

**Testimony of Pam Wells,
Owner of Wells Wonder World and
President of Local 100A CSEA**

for the

Public and Outside Witness Hearing

before the

**Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies**

**Committee on Appropriations
U.S. House of Representatives
March 25, 2014**

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Chairman Kingston, Vice-Chairman Womack, and Representative DeLauro – thank you for the opportunity to testify before you today.

My name is Pam Wells. I am the owner of Wells Wonder World, a licensed Group Family Child Care home in Hudson Falls, New York – about an hour north of Albany. I employ members of the community as teaching assistants in my program, some of whom have moved on to open their own family child care programs. I am also the President of CSEA/VOICE Local 100A, which represents organized, independent child care providers, including 20,000 outside of New York City. Since 2007, VOICE has partnered with New York’s Office of Children and Family Services (OCFS) in addition to local governments in 57 counties to sustain and improve the child care system that serves New York’s working families and children. My colleagues and I work out of our homes to provide high quality, early learning and care for infants, toddlers and young children, ranging from birth through age 12.

Every day my child care colleagues and I see how invaluable child care assistance, through the Child Care and Development Block Grant, CCDBG, is to families struggling to make ends meet. Without CCDBG assistance, many parents would not be able to afford child care at all and could not go to work.

I am here today to respectfully urge you to increase CCDBG funding by \$807 million above its current levels to fund the upcoming fiscal year, FY 2015. A substantial increase is essential for following three key reasons:

1) To maintain the numbers of children cared for with federal child care assistance.

Without substantial increases, 74,000 children could lose child care assistance.

2) To improve the quality of child care and prepare for new requirements included in expected CCDBG regulations or new law. The CCDBG reauthorization bill, S. 1086, recently passed the Senate with near unanimous support.

3) To improve child care provider payment rates. Improving quality requires good teachers with sound training, and unless we can pay child care providers adequate wages, there is little incentive for them to join or stay with this important field.

I began working as a child care provider 17 years ago in 1997, when I became a licensed Group Family Child Care Provider. I was a single working mother with three young boys and could not find or afford the high-quality child care that I wanted for my sons. Raised in a large

family, I had always enjoyed working with children, and I wanted to operate my own child care program, make it affordable, and provide high-quality care.

I enjoy my work and the satisfaction that comes from nurturing young children and supporting working families in my community. However, some of the hardest things I've had to do are to stop providing care to a family that can no longer afford it or turn away parents whose income is just slightly above the eligibility levels set by the state. Many of the children I have cared for receive child care assistance through CCDBG. Yet, not all children who are eligible for assistance through this program receive it. Why? Because there is not enough funding. Currently, only one in six eligible children receives a subsidy.

It is essential to maintain the numbers of children served

Unfortunately, fewer and fewer eligible children are served by federal child care assistance. Nationwide, 263,000 fewer children received assistance in 2012 than in 2006. According to a recent Center for Law and Social Policy (CLASP) study, total combined child care spending fell from \$12.9 billion in 2011 to \$11.4 billion in 2012, the most recent year for which data are available. This was the lowest level of spending since 2002. In FY 2012, New York was not able to help 8,100 children from the prior year after losing \$325 million in federal child care assistance even though my state put in more money than the required maintenance of effort (MOE) to fill the gap. We need to do better in order to serve the children of New York and our nation.

Increased funding is essential to improve quality and prepare for new requirements

We believe that draft CCDBG regulations proposed by the Department of Health and Human Services' Office of Child Care (OCC) and S. 1086 make important changes. We are concerned, though, that without significant increases in CCDBG funding, New York and other states could be forced to redirect funds that currently provide subsidies for poor children to fulfill the requirements of the new regulations or new law. Without sufficient additional funding, states might further limit the number of families able to access child care subsidies. Many families will likely have to turn to lower-quality care because it is all they can afford. Sacrificing access to affordable child care will not help our shared goal of improving quality in child care. Ultimately, the goal should be to help all eligible families.

Provider Payment Rates

Reimbursing child care providers at reasonable rates is essential to cultivating and sustaining a system of high-quality child care programs. I am proud that my state for many years has set their reimbursement rates at the federally recommended level of the 75th percentile. However, it is getting harder for states to support this commitment. Last year, New York was only one of three states to do so. Next month, New York is set to drop their rates to the 69th percentile, dipping below the recommended level for the first time ever. I worry that the added costs from implementing new regulations or law will further challenge states' capacities to maintain the current numbers of families served, and may further lower reimbursement rates to support the cost of higher-quality care. It is not fair to require child care providers and their employees, a low wage workforce still struggling to recover from the recession, with the unaffordable costs of complying with new requirements, including new training mandates. The median income of child care providers is \$19,512, or just over \$9.38 per hour. This is less than

the federal poverty level for a family of four, which means many child care workers themselves are eligible for subsidies.

Conclusion

I want to be very clear that I, and my union, strongly support efforts to improve health and safety within child care. Achieving higher quality requires sufficient resources. Every day, my union works with our members and public officials in local, state and federal government to secure economic stability and growth for working families and communities. Access to affordable child care is an essential component of this formula. I urge the Subcommittee to invest an additional \$807 million in CCDBG because stable, high-quality child care enables parents to work and children to learn and grow.