

Boosting West Virginia's Potential:

GREATER INVESTMENTS NEEDED IN EARLY CHILDHOOD

Renate Pore
February 2009



west virginia
Center on
Budget & Policy
The Union Building
723 Kanawha Blvd E, Ste 300
Charleston, WV 25301-2727
Tel: 304-720-8682
www.wvpolicy.org

The development of young children hinges in large part on the adults who nurture them — parents and relatives, as well as child care providers and preschool teachers. Together, these adults are responsible for the care and guidance needed for healthy childhoods. This paper focuses on actions aimed at supporting strong early childhood programs and good outcomes for children. It highlights three key policy directions that emerged from recent papers published by the West Virginia Center on Budget and Policy: (1) making child care more affordable for working families; (2) improving the quality of child care; and (3) providing parents with the information and support they need.

1. Make Child Care More Affordable for Working Families

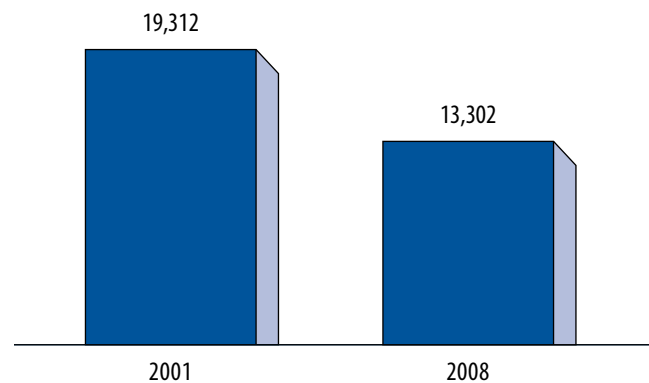
About half of all West Virginia children under age six rely on some form of child care while their parents work. These 64,000 children live in single-parent families or in homes where both parents work. Working parents need child care that is reliable and affordable. They need care that is available 12 months a year, and some need care while they work in the evening or on weekends.

Few low- and moderate-income families can afford the full cost of child care services, which can range from \$5,000 to \$7,000 or more per year, depending on the type of setting and age of the child. To make child care affordable for these families, the state provides financial assistance from a combination of state and federal dollars. Public funding for child care in 2008 totaled \$58.8 million. About 54 percent came from the federal Child Care Development Block Grant (CCDBG), 34 percent from the federal Temporary Assistance for Needy Families (TANF) program, and 12 percent the state General Revenue Fund.

The CCDBG has not grown in the past eight years. When adjusted for inflation, support from this grant has declined by about \$8 million. To adjust for reduced purchasing power, the West Virginia Department of Health and Human Resources has tightened family income eligibility for child care assistance from 200 percent of the federal poverty level

in 2001, to 150 percent of the poverty level in 2008. As a result, the number of children receiving assistance each month has fallen by nearly a third.

CHART 1
WV Children Receiving Child Care Assistance



Source: WVDHHR, Bureau for Children and Families, 2008.

Action needed to improve access to affordable child care:

Restore family income eligibility for child care assistance to 200 percent of the federal poverty level.

2. Improve the Quality of Child Care

Studies conducted over the last forty years have shown that quality child care can increase school readiness, high school graduation rates, college attendance rates, and the chances of becoming a productive member of society. The gains are greatest for children who experience poverty or other risk factors. Given West Virginia's high child poverty rate, investments in child care are critical to the future of our workforce and our state.

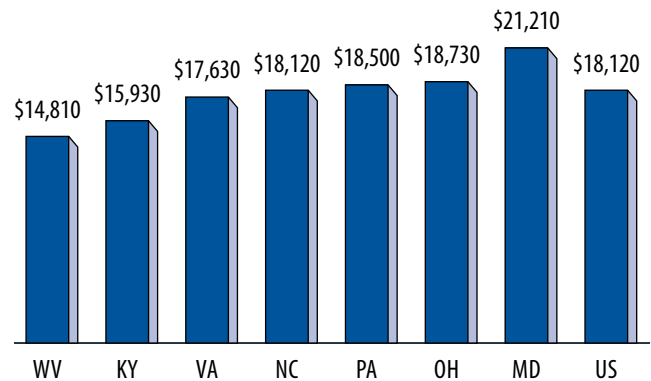
“Quality” means more than health and safety standards. It demands qualified staff educated in early child development and able to provide the nurture and care needed by young children. Quality care requires appropriate staff-to-child ratios, as well as nurturing interactions between children and care providers.

Only 25, or about 7 percent, of West Virginia's child care centers met the accreditation standards of National Association for the Education of Young Children in 2008, placing the state below the national average of 9 percent. Many states have adopted or are in the process of adopting voluntary quality rating systems, which allow child care programs to work on quality improvement over time and receive grants, training and higher rates of reimbursement.¹

At the heart of quality child care is the recruitment and retention of qualified staff. The salaries of West Virginia child care workers rank lowest in the region and 47th in the nation. Workforce West Virginia data show that more than 2,000 of the state's child care workers earn at or below the federal minimum wage. Most do not receive health care benefits.

CHART 2

Mean Annual Child Care Worker Salaries



Source: U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics, May 2006.

Action needed to improve child care quality:

Strengthen the child care workforce by improving wages to reflect training, experience and longevity. Provide technical assistance and financial incentives for child care providers to meet quality standards.

3. Provide Parents the Information and Support They Need

The research of the last two decades is unequivocal: Early childhood is the most critical time in human development. From the prenatal period through the earliest years, the potential of each child is being developed. The earlier the investment, the greater the return, according to research by Nobel Prize-winning economist James Heckman. The gains in human development taper off as the child reaches school age and beyond.

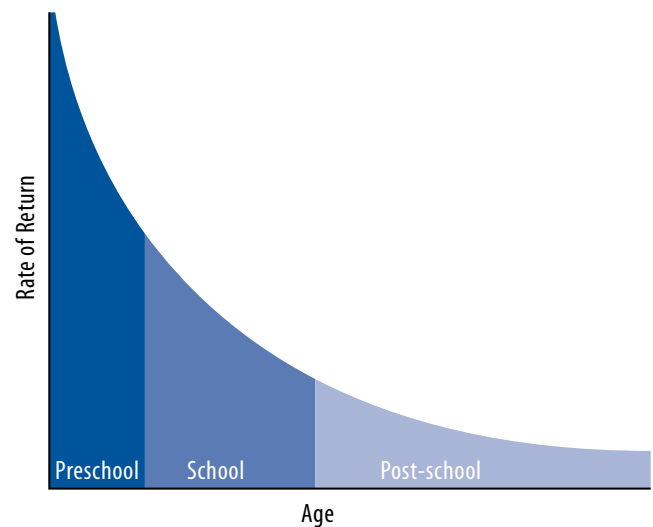
Yet the state’s largest investment in early learning doesn’t begin until age four, when children enter public schools. Nearly two-thirds of state spending on early care and education is on the state’s voluntary Pre-Kindergarten program. While important, the program is not intended to meet the developmental needs of all West Virginia’s young children.

A critical investment focused on the earliest years is In-Home Family Education, which recognizes parents as their children’s first teachers and caregivers. These programs work with parents who are expecting children or have children under age three. Trained home visitors provide information, support and linkages to needed services, including child care.

Research-based In-Home Family Education programs exist in several parts of the state. One report estimates that a statewide system of In-Home Family Education could save over \$225 million in direct and indirect costs in health care, child welfare services, law enforcement and the courts.² In 2009, Imagine West Virginia, a nonpartisan policy institute, said that steps to expand quality child care and In-Home Family Education “are of such value, and will return such dividends to the state, that they should be taken as soon as possible.”³

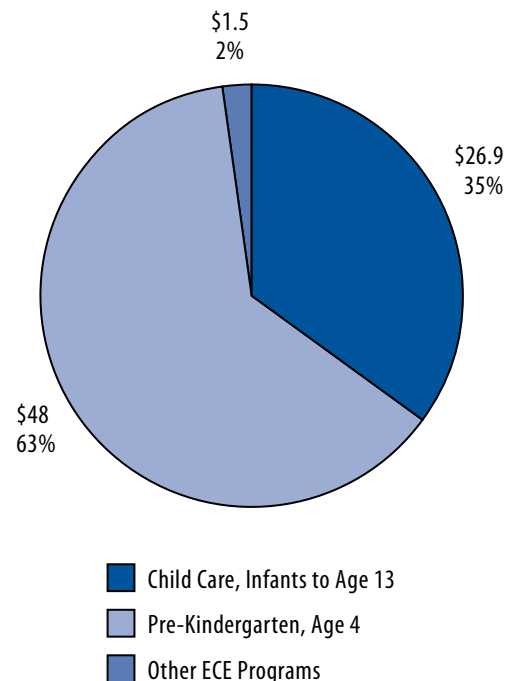
Action needed to improve support for young families:
Expand In-Home Family Education programs for parents who are expecting children or have children up to age three.

CHART 3
Rate of Return to Human Capital Investment



Source: Cunha & Heckman, Interpreting the Evidence on Life Cycle Skill Formation. 2005

CHART 4
Total State Spending for Early Care & Education (76.4 Million)



Source: DHHR, Bureau for Children and Families, 2008.

For more detailed reports on early childhood programs and working families, visit the West Virginia Center on Policy and Budget website at www.wvpolicy.org:

- *Losing Ground in Child Care Assistance*, January 2009. This report, based on analysis conducted by the National Women's Law Center, examines child care assistance policies in West Virginia and the nation.
- *Investing in Early Care and Education: What States are Spending*, November 2008. This report is based on a survey conducted by the National Conference of State Legislatures on state spending for programs for young children.
- *West Virginia Child Care Salaries Rank 47th in the Nation*, September 2008. This brief analysis is based on data collected by U.S. Department of Labor and compiled by the American Federation of Teachers.
- *The State of Working West Virginia*, December 2008. This report examines the characteristics of West Virginia's labor force and issues such as job quality, economic security, unemployment and underemployment.

End Notes

- 1 States that have implemented a voluntary quality rating system include Indiana, Iowa, Illinois, Colorado, District of Columbia, Kentucky, Louisiana, Maine, Maryland, Montana, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Vermont. Accessed at National Child Care Information and Technical Assistance Center, www.nccic.acf.hhs.gov, on January 23, 2009.
- 2 *Partners in Community Outreach, In-Home Family Education: Supporting Healthy Child Development in the First Years of Life*, December 2005.
- 3 *Imagine West Virginia, Right and Smart: Advancing Early Child Development in West Virginia*, 2009.

The **West Virginia Center on Budget and Policy** is a policy research organization that is nonpartisan, nonprofit, and statewide. It focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families. The Center is supported with funding from the W.K. Kellogg Foundation, Claude Worthington Benedum Foundation, Sisters of Saint Joseph Charitable Fund, Annie E. Casey Foundation, Center on Budget and Policy Priorities, Service Employees Union International 1199, and West Virginia Affiliated Construction Trades Foundation.