infant care, and as a result there were not enough infants to support a full classroom. The remaining infants were placed in the toddler room. The center had lost a great deal of business when the state stopped providing assistance to parents attending community college, because many of the parents using the center were attending the nearby community college. Previously, about 80 to 90 percent of the families served by the center were receiving assistance, but that decreased to about 50 percent after the policy change.

In Tucson, Arizona, one facility that specialized in serving infants and toddlers ages one to three had to close in October 2003. The center's closing was likely tied to the state waiting list for child care assistance and the fact that families could not afford care without help. The center, which served both children with subsidies and those without, had a licensed capacity for fifty-six and was sponsored by a faith community.

In communities across the country, there is serious competition for the few infant slots available, and for the even scarcer subsidized slots. A provider in Lincoln, Nebraska typically had seventy to eighty children on the waiting list for infant and toddler care. Several other providers in her area offered care for infants and toddlers, but on a very limited basis. Many providers capped the number of infants and toddlers with subsidies they served because the biggest disparity between state rates and private-pay rates was for infant care. Three early childhood centers in Lincoln had decided not to provide subsidized care for infants at all any longer. A provider in Toms River, New Jersey said that her infant rooms were not filled because everyone wanted a subsidized slot, but she only made three of those available and they were already taken.

A Kansas family child care provider did not take subsidies because the state would pay only $85 a week for an infant, less than half of the $190 a week she charged for infants. The provider, who had worked in the field for eighteen years and was accredited, did not need to take subsidies because she was able to fill her slots with private-paying families. She was caring for six children (she was permitted to care for up to ten, but chose not to), and there were another twenty-five families waiting for a spot in her program. Parents often called her and cried about how desperate they were for good child care.

State child care cuts are only exacerbating the supply problem. Only one center in Myrtle Creek, Oregon provided infant care, and most of the state subsidies the center received were for infants. Overall, the center lost six families with ten children after the state cuts, out of a total of forty children it served.

Cleveland, which was affected simultaneously by direct cuts to child care as well as a financial crisis in the city schools, eliminated child care programs in the schools serving teenage parents with infants and children. This is particularly troubling given that teenage parents are at high risk of dropping out of high school, and children of teenage parents are more likely to have economic, educational, and other disadvantages that can jeopardize their chance for success in school and life.[55]

A provider in Toms River, New Jersey said that her infant rooms were not filled because everyone wanted a subsidized slot, but she only made three of those available and they were already taken.

In addition to affecting the supply of infant care, state child care cuts have affected the quality of infant care as well. In the past, Kansas' child care resource and referral network had received $100,000 for an infant/toddler quality initiative. The agency had developed a workshop after a quality study showed that providers lacked training in proper handwashing, which is essential to preventing the spread of illness among infants and toddlers. Free gifts for providers who attended the workshops, such as diaper changing pads, helped encourage providers to participate. Funding for these incentives is now gone.

In Tucson, Arizona, the operator of eight centers serving children ages six weeks to twelve years increased child-staff ratios from three to one up to five to one for infants following state cutbacks. The new ratio is sufficient to meet state standards, but does not meet the recommendation of early childhood educators that for infants under age one, the child-staff ratio should not exceed four to one.[56] The higher ratios make it challenging for staff to provide the care and attention that very young children need. The owner of the centers said, "When all the children are crying at one time, there is no way a person can take care of them all." Center directors had to help with holding and feeding the infants, and as a result could not do their own jobs.

School-Age Children with Inadequate Options

School-age children need safe environments and constructive activities when they are not in school. Yet in many communities, good options for school-age care are hard to find,[57] and are becoming even scarcer in the face of state child care cuts. As a result, children are left with nowhere to go and nothing to do when school is out.

State cuts have made it difficult for those programs that are available to survive. A center in Mississippi lost funding for a program that offered activities for school-age children after school and during the summer. The program served eighty-two families with about 200 children ages ten to nineteen. The program helped children with their homework, had a computer lab and a reading lab, and offered counseling sessions. The program ran for three years, and then was given just one month's notice that funding would be cut off. The provider said she did not know what happened to the children when the program ended. "Children had a tendency to just walk the streets, and this program was designed to keep them off the streets, serve them nutritious meals, and keep them in a healthy learning environment… This summer, children had to stay at home. Sometimes, some other family member was keeping the younger children but mostly teenagers were at home keeping themselves. They didn't have any access to a computer, they had no learning environment, and I'm pretty sure they didn't get those good meals a day. That's an unhealthy environment. We had more children on the streets this past summer than I've seen on the streets in a long time—just walking the streets, playing loud music, and they weren't doing anything constructive." When she saw children around the community, they would ask if they could come to her center, and what they were supposed to do in the summer without it.

"Children had a tendency to just walk the streets, and this program was designed to keep them off the streets, serve them nutritious meals, and keep them in a healthy learning environment… This summer, children had to stay at home."

Other school-age providers, struggling with an exhausting job, cannot keep their programs open because they do not receive the support they need from the state. A former provider in Lakewood, New Jersey who had been serving low-income families despite low state rates and the difficulty of getting parents to pay their copayments ultimately closed her center. The provider talked about her disappointment about having to shut down her program and about not being able to serve school-age children effectively. The children were challenging, but giving them individual attention made a notable difference. Yet, she eventually closed her center because she felt like it was a "no-win situation," where more needed to be done, but that she could not do it.

A school-age care program in Spokane, Washington with about half of its children receiving assistance saw enrollment decline dramatically as a result of the state's copayment increases and had to close several of its sites. Many families had struggled to pay their copayments even before the state raised them. The hike in copayments was "the straw that broke the camel's back" for many families, and they could no longer afford the program even with assistance. After copayments increased, enrollment in the program's after-school component dropped from about 2,000 children to 1,400, and enrollment in the summer program, which was usually about 450 to 600 children, was under 400 as of June 2004. Staff for the program in Spokane said that the teachers they had talked with were seeing an impact on children's school performance.

"Due to lack of funding, I am paying more for child care than I am making weekly. I have a 19 month old special needs child— my child care choices are very limited."

Children who were no longer able to participate in the before-school program were not getting the socialization in the morning that they needed to prepare them for the school day. Children still attending the program were also affected by the cuts. The program was doing everything it could not to compromise quality, but it had to scale back in some areas. The program had to reduce staff and group children of different ages together, which they would have preferred not to do because children of different ages have different skills. The program also could not continue to bus children to the program sites because of transportation and fuel costs. The provider felt that they had moved back to where they were before the 1996 welfare law.

Children with Disabilities and Other Special Needs Deprived of Appropriate Care

Children with disabilities and other special needs can thrive when they receive supportive care with individualized attention. Yet state child care cuts make it much more difficult for families to access care that suits their children's needs—a challenging task to begin with.[58] These cuts also deprive child care providers of the critical supports that enable them to offer such care, which entails additional expenses.

A single mother in Randolph, New Jersey spoke about how much her child care had helped her two-year-old son, who had special needs, and what she was willing to do to ensure he was able to receive this care. She said she was searching "like a madwoman" for two years to find somewhere to care for him. She eventually managed to find a child care program where he "soared." He clapped his hands every morning when they pulled up to the center. That was why she kept him in that center even though it was so expensive. She said she was "always worried about where I'm going to come up with the money." When asked how she afforded the care she replied that she had to move back in with her father to pay for child care. She said she had to choose between child care for her son and living on her own, and because of her son's developmental delays, she chose child care.

A parent from Silver Spring, Maryland who could not get child care assistance wrote about her situation in a testimonial collected by the Montgomery County Commission on Child Care: "Due to lack of funding, I am paying more for child care than I am making weekly. I have a 19 month old special needs child—my child care choices are very limited. I must work to provide health insurance, but due to special needs, I must spend 2 days/week with therapists & doctors—PLEASE RELEASE FUNDS."

A provider in St. Louis, Missouri, whose center served many high-risk children, including children with disabilities, children with serious emotional needs, and foster children, said that "ideally" the center would put a third teacher in each of its classrooms to better meet the needs of these children. The center's child-staff ratios were four to one for infants, eight to one for two-year-olds, and ten to one for preschoolers, as required under state licensing. Yet adding a teacher in each classroom would be prohibitively expensive, totaling $250,000 more a year. The provider also wished the center could redo its playground so that it was suited to the needs of children with disabilities, thereby allowing these children "to have the physical experiences they need to be ready for school and for them to be able to play with their peers."

Several changes in Washington state have made it more difficult for children with disabilities and other special needs to access suitable care. The state stopped contracting with child care resource and referral agencies to provide enhanced services for families whose children have special needs. This means that the agencies are not able to provide the same counseling for families on finding care for their children and training for providers on caring for individual children with special needs. In addition, without the agencies' help in negotiating for higher reimbursement rates for special needs care, it is extremely difficult for families to get the rates.

One school-age care program in Washington had to turn away a number of children with disabilities and other special needs because it could no longer receive the higher reimbursement rates. The program limited the number of children with special needs it would accept to about fifteen a year. The state still offers a small bonus for special needs care, but the significantly higher rate to support one-on-one services is now nearly impossible to get. The program used to receive an additional $12 an hour for one-on-one services for children with disabilities and other special needs, such as children in wheelchairs or children who could not eat by themselves. This had enabled the program to bring staff in to provide the services and pay them decent salaries plus benefits. Without the higher rate, this was no longer possible. The provider said that as a result, "they lose, we lose." The provider noted that other children were negatively affected as well because they were deprived of opportunities to interact with children who had disabilities.

Other policy changes that affect all children can have particularly negative impacts on children with disabilities and other special needs. For example, as noted by a child care expert in Ohio, the state's new restrictions on reimbursing providers for days when children are absent is likely to have a serious effect on providers serving children with special needs and medical issues, since these children are more likely to have frequent absences.

Ripple Effects of Cuts on the Child Care System and Other Family Supports

State child care cuts do not function in isolation, affecting only one piece of the system while leaving everything else intact. Child care cuts can undermine a carefully constructed network of child care supports that has taken years to build and that cannot be easily put back together. In addition, since child care interacts with other family supports, cuts to one can affect the other, with ripple effects on families, providers, and communities.

These cuts make it difficult for policy makers, administrators, child care providers, and families to plan ahead and use resources effectively, since they cannot count on having resources available the following day or week or month. Providers are reluctant to invest in long-term improvements when they cannot rely on support continuing in the future. Communities are not given time to implement changes to their system of child care supports that take sustained attention and resources. Families also learn that they cannot rely on assistance being available over an extended period, which impedes their ability to look ahead.

The coordinator of the Down East Smart Start Partnership in North Carolina described the problem with the subsidy system as being the "up and down and not knowing and not being able to count on it." For example, at one point the partnership had to send out notices to parents that child care assistance could no longer be provided to them because it was thought that there were not enough funds. Parents panicked about what they would do for child care. Eventually, the partnership managed to avoid having to cut off assistance to any families by reallocating funds. But in the meantime, this created tremendous uncertainty for parents.

Cuts to child care affect other education and family support programs as well. Schools may need to invest more in remedial help if children enter kindergarten without the preparation that a good early care and education program could have given them. More parents may be forced to return to welfare if they cannot get the child care they need to work. Child care cuts can also affect families' access to prekindergarten programs. For example, in Orange County, North Carolina, some parents working full time have not been able to take advantage of the state-funded More at Four prekindergarten program because it is a half-day program, and they are not able to get child care assistance to pay for wrap-around care to cover the remaining hours of the work day. As a result, Orange County had some vacancies in the More at Four program in the fall of 2003. When efforts are made to build a system using multiple funding sources, and one part of the system falters, it affects the other parts of the system.

Conversely, child care is affected by cuts to other programs. Child care programs may have to pick up the costs if, for example, health care dollars can no longer fund a nurse or counselor to come into the program. Child care teachers trying to receive additional training and education may have to pay more for courses if cuts are made to a community college system. Education cuts can interact with child care as well. For example, the school district in Chemung County, New York, which was confronted with both child care cuts and a school budget deficit, had to cut its prekindergarten program from full day to half day and scale back from having prekindergarten programs in all eight of its elementary schools to having it in just three schools. This was expected to create problems for working parents who needed a full-day program. The school district had offered a full-day program for several years using multiple funding sources, but the district had to reduce spending on prekindergarten because of budget cuts and because Title I funding that had been spent on prekindergarten had to be redirected to initiatives related to meeting requirements of the federal No Child Left Behind law.

A provider in Huber Heights, Ohio summarized the way in which multiple funding cuts in a range of areas combine to magnify the impact on the child care sector. She compared child care to a layer cake, with one layer being the subsidized child care program, another layer the Child and Adult Care Food Program (which reimburses child care providers for meal costs), another layer Head Start, and another layer private-paying parents. But, she said, "Over the past years they have picked away and picked away at the layer cake." For the first time in about twenty-five years, her seven centers were operating in deficit. Along with child care cuts, new licensing rules, elimination of a state discount for worker compensation, and increased health care costs added to their expenses. "Not only have we reduced and picked away at the layer cake, we've increased the costs of the ingredients of the layer cake, as well."

Child care is a piece of a larger puzzle, both in the way in which it involves a range of supports for children and families as well as the impacts it has on the wider community by helping parents work and children learn. A provider with centers in seven states discussed how quality care must address the needs of the "whole child," including education, nurturing, and nutrition, and then commented, "…there is a payoff for the country if we can do this right." After seeing how state child care cuts have affected children, families, and child care providers, we already know the consequences of doing it wrong.

Recommendations

Child care policies should be designed with the goals of helping parents gain stable employment that allows them to support their families, enabling child care providers to offer high-quality care to all families, and ensuring children are in good care that supports their learning and successful development.

With child care cutbacks, many states' policies are moving further away from meeting these goals. By adopting the following recommendations, states could reverse this trend and help make child care assistance work better for the parents, providers, and children described in this report, and the millions of families and providers like them who are now struggling with a child care system that does not meet their needs.

- Increased federal, state, and local funding for child care should be made available to allow more low-income families to have access to child care assistance that can help parents work and ensure their children are in high-quality care.
- States should set reasonable income cutoffs so that families do not lose assistance before they are able to afford the full cost of child care. States should allow families earning up to 85 percent of state median income, the maximum permitted under federal law, to qualify for assistance.
- States should permit parents to receive child care assistance while attending school or job training.
- Parent copayments should be kept low relative to a family's income so that they are manageable for parents struggling to make ends meet, and increases should be phased in gradually as the family's income grows. Parent copayments should not exceed 7 percent of a family's income, the average percentage of income paid by all families paying for child care (whether receiving assistance or not).[59] Families in poverty should not be required to make any copayment.
- Parents should not automatically have their copayments increased or lose their assistance entirely as a result of a temporary increase in pay due to overtime or other circumstances.

- Parents should be allowed flexibility in retaining their eligibility for child care assistance so that if, for example, they lose their job, they have a reasonable amount of time to find a new one before their assistance is taken away.

- Application forms for child care assistance should be clear and simple, and translated into multiple languages as needed for each community.

- Parents should be able to apply for or renew their child care assistance at multiple, convenient locations with hours that accommodate parents' work schedules. Parents should also have the option of applying for or renewing assistance by mail.

- Parents should only have to renew their eligibility for assistance once a year.

- Sufficient numbers of well-trained caseworkers should be available, at the child care office or by phone, to answer parents' questions about child care assistance. Caseworkers who can communicate with parents who do not speak English should also be available.

- Parents should have access to help finding high-quality care that meets their needs.

- Reimbursement rates should be increased and updated regularly to reflect current market prices so that low-income families receiving subsidies have access to a choice of good providers and providers serving families with subsidies have sufficient resources to offer high-quality care.

- Providers should receive reimbursement for days when children are absent, since providers must still pay the costs of operating the program even if some children do not show up on a particular day.

- Providers in low-income neighborhoods or serving large numbers of children receiving child care assistance should receive higher reimbursement rates to make it financially feasible to support quality care.

- Providers should be paid in advance, rather than after providing care, so that they have the resources available to support their services.

- Providers should be given support and incentives for training and professional development, and those who receive additional education should be rewarded with higher compensation.

- Grants should be available to enable programs serving low-income children to purchase materials and equipment, make facilities improvements, and cover expenses related to meeting licensing requirements.

- Assistance should be given to encourage and support child care providers trying to become accredited, and providers that achieve accreditation should be awarded higher reimbursement rates to enable them to sustain accreditation.

- Incentives should be given to encourage more providers to offer care that is in short supply, such as care for infants and toddlers, school-age children, and children with disabilities and other special needs and care during odd hours (including evenings, nights, and weekends).

Endnotes

[1] U.S. Department of Health and Human Services, *FY 2003 President's Budget for HHS* (Washington, DC: U.S. Department of Health and Human Services, 2002), 83, 92, available at http://www.hhs.gov/budget/pdf/hhs2003bib.pdf, accessed June 28, 2004. This amount includes $2.1 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding.

[2] U.S. Department of Health and Human Services, *FY 2006 President's Budget for HHS* (Washington, DC: U.S. Department of Health and Human Services, 2005), 88, 93, available at http://www.hhs.gov/budget/06budget/FY2006BudgetinBrief.pdf, accessed Feb. 18, 2005. This amount includes $2.083 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding.

[3] Center for Law and Social Policy analysis of Fiscal Year 2004 TANF Financial Data from the U.S. Department Health and Human Services, Administration for Children and Families, available at http://www.acf.dhhs.gov/programs/ofs/data/tanf_2004.html, accessed July 25, 2005.

[4] Karen Schulman and Helen Blank, *Issue Brief: Child Care Assistance Policies 2001-2004: Families Struggling to Move Forward, States Going Backward* (Washington, DC: National Women's Law Center, 2004).

[5] It is recommended that states set rates at the 75th percentile of current market rates, the rate that would allow families access to 75 percent of the providers in their communities. For this analysis, rates were considered current if they were based on a market rate survey that was no more than two years out of date.

[6] National Women's Law Center, "States Limit Child Care Help for Low-Income Working Families" (2004), 6, available at http://nwlc.org/pdf/StateChildCareCutsFactSheet2004.pdf.

[7] "North Carolina Partnership for Children Appropriation History 1993-94 through 2004-05," table prepared by Karen Ponder, President of the North Carolina Partnership for Children, 2005, on file with the National Women's Law Center.

[8] W. Steven Barnett, Jason T. Hustedt, Kenneth B. Robin, and Karen L. Schulman, *The State of Preschool: 2004 State Preschool Yearbook* (Rutgers, NJ: National Institute for Early Education Research, 2004), 108; and South Carolina First Steps, *Keeping the Promise: Fifth Anniversary Report, Five Years of Results* (2004), 8, 9, 35, and 36, available at http://www.scfirststeps.org/5yr.pdf, accessed July 1, 2005.

[9] The methodology for this waiting list study was closely modeled on the approach used by the Arizona Children's Action Alliance for a study of parents on the child care waiting list in that state. For the results of that study, see Arizona Children's Action Alliance, *The Real Reality of Arizona's Working Families—Child Care Survey Highlights* (2004), available at http://www.azchildren.org/caa/_mainpages/publications/_child_care_survey_brochure_.pdf, accessed July 1, 2005.

[10] The state agency asked counties if they would agree to participate in the study, and nineteen of twenty-seven did. Most of the counties that did not participate had few or no families on the waiting list. The number of families statewide on the waiting list dropped significantly between the initial planning stages of the study and when the surveys were sent out to parents. This was likely due to the state's reduced income eligibility limit, which resulted in fewer families being eligible for assistance, and increased parent copayments, which discouraged eligible families from applying. The number of families on the waiting list decreased from nearly 7,000 families in early 2004 to less than 900 families in March 2005 (2004 waiting list data from *Issue Brief: Child Care Assistance Policies 2001-2004*, *supra* note 4, at 9; 2005 waiting list data provided in e-mail communication from Sheila Garceau, Minnesota Department of Human Services, Children and Families Services Division, March 25, 2005, on file with the National Women's Law Center).

[11] This includes $2.876 billion in CCDBG funds and $189 million in TANF funds. Data on CCDBG funding from U.S. General Accounting Office, *Child Care: Federal Funding for Fiscal Year 1997* (GAO/HEHS-98-70R) (Washington, DC: U.S. General Accounting Office, 1998), 3, available at http://archive.gao.gov/paprpdf1/159930.pdf, accessed June 21, 2005. Data on TANF spending from Rachel Schumacher, Mark Greenberg, and Janellen Duffy, *The Impact of TANF Funding on State Child Care Subsidy Programs* (Washington, DC: Center for Law and Social Policy, 2001), 6, available at http://clasp.org/publications/the_impact_of_tanf.pdf, accessed July 22, 2005.

[12] This includes $4.817 billion in CCDBG funds and $3.5 billion in TANF funds. Data on CCDBG funding from *FY 2003 President's Budget for HHS*, *supra* note 1, at 83, 92, available at http://www.hhs.gov/budget/pdf/hhs2003bib.pdf, accessed June 28, 2004. Data on TANF spending from Jennifer Mezey and Brooke Richie, *Welfare Dollars No Longer an Increasing Source of Child Care Funding: Use of Funds in FY 2002 Unchanged from FY 2001, Down from FY 2000* (Washington, DC: Center for Law and Social Policy, 2003), available at http://clasp.org/publications/2002_TANF_CC.pdf, accessed July 22, 2005.

[13] U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Temporary Assistance for Needy Families (TANF) Sixth Annual Report to Congress* (Washington, DC: U.S. Department of Health and Human Services, 2004), I-4, available at http://www.acf.hhs.gov/programs/ofa/annualreport6/chapter01/chap01.pdf, accessed July 1, 2005.

[14] See, for example: Olivia Golden, *Assessing the New Federalism: Eight Years Later* (Washington, DC: Urban Institute, 2005); Dan Bloom and Charles Michalopoulos, *How Welfare and Work Policies Affect Employment and Income: A Synthesis of Research* (New York, NY: MDRC, 2001); Pamela A. Morris, Aletha C. Huston, Greg J. Duncan, Danielle A. Crosby, and Johannes M. Bos, *How Welfare and Work Policies Affect Children: A Synthesis of Research* (New York, NY: MDRC, 2001); Amy Dworsky, Mark Courtney, and Irving Piliavin, *What Happens to Families under W-2 in Milwaukee County, Wisconsin: Report from Wave Two of the Milwaukee TANF Applicant Study* (Chapin Hall Center for Children, University of Chicago, 2003), available at http://www.irp.wisc.edu/research/welreform/pdfs/w2milw-wav2es.pdf, accessed July 14, 2005; and Maria Cancian, Robert Haveman, Daniel R. Meyer, and Barbara Wolfe, *The Employment, Earnings, and Income of Single Mothers in Wisconsin Who Left Cash Assistance: Comparisons among Three Cohorts* (Institute for Research on Poverty, University of Wisconsin–Madison, 2003), available at http://www.irp.wisc.edu/publications/sr/pdfs/sr85.pdf, accessed July 14, 2005. In addition, for a detailed case study of an extended family's experience with welfare, see: Jason DeParle, *American Dream: Three Women, Ten Kids, and a Nation's Drive to End Welfare* (Viking Books, 2004).

[15] Calculations using data from *Temporary Assistance for Needy Families (TANF) Sixth Annual Report to Congress*, *supra* note 13, at A-213 and A-215, "Table 10:19. Temporary Assistance for Needy Families — Active Cases, Percent Distribution of TANF Adult Recipients by Age Group FY 2002" and "Table 10:21. Temporary Assistance for Needy Families — Active Cases, Percent Distribution of TANF Female Adult Recipients by Age Group FY 2002," available at http://www.acf.hhs.gov/programs/ofa/annualreport6/chapter10/App10.pdf, accessed July 1, 2005.

[16] Calculations using data from U.S. Census Bureau, Current Population Survey, 2004 Annual Social and Economic Supplement, Detailed Poverty Tables, "POV04: Families by Age of Householder, Number of Children, and Family Structure: 2003, Below 200% of Poverty," available at http://pubdb3.census.gov/macro/032004/pov/new04_200_01.htm, accessed July 1, 2005.

[17] Center for the Child Care Workforce, *Current Data on Child Care Salaries and Benefits in the United States* (Washington, DC: Center for the Child Care Workforce, 2002), 3, available at http://www.ccw.org/pubs/2002Compendium.pdf.

[18] For research on the importance of the early years and the connection between high-quality early care and education and school readiness, see, for example: Catherine E. Snow, M. Susan Burns, and Peg Griffin, Eds., National Research Council, *Preventing Reading Difficulties in Young Children* (Washington, DC: National Academy Press, 1998); Barbara T. Bowman, M. Suzanne Donovan, and M. Susan Burns, Eds., National Research Council, *Eager to Learn: Educating Our Preschoolers* (Washington, DC: National Academy Press, 2000); and Jack P. Shonkoff and Deborah A. Phillips, Eds., National Research Council and Institute of Medicine, *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Washington, DC: National Academy Press, 2000).

[19] In 2004 (when this interview was conducted), Indiana's income cutoff was set at 127 percent of the 2002 federal poverty level, or an annual income of $19,080 for a family of three. Data on income eligibility from *Issue Brief: Child Care Assistance Policies 2001-2004*, *supra* note 4, at 6. Indiana's 2004 income cutoff was calculated as a percentage of the 2002 poverty level using the 2002 HHS Poverty Guidelines, available at http://aspe.hhs.gov/poverty/02poverty.htm, accessed July 1, 2005.

[20] *Issue Brief: Child Care Assistance Policies 2001-2004*, *supra* note 4, at 6.

[21] U.S. Census Bureau, Current Population Survey, 2004 Annual Social and Economic Supplement, Detailed Income Tables, "PINC-03. Educational Attainment — People 25 Years Old and Over, by Total Money Earnings in 2003, Work Experience in 2003, Age, Race, Hispanic Origin, and Sex," available at http://ferret.bls.census.gov/macro/032004/perinc/new03_253.htm, accessed July 1, 2005.

[22] Pamela Loprest, "Who Returns to Welfare?" (Washington, DC: Urban Institute, 2002), 4.

[23] *Issue Brief: Child Care Assistance Policies 2001-2004*, *supra* note 4, at 9.

[24] *Ibid.*

[25] Washington State Department of Social and Health Services, *Washington State Annual Report of the State Children's Health Insurance Plans Under Title XXI of the Social Security Act FFY 2004* (2005), 4, available at http://fortress.wa.gov/dshs/maa/CHIP/2004AnnualReport.pdf, accessed July 1, 2005; and *Washington State Department of Social and Health Services, Washington State Annual Report of the State Children's Health Insurance Plans Under Title XXI of the Social Security Act FFY 2003* (2004), 5, at http://fortress.wa.gov/dshs/maa/CHIP/2003SCHIPReport.pdf, accessed July 1, 2005. The maximum a family can be required to pay, regardless of the number of children enrolled, is $45, up from $30 in 2003.

[26] Katherin Ross Phillips, *Getting Time Off: Access to Leave Among Working Parents* (Washington, DC: Urban Institute, 2004); Elaine McCrate, "Working Mothers in a Double Bind: Working Moms, Minorities Have the Most Rigid Schedules, and Are Paid Less for the Sacrifice" (Washington, DC: Economic Policy Institute, 2002); and Shelley Waters Boots, *The Way We Work: How Children and Their Families Fare in a 21st Century Workplace* (Washington, DC: New America Foundation, 2004), 13-15.

[27] *Issue Brief: Child Care Assistance Policies 2001-2004*, *supra* note 4, at 9.

[28] *Ibid.*

[29] *Ibid.*

[30] U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau, "FFY 2003 CCDF Data Tables and Charts, Child Care and Development Fund: Average Monthly Adjusted Number of Families and Children Served (FFY 2003)," available at http://www.acf.hhs.gov/programs/ccb/research/03acf800/table1.htm, accessed July 1, 2005.

[31] U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau, *Child Care and Development Fund: Report on State Plans FY 2004-2005* (Washington, DC: U.S. Department of Health and Human Services, 2004), 142-144, available at http://nccic.org/pubs/stateplan/stateplan.pdf, accessed July 25, 2005.

[32] U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics, *May 2004 National Occupational Employment and Wage Estimates* (2005), available at http://www.bls.gov/oes/current/oes_39pe.htm, accessed August 11, 2005. As defined by the Bureau of Labor Statistics, child care workers attend to children at schools, businesses, private households, and child care institutions and perform a variety of tasks, such as dressing, feeding, bathing, and overseeing play. Note that this definition does not include preschool teachers.

[33] There is no nationwide, systematic collection of salary data for self-employed family child care providers, but data from state and local studies on provider salaries are collected and presented in Center for the Child Care Workforce, *Current Data on Child Care Salaries and Benefits in the United States, 2004 Edition* (Washington, DC: American Federation of Teachers Educational Foundation, 2004).

[34] Marcy Whitebook, Laura Sakai, Emily Gerber, and Carollee Howes, *Then and Now: Changes in Child Care Staffing, 1994-2000* (Washington, DC: Center for the Child Care Workforce, 2001), v.

[35] Michael T. Luekens, Deanna M. Lyter, and Erin E. Fox, *Teacher Attrition and Mobility: Results from the Teacher Follow-up Survey, 2000–01* (NCES 2004–301) (Washington, DC: U.S. Department of Education, National Center for Education Statistics, 2004), 3.

[36] *Issue Brief: Child Care Assistance Policies 2001-2004*, *supra* note 4, at 4.

[37] In 2005, the Iowa legislature provided additional child care funding in order to increase rates. E-mail communication from Sheila Hansen, Every Child Counts Network Project Director, The Child and Family Policy Center, May 18, 2005, on file with the National Women's Law Center.

[38] *Issue Brief: Child Care Assistance Policies 2001-2004*, *supra* note 4, at 4.

[39] E-mail communication from Susan Knaupp, Oregon Department of Human Services, Child Care Program Analyst, March 16, 2004, on file with the National Women's Law Center.

[40] U.S. Department of Labor, Bureau of Labor Statistics, "Childcare Workers," *Occupational Outlook Handbook, 2004-05 Edition* (2004), available at http://www.bls.gov/oco/ocos170.htm; see also *Current Data on Child Care Salaries and Benefits in the United States, 2004 Edition, supra* note 33.

[41] E-mail communication from Sandra Scott, Nebraska Department of Health and Human Services, Program Specialist, May 28, 2004, on file with the National Women's Law Center.

[42] *Eager to Learn*, *supra* note 18; and Marcy Whitebook, Carollee Howes, and Deborah Phillips, *Who Cares? Child Care Teachers and the Quality of Care in America* (Final report of the National Child Care Staffing Study) (Oakland, CA: Child Care Employee Project, 1989).

[43] National Association for the Education of Young Children, Early Childhood Program Standards and Accreditation Performance Criteria, available at http://naeyc.org/accreditation/criteria98.asp (1998 accreditation criteria, currently in effect) and http://naeyc.org/accreditation/next_era.asp#standards (final draft of revised accreditation criteria, which are in the process of being implemented and will be fully operational in 2006).

[44] National Child Care Information Center, "Child Care Center Licensing Regulations (April 2005): Child:Staff Ratios and Maximum Group Size Requirements" (2005), available at http://nccic.org/pubs/cclicensingreq/ratios.pdf, accessed June 10, 2005.

[45] National Association for the Education of Young Children, "Final Draft Early Childhood Program Standards and Accreditation Performance Criteria, Table: Teacher-Child Ratios Within Group Size," available at http://www.naeyc.org/accreditation/naeyc_accred/draft_standards/defs/groupsize.html, accessed July 1, 2005.

[46] National Institute of Child Health and Human Development Early Child Care Research Network, "Cognitive, Linguistic, and Social Consequences of Early Experience: Child Care and Social Competence," Paper presented at the American Association for the Advancement of Science Annual Meeting, Anaheim, CA, 1999; and National Institute of Child Health and Human Development Early Child Care Research Network, "How Child Care Relates to Children's Cognitive and Language Development," Paper presented at the American Association for the Advancement of Science Annual Meeting, Anaheim, CA, 1999.

[47] Colorado allows counties to set their own eligibility limits and other child care assistance policies, within state parameters.

[48] Casey Coonerty and Tamsin Levy, *Waiting for Child Care: How Do Parents Adjust to Scarce Options in Santa Clara County?* (Berkeley, CA: Policy Analysis for California Education, 1998), 15-16.

[49] Philadelphia Citizens for Children and Youth, et al., *Use of Subsidized Child Care by Philadelphia Families* (Philadelphia, PA: Philadelphia Citizens for Children and Youth, 1997), 2.

[50] *Issue Brief: Child Care Assistance Policies 2001-2004*, *supra* note 4, at 9.

[51] *From Neurons to Neighborhoods*, *supra* note 18; and Rima Shore, *Rethinking the Brain: New Insights into Early Development* (New York, NY: Families and Work Institute, 1997).

[52] See, for example: Cost, Quality and Child Outcomes Study Team, *Cost, Quality and Child Outcomes in Child Care Centers* (Denver, CO: University of Colorado, 1995); Mary B. Larner, Richard E. Behrman, Marie Young, and Kathleen Reich, "Caring for Infants and Toddlers," *The Future of Children,* Vol. 11, No. 1 (Los Altos, CA: The David and Lucile Packard Foundation, 2000); I Am Your Child Foundation and Parents, *America's Toughest Job: A View of Contemporary Parenthood at the Beginning of the 21st Century* (New York, NY: I Am Your Child Foundation, 2000). Survey conducted by Penn, Schoen and Berland and The Luntz Research Companies; Ann Collins, Jean I. Layzer, J. Lee Kreader, Alan Werner, and Fred B. Glantz, *National Study of Child Care for Low-Income Families: State and Community Substudy Report* (Cambridge, MA: Abt Associates Inc., 2000); and U.S. General Accounting Office, *Welfare Reform: Implications of Increased Work Participation for Child Care* (GAO/HEHS 97-75) (Washington, DC: U.S. General Accounting Office, 1997).

[53] Karen Schulman, *The High Cost of Child Care Puts Quality Care Out of Reach for Many Families* (Washington, DC: Children's Defense Fund, 2000).

[54] "Final Draft Early Childhood Program Standards and Accreditation Performance Criteria, Table: Teacher-Child Ratios Within Group Size," *supra* note 45.

[55] Rebecca Maynard, Ed., *Kids Having Kids: Economic Costs and Social Consequences of Teen Pregnancy* (Washington, DC: Urban Institute, 1997).

[56] "Final Draft Early Childhood Program Standards and Accreditation Performance Criteria, Table: Teacher-Child Ratios Within Group Size," *supra* note 45.

[57] See, for example: Joel Tolman, Karen Pittman, Nicole Yohalem, Jean Thomases and Ming Trammel, *Moving an Out-of-School Agenda: Lessons and Challenges Across Cities* (Takoma Park, MD: The Forum for Youth Investment, 2002); and Children Now, *After School Care for Children: Challenges for California* (Los Angeles and Oakland, CA: Children Now, 2001).

[58] *From Neurons to Neighborhoods*, *supra* note 18, at 324.

[59] U.S. Census Bureau, *Who's Minding the Kids? Child Care Arrangements: Spring 1999* (Current Population Reports PPL-168), "PPL Table 6: Average Weekly Child Care Expenditures by Employed Mothers of Children Under 14: Spring 1999" (2003), available at http://www.census.gov/population/www/socdemo/child/ppl-168.html, accessed August 31, 2004.

National Women's Law Center
11 Dupont Circle NW, Suite 800
Washington, DC 20038
tel. 202.588.5180