Child Care

Child care should be safe. Everyone agrees to that. But the quality of the experience – any inherent learning opportunities in the day – is left to chance and the provider's resources. Without exposure to educational activities in the child care day, children lose valuable opportunities to learn and expand their young minds.

Child Care in Pennsylvania

Child care is care outside the home for children, ages birth to 15, while parents work. Pennsylvania children receive care in a realm of services ranging from the informal to the regulated – from the grandparent who provides care one day a week, to the child care setting operating under state oversight. Though the presence of informal arrangements makes a total count difficult to collect, Pennsylvania Partnerships for Children estimates that 859,550 Pennsylvania children, ages birth to 8 – the children covered by this report – were in some form of care every day in 2000.

The number of children in regulated care every day, however, is known – 299,659 children from families of all incomes, as of January 2001. The state Department of Public Welfare (DPW) recognizes three types of facilities:

- **Family day care homes** offer care for four to six children not related to the provider in the provider’s home. Family child care providers are registered – not licensed – with DPW, and are “self-certified.” DPW annually inspects a few of Pennsylvania’s 4,149 family child care providers, which served an estimated 24,894 children in January 2001.

- **Group day care homes** are licensed by DPW, caring for seven to 15 children not related to the provider in a home or other setting. To maintain licensure, group child care providers – there were 727 in Pennsylvania in January 2001, serving 8,555 children – must be inspected every year.

- **Day care centers** are usually based in facilities serving seven or more children. Pennsylvania’s 3,786 child care centers, serving 266,210 children in January 2001, must also undergo yearly inspections to maintain licensure.

Regulated child care facilities must provide nutritious meals, ensure that enrolled children are immunized, meet state health and safety standards (while facilities in Philadelphia, Pittsburgh, and Scranton must also meet local codes), and provide learning opportunities, although state guidelines don’t specify the extent of educational activities. Required staffing ratios, which apply to all three categories of facilities, range from one staffer for four infants, to one for 10 preschoolers, and one for 15 fourth graders and older.
Families can also use legally unregulated child care programs, such as neighbors or relatives caring for three or fewer children not related to the provider, or baby sitters and nannies providing care in the parents’ home. Though legally unregulated, these providers can receive child care subsidy payments from DPW.

In Pennsylvania, some low-income families and Temporary Assistance for Needy Families (TANF) recipients can get help through Child Care Works, the state’s subsidy program (see page 11).

Resources for Professionals and Consumers

Low pay and high turnover plague Pennsylvania’s child care system, deflating quality by subjecting children to rapid turnover and teachers untrained in their developmental needs. Annual turnover ranges from 31 percent for teachers, who earned an average of $16,556 in 1999, to 51 percent for aides, who earned $11,427.2

Child care employees’ education requirements depend on the job they hold:

- Child care center directors must have a bachelor’s or associate’s degree in early childhood education, child development, special education, elementary education or human services, or 30 credit hours in those fields within the degree, plus experience working with children ranging from one year to four, depending on the degree.

- Assistant directors of child care centers and supervisors of group day care homes must have a high school diploma or GED, plus 30 hours of college credit in early childhood education or 15 hours of college credit and one year of experience with children, or a high school diploma and two years of experience.

- Teachers and group supervisors at child care centers need a bachelor’s degree or an associate’s...
degree with up to three years of experience working with young children.

• Group home assistants and child care aides must have a high school diploma or GED, or an eighth-grade education coupled with training in DPW regulations or two years of experience working with children.

Several public and private programs offer teacher training and professional development incentives, but their impact on quality is limited by their small scope:

• The Teacher Education and Compensation Helps program, or TEACH, provides scholarships and help with books and travel costs for child care staff to earn college credits in early childhood education. Employers, who must sponsor participants, must also contribute 10 percent of costs. Child care staff must work a minimum number of hours per week, take nine to 15 hours of course work a year, and work for the provider for one year after graduation. The Pennsylvania Department of Public Welfare oversees the program, funded with $1.3 million in 2001-02. Since 1998, 1,350 workers have participated in TEACH, and more than 744 of the state’s estimated 35,000 to 45,000 child care workers participated in 2000-01.

• Under the Early Childhood Education Professional Loan Forgiveness program, child care teachers may qualify for forgiveness of up to $10,000 in Pennsylvania Higher Education Assistance Agency loans. The $100,000 program serves only 54 child care teachers — and faces elimination from the 2002-03 state budget.

• The Keystone University Research Corporation provides free or low-cost professional development training to all child care staffers through the Pennsylvania Pathways Program, but its scope is limited. The program counted services to more than 80,000 people in 2001, but many people received multiple services.3

• The American Academy of Pediatrics’ Early Childhood Education Linkage System offers health and safety training, technical assistance, and resource materials to child care providers.

For providers and planners, four regional Child Care Resource Developers (CCRD) are charged with expanding and improving child care. They offer technical advice, needs assessment, and seed money that helps providers grow. Independent regional organizations under contract with DPW, CCRDs help businesses answer employees’ questions and guide community planners in addressing service gaps. The CCRDs help DPW direct its Child Care Local Planning Grants, which counties use to identify and address local needs. In 2001-02, the state awarded 27 grants, totaling $1.4 million, to 35 counties, and in 2002-03, the state has proposed funding for the remaining 32 counties.

The state also helps providers with start-up costs and facility and quality improvements:

• The Department of Community and Economic Development’s capacity-building challenge grants to start a new center or expand the number of children served. In 2001-02, DCED awarded 24 grants, totaling $10 million.

• Capacity grants from the Department of Public Welfare to fund training, accreditation, and supports for children with special needs, and specialized services for infants and toddlers. By the middle of 2001-02, the $3 million program had awarded $1.4 million to 310 programs, with the balance to be committed by June 30, 2002.

• Health and safety grants from the Department of Public Welfare, ranging from $1,000 to $5,000, to meet local and state regulatory and program requirements. By the middle of 2001-02, the $3 million program had awarded $1.1 million to 346 programs, with the balance to be committed by June 30, 2002.

The positive link between quality child care and “virtually every measure” of a child’s development is “consistent and ubiquitous” in the research into the effects of child care, says the National Academy of Sciences. But high-quality programs are scattered and unaffordable for low-income families and those who struggle economically but don’t qualify for aid.
• Small Business First loans from DCED — low-interest loans, up to $200,000, to help small businesses start or expand in designated distressed communities.

• CyberStart from the Departments of Community and Economic Development and Public Welfare, to help child care centers access information from the Internet and develop educational programs for preschoolers. Funded with $1.6 million in state and $8.4 million in federal funds in 2001-02, the program provides computers, software, hardware, Internet access and training to licensed child care centers and group child day care homes. CyberStart is serving 1,500 programs and eventually expects to reach all of the state’s 4,000 providers.

Local economic development agencies can also get grants for two or more businesses to offer child care services to employees.

Parents at all income levels can get help finding child care, subsidized or not, through each county’s Child Care Information System (CCIS). CCIS resource and referral counselors can determine a family’s eligibility for subsidized child care and provide information about child care programs near parents’ homes or workplaces.

Funding

Parents choose child care for a variety of reasons. Quality through attentive, educational care is one, but so are convenience, location, and cost. High-quality care can cost $12,000 a year, according to the Children’s Defense Fund, but the average cost for non-accredited care was $3,609 — a gap that’s too wide for many families to bridge. Low-income

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**Child Care Works**

- **Definition:** Child Care Works is Pennsylvania’s initiative to provide safe, affordable child care for low-income working families.

- **Eligibility:** Families working at least 25 hours a week, with incomes through 200 percent of poverty — up to $35,300 annually for a family of four — including those receiving Temporary Assistance to Needy Families (TANF). Families can remain in the program until income reaches 235 percent of poverty, or $41,477 for a family of four. Children are eligible from birth through age 12, or through 19 if they have mental or physical disabilities.

- **Participation:** About 44,000 children from low-income families, plus 17,992 children formerly enrolled in TANF and about 34,000 current TANF enrollees, as of October 2001.4

- **Availability:** Parents can use any state-regulated or licensed provider, or legally unregulated provider, who accepts state subsidies.

- **Oversight:** Bureau of Child Day Care Services, Office of Children, Youth and Families, Department of Public Welfare.

- **Funding:** $189 million in state and federal funds on subsidized child care services for low income, non-TANF eligible families, plus $196 million in subsidies for TANF and former TANF families in 2001-02. Another $40 million is spent on local planning grants, quality and capacity grants, resource and referral services, provider training, and extended-day/extended-year programming.

- **More information:** The Child Care Works helpline, 1-877-4-PA-KIDS, or www.dpw.state.pa.us/ocyf/childcarewks/ccwchildcareworks.asp.
families, in particular, devote 16 percent of their yearly salaries to child care, compared to 10 percent for middle-income families.5

While child care is essential to assure that parents of young children can join the workforce, parents are forced to disproportionately bear the burden of child care's high cost. According to Education Week, parents shoulder 60 percent of all child care costs, federal, state, and local governments combine to pay another 39 percent, and the private sector pays the remaining 1 percent.

Pennsylvania invested $425.5 million in child care in 2001-02, from a combination of state and federal funds: $237.2 million from the federal Child Care Development Fund, $118.5 million in state funds, $34 million in federal Temporary Assistance for Needy Families, $31 million from the federal Social Services Block Grant, $2.5 million in Food Stamp/employment and training funding, $2 million from TANF for Head Start full-day/full-year programs, and $300,000 in federal Head Start Child Care Collaboration Project funds.

Child Care Works

Low-income families and parents who were formerly or are currently receiving TANF can get help paying for and finding child care through Child Care Works, the state’s child care subsidy system. To qualify, parents must work at least 25 hours a week, undergo eligibility determinations every six months, and obtain child support enforcement orders, if applicable. Child Care Works pays subsidies directly to providers, who must collect co-pays from families – an average of $65 a month for families at 100 percent of poverty, or $152 a month for families at 150 percent of poverty.

All caregivers – regulated and unregulated – must undergo criminal background checks to qualify for subsidies, although parents can waive the requirement for grandparents, aunts, and uncles.

The state’s Child Care Works helpline – 1-877-4-PA-KIDS – also helps connect parents with the local CCIS, which can help parents find child care providers and conduct eligibility determinations and serve as the intake agency for subsidized care. Since welfare reform in 1996, the state’s child care subsidy system has focused on helping parents hold jobs and shed public assistance, but lower eligibility levels and provider reimbursement rates only worked to separate families from supports. When Child Care Works took effect, income eligibility fell from 235 percent of poverty to 185 percent, and has only risen to 200 percent since then, although families who enter within the guidelines can stay until income exceeds 235 percent of poverty. However, Pennsylvania’s eligibility level equals or betters 36 other states, where qualifying incomes range from a high of 319 percent of poverty in Alaska to a low of 108 percent in West Virginia.6

Similarly, providers’ reimbursement rates had been maintained at the 75th percentile of market rates – standard procedure in half of all states – but after welfare reform, the rates were not raised to reflect the 75th percentile until 1998 and again in 2001. With its self-sufficiency focus, Child Care Works has benefited from $220 million transferred from TANF funds since 1997. The federal welfare funds have allowed Pennsylvania to make child care more widely available, reduce waiting lists and take some small steps to expand capacity by encouraging providers to extend their hours, offer more infant/toddler care, and upgrade facilities.

Why Child Care Quality Matters

The positive link between quality child care and “virtually every measure” of a child’s development is “consistent and ubiquitous” in the research into the effects of child care, says the National Academy of Sciences.7 But high-quality programs are scattered and unaffordable for low-income families and those who struggle economically but don’t qualify for aid. Quality child care can assure young children an enriching experience, filled with daily interactions with child care providers who are trained in children’s development. For at-risk children, in particular – those families stressed by poverty, for example – quality child care can make a difference in later development and achievement. According to the National Academy of Sciences, a child who receives quality care is likelier to:

• Be school ready, with stronger reading and language skills.
• Have better social skills.
• Transition more smoothly into the classroom.
• Continue performing well as the school years progress.
State of the States/Best Practices

In every state and the District of Columbia, licensed child care must meet minimum health and safety regulations, providing a basic floor of protections for children, but only seven states — Connecticut, Maryland, Massachusetts, New York, North Carolina, Oregon, and Vermont — require the National Association for the Education of Young Children’s (NAEYC) minimum staff-to-child ratios, and Pennsylvania’s are very close.

States’ administrative procedures and guidelines for subsidized child care vary. Pennsylvania’s comparative standing regarding family’s ease of accessing care and utilizing the system to maintain self-sufficiency depends on the area under review:

Availability: Availability of subsidized child care in Pennsylvania compares favorably to other states. One-third of all states have enrollment freezes or waiting lists as high as 30,000 children. Pennsylvania’s waiting list of 2,134 in January 2002 is expected to be cleared with funds budgeted in 2002-03.

Eligibility: Although the state’s eligibility level (200 percent of poverty) equals or betters 36 other states, Pennsylvania’s standards for retaining eligibility can be comparatively restrictive:

- More than two-thirds of states, including Pennsylvania, require eligibility redeterminations every six months. States that require only annual redeterminations include Maryland, New Jersey, New York, North Carolina, and Ohio.
- All states allow TANF families who work to qualify for child care, and Pennsylvania is among the 26 states that do not put time limits on job searches, as long as parents comply with agreed-to plans for attaining self-sufficiency.
- Pennsylvania is one of only five states requiring low-income families who aren’t on TANF to work at least 25 hours a week to qualify for child care subsidy. Another 13 states with work requirements for non-TANF families require 20 hours of work a week.
- Pennsylvania parents striving to improve their education or work skills face the most restrictive conditions in the nation. Low-income parents in college and job training programs must work to retain eligibility — something only a handful of other states require, and Pennsylvania’s mandated 25-hour workload is the highest of the pack.

Child support orders: Thirty-eight states, including Illinois, Ohio, New York, and New Jersey, do not require child care subsidy recipients to pursue child support court orders. Pennsylvania is one of only 12 states imposing the requirement, and one of only six that doesn’t accept informal or voluntary child support arrangements. The mandate can be a barrier to subsidized care, forcing unwilling parents into court or driving them out of the system for fear of stirring up a volatile situation. A 1999 survey for DPW’s Office of Children, Youth and Families found that 9 percent of families who had left subsidized care did so because of the child support regulation, and the Pennsylvania Head Start Association found that the regulation disqualified from subsidized care 21 percent of children in Head Start programs offering child care.

While access to care remains a critical issue, the question of quality continues to haunt Pennsylvania’s child care regulators, providers, and parents. What is quality child care? The NAEYC identified six characteristics:

- Children in the program are happy and relaxed, with plenty of materials to share.
- At least two teachers trained in early childhood development are available for up to eight infants, up to 14 toddlers, ages 2 and 3, and up to 20 preschoolers, ages 4 and 5.
- Caregivers have realistic expectations for different-aged children and respect individual differences.
- Equal time is devoted to children’s whole needs, making sure they use their developing language, thinking, and motor skills and learn to get along with others.
- Staff regularly plans and evaluates the program, balancing indoor and outdoor, and individual and group activities.
• Parents are welcome to observe, comment, and participate. Some states have adopted initiatives to give children a quality experience and promote their healthy development:

• **Tiered reimbursement:** In 26 states, including Maryland, Florida, and Ohio, subsidy reimbursement levels are based on achieving quality benchmarks. Under tiered reimbursement, providers’ subsidy reimbursements can climb higher with each level of NAEYC or other program standards achieved, such as gains in teachers’ education, staff-to-child ratio, or improved classroom environment. With a star awarded for each level attained, the system also gives parents a reliable quality gauge. In New Jersey, similar incentives boosted the number of accredited facilities by 33 percent.

• **Professional development:** North Carolina created two professional development and compensation models adopted by other states. TEACH offers scholarships in 18 states, including Pennsylvania, for child care teachers pursuing higher education, and WAGE$ links stipends and health insurance to advanced training and job longevity for child care teachers in nine states, not including Pennsylvania. In North Carolina, WAGE$ has improved compensation by up to 30 percent for more than 8,000 child care workers, and the state’s annual turnover rate dropped from 42 percent in 1994 to 31 percent in 1999. In another interesting approach, Maryland extends financial incentives for professional development, while also offering training for child care workers who serve low-income children.

• **Financing strategies:** In 1999-00, 17 states, including Illinois, Massachusetts, Michigan, and New York, increased state funding for child care. As state revenues declined in succeeding years, however, many states reduced their child care investment and, like Pennsylvania, supplemented federal Child Care Development Block Grants with Temporary Assistance for Needy Families funds. A few other states also applied innovative concepts to make small but important investments. Kentucky funds some child care for low-income families through license plate tag renewal fees, planning to open the fund to currently non-eligible families when the balance grows. Louisiana allocates $7.9 million from Outer Banks oil drilling to child care and preschool. Alabama and Maine devoted a portion of their tobacco settlement funds to child care.

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**Situation Analysis**

For some parents, quality child care is a hard find. Only one American child care center in seven was high quality, according to a 1995 study, and seven in 10 provided a mediocre experience. However, another study determined that children who attend child care centers — one-third of those studied — show better literacy skills than those who are cared for in other arrangements. Those enrolled in higher-quality centers made even greater progress. Still another recent study said the child care system is in “market failure” — failing to provide quality services because parents lack the consumer education skills for...
comparative shopping, or they lack the income to pay for quality care. Changes at the systems level — the type that make a difference from the bottom up — are slow to arrive in Pennsylvania. Only Keystone Stars, a new tiered performance system to reward providers for investing more in quality factors such as teacher training and compensation, slated for 2002-03, can be considered a systemic reform. Pennsylvania has turned some tentative attention to improving child care quality by extending grants and loans for facility improvements. Other plans for child care quality improvement and local planning grants, plus expansion of TEACH and funds to clear child care waiting lists, are positive steps, but they won’t yield systemic change.

Like most states, Pennsylvania increasingly relied on Temporary Assistance for Needy Families (TANF) funds, which now finance one-quarter of the state’s subsidized child care system. From 1997 to 2002 — the post-welfare reform era, with declining TANF enrollment and more flexible federal spending rules — Pennsylvania augmented its $611 million in federal Child Care Development Fund dollars with a $220 million transfer of unspent TANF funds. As federal financial assistance grew, so did the number of child care slots, from 78,539 in 1998-99 to 96,018 in 2000-01, a 22 percent increase. However, the growth still fails to meet the need for subsidized child care in Pennsylvania, as seen in a 1999 Urban Institute report showing that 438,200 Pennsylvania children qualified for subsidized child care — and that was before Pennsylvania raised eligibility levels from 185 percent of poverty to 200 percent.

The use of TANF funding to fuel child care growth is likely to continue. President Bush’s 2003 federal budget proposal would keep child care funding at current levels, but as TANF faces reauthorization in September 2002, both the president and Congress would continue letting states use TANF funds for child care services. Given the fiscal constraints imposed in a tight budget climate, Pennsylvania is likely to continue relying on TANF funds — with few new state dollars in the mix — for subsidized child care.

At the state level, legislators frequently introduce bills to amend child care operations, although final passage is unlikely in most cases, because most child care issues are driven by state budget...
allocations or by DPW’s policy and program decisions. Still, bills have been introduced to:

- Raise eligibility for subsidized care from 200 percent of poverty to 235 percent.
- Exempt religious child care facilities from current standards, regulating them separately – a dangerous precedent that could establish a two-tiered system applying different standards to separate classes of child care.
- Require unannounced, annual inspections of all licensed child care centers and 15 percent of family day cares.
- Stop payment of public child care funding to unregulated child care providers with criminal records.
- Help providers seek national accreditation.

Some advocates have criticized Pennsylvania’s subsidized child care system as bureaucratic, with rules that confuse parents and providers. Through their statewide association and regional consortiums, child care providers share with legislators the obstacles they face and their ideas for enhancing quality. In cities statewide, child care providers, local officials, educators, and local businesspeople also cooperate on apprising resources and developing collaboratives to improve child care availability and quality in their own communities. The initiatives include:

- Child Care Initiative, United Way of Berks County.
- Child Care Matters, a partnership of United Way of Southeastern Pennsylvania, the Delaware Valley Association for the Education of Young Children, the Delaware Valley Child Care Council, Philadelphia Citizens for Children & Youth, and Philadelphia Early Childhood Collaborative.
- Early Childhood Initiative, Allegheny County, Office of Child Development, University of Pittsburgh.
- One Voice for Excellence, United Way of the Greater Lehigh Valley.
- Focus On Our Future, United Way of York County.
- Success by 6, United Way of Carlisle and Cumberland County.
- Success By Six, United Way of Lancaster.
- Success by Six, United Way of Wyoming Valley.
- Center City Child Learning Center at Union Station, Mercyhurst College and YWCA of Erie.

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**POLICY DIRECTIONS**

Quality counts in child care. To assure children a learning-filled experience, and communities the long-term benefits of children who are ready for school and parents who can hold good jobs, Pennsylvania should take stronger steps to heighten the quality and educational value of child care:

- Fully implement the Keystone Stars rating system to improve quality child care and help parents become informed consumers, with adequate resources for widespread adoption. As initially proposed and funded, Keystone Stars could cover only about 300 to 400 center-based providers — out of 4,000 statewide.
- Improve the education and retention of early childhood teachers by expanding TEACH and including teacher retention in performance standards.
- Adjust subsidy payments annually to reflect the Consumer Price Index.
- Erase barriers to participation in the child care system: Eliminate the child support order requirement; require yearly, instead of twice-yearly, eligibility redeterminations; lower workload required from 25 hours a week to 20; and set eligibility levels to correspond with other income-based programs, such as the Children’s Health Insurance Program.
- Expand the availability of low-cost or no-cost financing for construction and renovation of child care facilities.
ENDNOTES

Child Care

2 Pennsylvania Legislative Budget and Finance Committee, Salary Levels and Their Impact on Quality of Care for Child Care Workers in Licensed Child Day Care Programs, June 1999.
4 Pennsylvania Department of Public Welfare.
8 Ibid.
10 Ibid.
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