

# Developing America's Potential

## An Agenda for Affordable, High-Quality Child Care

*Developing America's Potential: An Agenda for Affordable High-Quality Child Care* is the product of a historic collaboration of national and state organizations to craft a shared “blueprint” for the future of child care. It offers a solid framework for guiding the reauthorization for the Child Care and Development Block Grant (CCDBG) and other opportunities for child care improvement in the new administration and new Congress.

The Agenda recognizes that high-quality child care helps children, families and communities prosper. It helps children learn and develop skills they need to succeed in school and in life. It gives parents the support and peace of mind they need to be productive at work. And it helps our nation stay competitive, by producing a stronger workforce now and in the future. But for many families—especially, but not only, low-income families—high-quality child care is unaffordable or unattainable. The Agenda for Affordable, High-Quality Child Care proposes comprehensive, systemic reforms to ensure safe, healthy and affordable child care that promotes early learning and increased federal funding to make these reforms possible.

### Section A: Ensuring *Healthy and Safe* Care

▲ **To ensure that all child care meets basic health and safety and child development standards, mandatory federal funding for the CCDBG will be sufficiently expanded, and states will be required within three years to use this funding to:**

- Have written health and safety standards appropriate to the setting of the provider and the age of the children that apply to all child care centers and family child care homes caring for at least one child not related to the provider for a fee on a regular basis. At a minimum, these standards must address requirements for first-aid, CPR, sanitation procedures and control of communicable disease, child abuse identification and reporting, background screenings, prevention of sudden infant death syndrome, emergency and disaster procedures, medication administration, and basic child guidance policies.
- Require all providers in child care centers and family child care homes caring for at least one child not related to the provider for a fee on a regular basis to have at least 40 hours of appropriate and accessible health and safety and child development training, including training on state early learning guidelines and information about working with children with disabilities and other special needs, before providing care to children, and 24 hours annually thereafter.
- Ensure that all children in child care centers and family child care homes receiving care from a provider not related to the child for a fee on a regular basis receive a developmental screening by qualified professionals and referrals for appropriate services when they enter care.

- Inspect and monitor all providers in child care centers and family child care homes caring for at least one child not related to the provider for a fee on a regular basis at least twice a year with one or more on an unannounced basis to ensure compliance with these requirements.

▲ **To support child care facilities, federal funding will be authorized to:**

- Establish an ongoing pool of capital for the renovation and construction of facilities in low-income communities, including those serving families with limited English proficiency.

This pool will be accessed through experienced non-profit facilities intermediaries that may use the funds to make grants and loans to child care providers for this facility renovation and construction, and to provide technical assistance on facility design and development.

## Section B: Making Care More *Affordable*

▲ **To ensure that parents have access to a range of child care services, mandatory federal funding for the CCDBG will be sufficiently expanded, and states will be required to use this funding to:**

- Provide federally funded child care assistance sufficient to double the number of children currently served nationwide.
- Until the Quality Rating and Improvement System described in Section C is in effect, establish maximum base reimbursement rates for providers caring for children receiving federally funded child care assistance at no less than the 75<sup>th</sup> percentile of the current market rate, based on a market rate survey that is conducted at least annually and that is statistically valid and reliable and reflects cost variations by geography, age of children, and provider type.
- Develop and implement strategies such as higher payment rates and bonuses, direct contracting, grants, or other means of increasing the supply of care in particular areas of the state or for particular categories of children, such as care in low-income and rural areas, care for infants and toddlers, school-age children, children with disabilities and other special needs, and children in families with limited English proficiency, and care during non-standard hours, if shortages of these types of care are identified, and report annually to the Secretary of Health and Human Services on how these strategies are being used to expand the supply of this care.
- Set a one-year eligibility determination period for child care assistance.
- Support a computer system to streamline administration of the state's child care assistance program.
- Ensure that state payment practices for child care providers reflect generally accepted payment policies that providers use for their private-paying parents.
- Provide grants to community-based organizations with expertise in serving populations with limited English proficiency to develop and implement effective outreach models to help eligible families learn about and obtain child care assistance.

▲ **To expand assistance available through the federal Child and Dependent Care Tax Credit, the credit will be improved through the following changes:**

- To help low-income families, the credit will be made refundable.
- To help middle-income families, the sliding scale for determining the amount of the credit will be expanded so that it begins at 50 percent of expenses for families with incomes of \$35,000 or less.
- To help all families, the current expense limits of the credit will be maintained at no less than \$3,000 for one child or dependent and \$6,000 for two or more children or dependents.
- To preserve the credit's value, it will be indexed for inflation.

## Section C: Improving *Quality* to Promote Early Learning

- ▲ **To improve the quality of care above the basic standards described in Section A, mandatory federal funding for the CCDBG will be sufficiently expanded to provide states with additional resources so that states have the funding to invest in each of the following required activities:**
  - Financial support for providers and programs to meet expenses necessary to achieve and maintain the standards and training requirements established by Section A, and to become licensed and regulated, with a priority for low-income providers and programs in low-income communities.
  - Establishment and operation of a statewide Quality Rating and Improvement System (QRIS) within five years for all child care centers and family child care homes providing care for at least one child not related to the provider for a fee on a regular basis and other early childhood education program settings as the state determines.
    - The QRIS must rate providers according to the quality of care they provide, based on the extent to which they meet criteria appropriate for each age group such as: an early learning environment that promotes children’s development and school readiness and that is linguistically and culturally appropriate, appropriate staff-child ratios and group size, staff qualifications and education credentials and staff compensation, opportunities for parent involvement, regular program evaluation, inclusion of children with disabilities and other special needs, and safe physical environment.
    - The quality ratings must be tiered, beginning at the level of quality needed for providers to become licensed or regulated, and increasing in quality to reach nationally recognized high program standards.
    - The maximum reimbursement rate for providers caring for children receiving federally funded child care assistance in each quality tier included in the QRIS must be based on no less than the 75<sup>th</sup> percentile of the current market rate for that tier of care, based on a market survey that is conducted at least annually and that is statistically valid and reliable and reflects cost variations by geography, age of children, and provider type.
    - The QRIS must include support for a credentialing and compensation program that includes grants to assist individual providers/teachers in child care centers and family child care homes providing care for at least one child not related to the provider for a fee on a regular basis in obtaining the training, credentials, and degrees required by each level of the QRIS standards and the state’s prekindergarten program, and increases their compensation based on their level of education, with preference given to providers/teachers in centers in which a significant share of children served are receiving federally funded child care assistance and homes that participate in the Child and Adult Care Food Program.
    - The QRIS must include grants to assist child care centers and family child care homes serving children receiving federally funded child care assistance in achieving and maintaining the progressively higher quality program standards of the QRIS (other than those standards that address provider/teacher credentialing and compensation), with preference given to centers in which a significant share of children served are receiving federally funded child care assistance and homes that participate in the Child and Adult Care Food Program.
    - The QRIS must include support for programs to train and mentor individual providers/teachers in child care centers and family child care homes providing care for at least one child not related to the provider for a fee on a regular basis in achieving and maintaining the progressively higher quality standards of the QRIS, with preference given to providers/teachers in centers in which a significant share of children served are receiving federally funded child care assistance and providers in homes that participate in the Child and Adult Care Food Program.

- States must report annually to the Secretary of Health and Human Services, starting one year after the QRIS is implemented, on:
  - The quality standards that are necessary to meet the requirements for each tier in the state's QRIS.
  - The numbers and percent of all children and of children receiving federally funded child care assistance who are receiving care from providers in each quality tier, by children's age, children's race/ethnicity, and the extent to which children have limited English proficiency.
  - The number and percent of providers that have moved up at least one quality tier in the QRIS from the previous year, including the number and percent of those providers who are in low-income communities.
  - The strategies used by the state to increase the number and percent of providers offering, and children receiving, care in progressively higher quality tiers.
- Support for a statewide network of child care resource and referral programs.
- Additional supports to improve the quality of care.

**▲ To improve the quality of services to children and families who do not speak English or have limited English proficiency, federal funding will be authorized for grants or contracts to:**

- Develop, implement, and demonstrate the effectiveness of techniques and approaches for training child care providers with limited English proficiency to provide high-quality child care.

Grants or contract will be awarded on a competitive basis to community-based organizations with experience and expertise in providing training to child care providers with limited English proficiency.

**▲ To improve the quality of services to children with disabilities and other special needs and their families, federal funding will be authorized for grants or contracts to:**

- Develop, implement, and demonstrate the effectiveness of techniques and approaches for training child care providers to provide high-quality care for such children.

Grants or contracts will be awarded on a competitive basis to community-based organizations with experience and expertise in providing training to child care providers to meet the needs of children with disabilities and other special needs in community child care programs.

## Section D: Improving and Expanding *Infant and Toddler Care*

**▲ To address the shortage of high-quality infant and toddler care, mandatory federal funding for the CCDBG will be sufficiently expanded to provide states with significant new resources to expand the supply of high-quality infant and toddler care through each of the following activities:**

- Grants to establish and operate neighborhood- or community-based family and child development centers to provide high-quality, comprehensive child care and development services to infants and toddlers. Grantees must be child care providers ranked at the top level of a state's QRIS. Priority for grants is given to centers in low-income communities.
- Grants to organizations to establish and operate neighborhood- or community-based family child care networks and/or offer technical assistance to parents and other infant-toddler child care providers, including relative caregivers. Priority for grants is given to organizations in low-income communities, including communities with significant populations of families who have limited English proficiency.
- Grants to an organization to support a statewide network of infant and toddler specialists to provide individual and/or group training and intensive consultation to child care centers, family child care homes, and relative caregivers on strategies to improve the quality of care for infants and toddlers, especially infants and toddlers in families who are eligible for federally funded child care assistance.

## Section D: Supporting *Research, Technical Assistance, and Coordination*

- ▲ **To provide technical assistance and other support, mandatory federal funding for the CCDBG will be sufficiently expanded, and the Secretary of Health and Human Services will be required to ensure that the following activities are conducted:**
  - Within two years, the National Academy of Sciences will conduct a study and report to Congress on the actual cost per child of a full-year, full-day program of high-quality early care and education program that promotes the sound development of children, by age of child from birth to age 13, and by type of setting (center-based or family child care program), taking into consideration the additional costs of serving children with disabilities and other special needs.
  - The Department of Health and Human Services will provide technical assistance to states on developing and conducting statistically valid and reliable market rate surveys and identify acceptable approaches for states to use in developing and conducting market rate surveys.
  - The Department of Health and Human Services will identify acceptable approaches and criteria for states to use in developing each quality tier of the QRIS and provide technical assistance to states in developing their QRIS.
  - Each state every five years will conduct a study, applying methodology established by the Department of Health and Human Services to ensure comparability of data across states, and the Secretary shall, using the data submitted by each state, report to Congress every five years on the characteristics of the workforce providing child care and development services to children birth to age 13, by age group served, geographic area, quality rating, type of care (including child care center, family child care home, prekindergarten, Head Start, and school-age care) and other significant variables, including providers' race and ethnicity, language status, credentials and training received, experience working in the field, and salary and benefits.
  
- ▲ **To streamline, coordinate, and improve the effectiveness of child care and early education services and programs at the federal and state levels:**
  - The state child care plan for the CCDBG will be submitted to the State Advisory Council on Early Care and Education for comment before the plan is submitted to the Department of Health and Human Services for funding. The plan must describe coordination among child care, Head Start, state prekindergarten programs, and Part C and Section 619 programs authorized by the Individuals with Disabilities Education Act, including the ways in which federal and state resources are to be used to help child care providers meet the state prekindergarten requirements and to help children enrolled in part-day prekindergarten and Head Start programs receive full-day services.
  - An Office of Early Care and Learning will be established within the Administration for Children and Families, and will house both the Head Start Bureau and the Child Care Bureau.
  - An Interagency Early Learning and After-School Council will be established, chaired by the Secretaries of Health and Human Services and Education, to coordinate federal funding for child care and development programs and services for children birth to age 13 across the federal agencies that provide such funding.