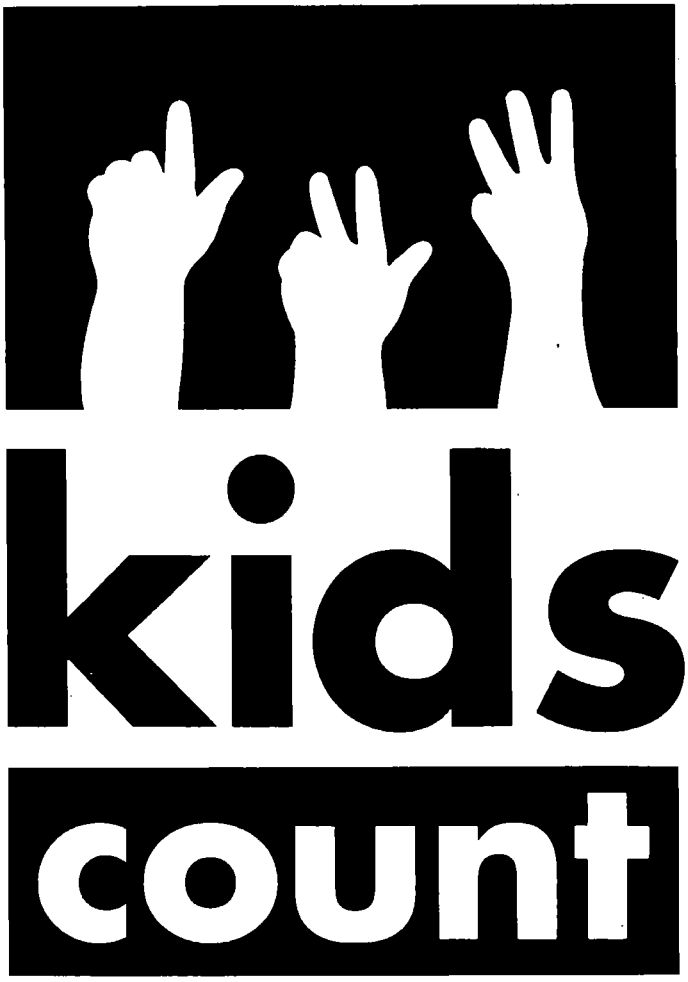

podesta.com

December 21, 1999

Ms. Ann O'Leary
Domestic Policy Council
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Ann:

I thought you would be interested in the enclosed KIDS COUNT Special Report, published by the Annie E. Casey Foundation. *The Right Start: Conditions of Babies and Their Families in America's Largest Cities*, takes a close look at the circumstances into which babies are born in the nation's major urban centers.

To break the cycle of disadvantage and injustice, we need multi-dimensional approaches to change family circumstances that are family-focused, comprehensive, long term, and engage entire communities.

I hope you will use this report as you examine policies and practices that have an impact on children and their families.

Best Regards,

Anthony T. Podesta

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Introduction

The first year of a new century is a fitting time to show that our communities' efforts to improve the lives of children are paying off. For the past six years, the Maine KIDS COUNT Data Book has provided the single most comprehensive picture of the status of children living in Maine. We can see where we are each year and take note of trends. This year, we are fortunate to be able to report that many of these trends are encouraging, particularly regarding our children's physical health and safety. With the range of challenges that face children and families today, we are in a unique position to celebrate so many positive outcomes.

How should we celebrate? First, we must appreciate the continued declines in key indicators of risk such as infant and child mortality, teen pregnancy, and the numbers of children arrested for serious crimes. We must applaud the generous and diligent work of policymakers, advocates, educators, and business people, whose efforts to expand access to secure employment, health and child care have the potential to improve radically the lives of even greater numbers of Maine children and families in years to come. There is already evidence of significant success in health care access based on such efforts. Between July 1998 and September 1999, the expanded Medicaid and Cub Care programs enrolled nearly 7,000 previously uninsured children. Maine's Department of Human Services purposefully coordinated its Medicaid Outreach efforts with other state and non-state agencies in order to reach the greatest numbers of children. When we collaborate to address an area of need, the consequences are undeniably productive and beneficial.

We must also use the lessons we've learned from such successful efforts to renew focus on what are clear and crucial areas of need. Many Maine families are faced with considerable economic insecurity. Roughly one in six of our children lives in poverty, and one in seven is still without health insurance. In addition, there are children and youth in our communities with unique mental, emotional, and behavioral needs who have not consistently received the comprehensive attention they deserve and require. In an environment of relative health and well-being for the majority of Maine children, it is indeed important to recognize our exceptional accomplishments, but we must not lose sight of those who too often go unnoticed. We must be committed to continually refocusing our vision so that we see <u>all</u> of Maine's children. In fact, we have an obligation to do so, as we have pledged to sustain and improve the quality of life for children in Maine.

We hope that the KIDS COUNT Data Book continues to be a valuable and instructive tool. We have worked hard to improve the book each year by assuring the reliability and timeliness of the data, offering more explanatory detail on the figures presented, and revising the design to enhance readability. We have incorporated the suggestions of our untiring and inspired advisory committees, as well as all those who have taken the time to provide feedback for improvement. We hope that you will touch base and let us know how we are doing, because our singular purpose is to make available the most inclusive

purposes of this part, a child care certificate is assistance to the parent, not assistance to the provider;

Child Care and Development Fund (CCDF) means the child care programs conducted under the provisions of the Child Care and Development Block Grant Act, as amended. The Fund consists of Discretionary Funds authorized under section 658B of the amended Act, and Mandatory and Matching Funds appropriated under section 418 of the Social Security Act;

Child care provider that receives assistance means a child care provider that receives Federal funds under the CCDF pursuant to grants, contracts, or loans, but does not include a child care provider to whom Federal funds under the CCDF are directed only through the operation of a certificate program;

Child care services, for the purposes of Sec. 98.50, means the care given to an eligible child by an eligible child care provider;

Construction means the erection of a facility that does not currently exist;

The Department means the Department of Health and Human Services;

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Discretionary funds means the funds authorized under section 658B of the Child Care and Development Block Grant Act. The Discretionary funds were formerly referred to as the Child Care and Development Block Grant;

Eligible child means an individual who meets the requirements of Sec. 98.20;

Eligible child care provider means:

(1) A center-based child care provider, a group home child care provider, a family child care provider, an in-home child care provider, or other provider of child care services for compensation that--

(i) Is licensed, regulated, or registered under applicable State or local law as described in Sec. 98.40; and

(ii) Satisfies State and local requirements, including those

and trustworthy collection of data regarding the health and well-being of Maine's children.

Lynn Davey, Ph.D., Director
Maine KIDS COUNT

referred to in Sec. 98.41 applicable to the child care services it provides; or

(2) A child care provider who is 18 years of age or older who provides child care services only to eligible children who are, by marriage, blood relationship, or court decree, the grandchild, great grandchild, sibling (if such provider lives in separate residence), niece, or nephew of such provider, and complies with any applicable requirements that govern child care provided by the relative involved;

Facility means real property or modular unit appropriate for use by a grantee to carry out a child care program;

Family child care provider means one individual who provides child care services for fewer than 24 hours per day per child, as the sole caregiver, in a private residence other than the child's residence, unless care in excess of 24 hours is due to the nature of the parent(s)' work;

Group home child care provider means two or more individuals who provide child care services for fewer than 24 hours per day per child, in a private residence other than the child's residence, unless care in excess of 24 hours is due to the nature of the parent(s)' work;

Indian Tribe means any Indian Tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. Sec. 1601 et seq.) that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

In-home child care provider means an individual who provides child care services in the child's own home;

Lead Agency means the State, territorial or tribal entity designated under Secs. 98.10 and 98.16(a) to which a grant is awarded and that is accountable for the use of the funds provided. The Lead Agency is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

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Licensing or regulatory requirements means requirements necessary for a provider to legally provide child care services in a State or locality, including registration requirements established under State, local or tribal law;

Liquidation period means the applicable time period during which a fiscal year's grant shall be liquidated pursuant to the requirements at Sec. 98.60.;

Major renovation means: (1) structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area; or (2) extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change;

Mandatory funds means the general entitlement child care funds described at section 418(a)(1) of the Social Security Act;

Matching funds means the remainder of the general entitlement child care funds that are described at section 418(a)(2) of the Social Security Act;

Modular unit means a portable structure made at another location and moved to a site for use by a grantee to carry out a child care program;

Obligation period means the applicable time period during which a fiscal year's grant shall be obligated pursuant to Sec. 98.60;

Parent means a parent by blood, marriage or adoption and also means a legal guardian, or other person standing in loco parentis;

The Plan means the Plan for the implementation of programs under the CCDF;

Program period means the time period for using a fiscal year's grant and does not extend beyond the last day to liquidate funds;

Programs refers generically to all activities under the CCDF, including child care services and other activities pursuant to Sec. 98.50 as well as quality and availability activities pursuant to

Physical and Mental Health

Highlights:

The status of children's physical and mental health is improving in several key areas including:

Infant mortality rate
Low birthweight infants
Two-year old immunizations
Teen smoking
Juvenile arrest rates
Teen violent death rate

- The infant mortality rate has been on the decline nationally since 1985 due to a combination of improved medical technology, neonatal intensive care, and public health outreach efforts. It should be noted that the infant mortality rate is more than an indicator of good physical health and technological advances. It is also correlated with economic and environmental factors. Infant mortality rates are higher for children living in physically unsafe or impoverished environments.[i] The statewide rate was 8.9 infant deaths per 1,000 live births in 1985. The latest available statewide data, a five-year aggregate for 1993-1997, indicates an all time low of 5.7. This is significantly below the 1997 national rate of 7.3 (*infant mortality rates are presented on the State and County Profile pages).*

- In Maine, our rates of live births for which prenatal care began in the first trimester remained strong this year: a state average of 88.4% of all births. This is substantially higher than the national rate of 81.8% (1996). In Maine, the rate of low birthweight infants in 1997 was 5.9% (as a percent of all live births). The rate has not increased since 1995, and is well below the national average of 7.5%. Oddly, the percent of low birthweight infants has been on the rise nationally over the past several years, despite the fact that infant mortality is decreasing and more women are receiving early prenatal care. If preventive health care, such as early prenatal care, continues to rise and play a role in the health status of young children, what then accounts for increases in low birthweight births? Experts believe that the increase is likely due to greater numbers of multiple birth deliveries, which are associated with delayed childbearing and the use of fertility drugs and procedures.[ii] (*low birthweight and prenatal care rates are presented on the State and County Profile pages).*

- Once again, Maine has been very successful in assuring that our children receive proper immunizations. In 1998, 89% of two-year olds were age-appropriately immunized. This is an increase from our 1997 rate of 87.8%, which was the highest rate in the country in 1997. We are again

Sec. 98.51;

Provider means the entity providing child care services;

The regulation refers to the actual regulatory text contained in parts 98 and 99 of this chapter;

Real property means land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment;

Secretary means the Secretary of the Department of Health and Human Services;

Sectarian organization or sectarian child care provider means religious organizations or religious providers generally. The terms embrace any organization or provider that engages in religious conduct or activity or that seeks to maintain a religious identity in some or all of its functions. There is no requirement that a sectarian organization or provider be managed by clergy or have any particular degree of religious management, control, or content;

Sectarian purposes and activities means any religious purpose or activity, including but not limited to religious worship or instruction;

Services for which assistance is provided means all child care services funded under the CCDF, either as assistance directly to child care providers through grants, contracts, or loans, or indirectly as assistance to parents through child care certificates;

Sliding fee scale means a system of cost sharing by a family based on income and size of the family, in accordance with Sec. 98.42;

State means any of the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and includes Tribes unless otherwise specified;

Tribal mandatory funds means the child care funds set aside at section 418(a)(4) of the Social Security Act. The funds consist of between one and two percent of the aggregate Mandatory and Matching child care funds reserved by the Secretary in each fiscal year for payments to Indian Tribes and tribal organizations;

well above the 1998 national average of 80.6%. Adequate immunization protects children against several diseases that have killed or disabled children in previous decades. Immunization rates are one measure of the extent to which children are protected from serious and preventable illnesses.

There are several measures of adolescent health that indicate positive trends.

- Self reported cigarette use among high school students has decreased in the last two years, from 39% (1997 Youth Risk Behavior Survey) to 31% (1999 Youth Risk Behavior Survey). Although national data from the 1999 YRBS are not yet available, cigarette use by teens has been on the rise in the late 90s; in 1997 36.4% of high school students nationally indicated current cigarette use. Smoking has serious long-term consequences, including increased risk of disease, and increased health care costs associated with treating smoking-related illnesses. Because smoking is related to only negative consequences for current and future health, it is unquestionably important to study patterns of smoking among adolescents, and to provide resources aimed at smoking cessation. Policies aimed at prohibiting access to tobacco to underage youth and limiting the availability of public places that allow smoking can certainly contribute to reduction in use. These recent figures for Maine youth represent a 20% reduction in smoking between 1997 and 1999. Needless to say this is very encouraging.

- The five-year aggregate rate of teen deaths from violent causes (accidents, suicides, homicides) has dropped for the third time. In 1990-1994 there was a violent death rate of 5.8 per 1,000 teens. The rate dropped to 4.6 in 1993-1997. Nationally, adolescents and young adults are much more likely to die from injuries sustained from motor vehicle accidents or firearms than from any other cause.[iii] Given that media attention often focuses on youth violence and homicide, it is important to draw attention to these low and still decreasing rates in Maine.

- Although the juvenile arrest rate increased steadily from a rate of 68.6 (per 1,000) in 1993 to a high of 90.4 in 1996, it dropped slightly in 1997 and further still in 1998 to a rate of 81.1. Similarly, the statewide rate of arrests of children for crimes against persons has dropped, from 1.7 in 1996 (237 crimes against persons), to 1.2 in 1998 (167 crimes against persons). Juvenile arrest rates have also dropped nationally in the past several years. As of 1997, the juvenile arrest rate for violent crime had fallen by 23 percent since 1994.[iv] It is important to note that arrest statistics provide only one perspective on crime. Arrest statistics are numbers of arrests – they do not reveal how many crimes were committed nor do they indicate how many children comprise the number of arrests. For example, four arrests could be made at one

Tribal organization means the recognized governing body of any Indian Tribe, or any legally established organization of Indians, including a consortium, which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities: Provided, that in any case where a contract is let or grant is made to an organization to perform services benefiting more than one Indian Tribe, the approval of each such Indian Tribe shall be a prerequisite to the letting or making of such contract or grant; and

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Types of providers means the different classes of providers under each category of care. For the purposes of the CCDF, types of providers include non-profit providers, for-profit providers, sectarian providers and relatives who provide care.

Sec. 98.3 Effect on State law.

(a) Nothing in the Act or this part shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by sectarian organizations, except that no provision of a State constitution or State law shall be construed to prohibit the expenditure in or by sectarian institutions of any Federal funds provided under this part.

(b) If a State law or constitution would prevent CCDF funds from being expended for the purposes provided in the Act, without limitation, then States shall segregate State and Federal funds.

Subpart B--General Application Procedures

Sec. 98.10 Lead Agency responsibilities.

The Lead Agency, as designated by the chief executive officer of the State (or by the appropriate Tribal leader or applicant), shall:

(a) Administer the CCDF program, directly or through other

particular crime scene. Or, one child may be arrested on five different occasions. Arrest statistics do not address these issues. In addition, the data reveal only that an arrest was made; they do not tell us whether a crime was prosecuted. It should also be noted that some people perceive high arrest rates to be positive signs because arrests indicate lawbreakers have been intercepted and possibly diverted from future crime. The data also do not inform us of problems or successes in the processes within the juvenile justice system. Nationally, most of the children involved in the juvenile justice system are non-violent offenders; the majority of juvenile crime involves property offenses (burglary, thefts, larceny). Only 5 percent are serious, habitual, violent offenders. While juvenile crime is a serious problem, we must ensure that the solutions to the problem have a productive impact on the youth who come into contact with the system. Too often, the small number of violent crimes committed by youth dominate public discourse and become the focus of policy initiatives regarding juvenile justice. We must recognize that youth offenders are a diverse group, and ensure that policies represent and address the needs of all youth in the system (see the KIDS COUNT Special Focus on the Maine Youth Initiative, pages _-_).

Other outcomes regarding physical and mental health give us cause for concern:

Percent of children without health insurance
Percent of low-income uninsured children with working parents

- For ten years, in Maine and across the country, there has been an alarming trend of steady increases in the numbers of uninsured children. A review of five-year aggregate data reveals that in 1987-1991, 8.0% of our children under age 18 were without health insurance. The latest data indicate that in **1995-1999, 14%** of our children are uninsured. That equals 39,000 Maine children.

- When we look at the insurance status of children of different socioeconomic status, we learn that **some of the highest numbers of uninsured children are those with working parents**. Maine has roughly 80,000 children who live in working families with incomes below 200% of poverty ($26,006 for a family of 3). Of these children, 20,000 (25%) were uninsured.

governmental or non-governmental agencies, in accordance with Sec. 98.11;

(b) Apply for funding under this part, pursuant to Sec. 98.13;

(c) Consult with appropriate representatives of local government in developing a Plan to be submitted to the Secretary pursuant to Sec. 98.14(b);

(d) Hold at least one public hearing in accordance with Sec. 98.14(c); and

(e) Coordinate CCDF services pursuant to Sec. 98.12.

Sec. 98.11 Administration under contracts and agreements.

(a) The Lead Agency has broad authority to administer the program through other governmental or non-governmental agencies. In addition, the Lead Agency can use other public or private local agencies to implement the program; however:

(1) The Lead Agency shall retain overall responsibility for the administration of the program, as defined in paragraph (b) of this section;

(2) The Lead Agency shall serve as the single point of contact for issues involving the administration of the grantee's CCDF program; and

(3) Administrative and implementation responsibilities undertaken by agencies other than the Lead Agency shall be governed by written agreements that specify the mutual roles and responsibilities of the Lead Agency and the other agencies in meeting the requirements of this part.

(b) In retaining overall responsibility for the administration of the program, the Lead Agency shall:

(1) Determine the basic usage and priorities for the expenditure of CCDF funds;

(2) Promulgate all rules and regulations governing overall administration of the Plan;

(3) Submit all reports required by the Secretary;

(4) Ensure that the program complies with the approved Plan and all

It is clear from the first figure alone that Maine families are experiencing ever-increasing difficulties in obtaining affordable health insurance for our children. Given that early and continued care is essential to children's healthy growth and development, we explore health insurance coverage among Maine children in depth on pages __-__.

***insert Physical and Mental Health layout page (excel file)**

Federal requirements;

(5) Oversee the expenditure of funds by subgrantees and contractors;

(6) Monitor programs and services;

(7) Fulfill the responsibilities of any subgrantee in any: disallowance under subpart G; complaint or compliance action under subpart J; or hearing or appeal action under part 99 of this chapter; and

(8) Ensure that all State and local or non-governmental agencies through which the State administers the program, including agencies and contractors that determine individual eligibility, operate according to the rules established for the program.

Sec. 98.12 Coordination and consultation.

The Lead Agency shall:

(a) Coordinate the provision of services for which assistance is provided under this part with the agencies listed in Sec. 98.14(a).

(b) Consult, in accordance with Sec. 98.14(b), with representatives of general purpose local government during the development of the Plan; and

(c) Coordinate, to the maximum extent feasible, with any Indian Tribes in the State receiving CCDF funds in accordance with subpart I of this part.

Sec. 98.13 Applying for Funds.

The Lead Agency of a State or Territory shall apply for Child Care and Development funds by providing the following:

(a) The amount of funds requested at such time and in such manner as prescribed by the Secretary.

(b) The following assurances or certifications:

(1) An assurance that the Lead Agency will comply with the requirements of the Act and this part;

Social and Economic Opportunity

Highlights:

We have seen mixed indications of the social and economic security of our children. Indicators of progress include:

Child support enforcement
Teen birth rate
Median household income
Children in poverty
Unemployment rate

- The number of families with children for whom the state child support enforcement agency collected owed child support payments has steadily increased for the past five years. In state fiscal year 1999, $85.6 million was collected, representing income received by 37.1% of all families on the agency's caseload. This is an increase from $51.4 million in 1994, which represented 32.7% of the caseload in that year. The national rate of cases collected is 20.4%. Maine ranks third in the nation on this indicator. This is a significant accomplishment with tangible effects on children's economic well-being.

- According to the 1999 National KIDS COUNT Special Report, *"When teens have sex: Issues and trends,"* Maine observed a 28% decline in births to 15-19 year old teens between 1991 and1996, from 44 in 1991 to 31 in 1996 (per 1,000 females in this age group). The rate declined only 12% nationally between 1991 and1996. Maine experienced the second sharpest decline in teen births in the country in this period. In fact, Maine's teen birth rate was substantially lower than the national rate every year between 1980 and 1996, ranking third in the county in 1996 for this age group.[v] These are very positive trends, as teenage parents are more likely to leave high school before graduating, and are more likely to be poor. Researchers cite two primary reasons for these trends: fewer teens are having sex, and among those who are, more use contraceptives. In Maine, we also track births to all females under age 20. Although we saw an increase in 1997 in the rate of **births to single teens**, we saw a corresponding decrease in the rate of **births to married teens**. These two statistics are not only interdependent, but are also dependent upon the numbers of births to women over 20. Given that trends suggest many younger women are delaying childbirth, it is likely that the rate of births to teens will increase, even if

(2) A lobbying certification that assures that the funds will not be used for the purpose of influencing pursuant to 45 CFR part 93, and, if necessary, a Standard Form LLL (SF-LLL) that discloses lobbying payments;

(3) An assurance that the Lead Agency provides a drug-free workplace pursuant to 45 CFR 76.600, or a statement that such an assurance has already been submitted for all HHS grants;

(4) A certification that no principals have been debarred pursuant to 45 CFR 76.500;

(5) Assurances that the Lead Agency will comply with the applicable provisions regarding nondiscrimination at 45 CFR part 80 (implementing title VI of the Civil Rights Act of 1964, as amended), 45 CFR part 84 (implementing section 504 of the Rehabilitation Act of 1973, as amended), 45 CFR part 86 (implementing title IX of the Education Amendments of 1972, as amended) and 45 CFR part 91 (implementing the Age Discrimination Act of 1975, as amended), and;

(6) Assurances that the Lead Agency will comply with the applicable provisions of Public Law 103-277, Part C--Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994, regarding prohibitions on smoking.

(c) The Child Care and Development Fund Plan, at times and in such manner as required in Sec. 98.17; and

(d) Such other information as specified by the Secretary.

Sec. 98.14 Plan process.

In the development of each Plan, as required pursuant to Sec. 98.17, the Lead Agency shall:

(a)(1) Coordinate the provision of services funded under this Part with other Federal, State, and local child care and early childhood development programs, including such programs for the benefit of Indian children. The Lead Agency shall also coordinate with the State, and if applicable, tribal agencies responsible for:

(A) Public health, including the agency responsible for

the numbers of births to teens remain steady or decrease; they simply take up a bigger piece of the birth pie. For example, in 1991 there were 1,370 births to single teens, representing 8.2% of all births in Maine. In 1997, there were far fewer births to single teens, 1,159, but this represented 8.5% of all births in Maine that year.

- In Maine, we have been witnessing a steady decline over the last decade in the rate of **births to unmarried teenaged mothers who lack high school diplomas**. The most recent rate, an average of the years 1993-1997, was 8.1 (rate per 1,000 females aged 10-19). In relation to other measures of teen pregnancy, this is a more powerful indicator of the social and economic health of children born to unmarried women. We know that children born to unmarried women under 20 who have not completed high school are 10 times more likely to be poor than children born to married women who are at least 20 and have a high school diploma.[vi]

- In Maine, we saw the **median household income** increase from $28,732 in 1993 to $31,189 in 1995. That represents an **8.6%** increase between 1993 and 1995, an increase that echoes national trends. However, data from 1995 also indicate that only three counties in Maine had median income above the national average of $34,076: Cumberland, Sagadahoc, and York Counties. These measures of median household income, available at the county level, are estimates from the U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE). A "household" includes all individuals who occupy a housing unit, including related family members and all unrelated persons. The most recent available data in this series is from 1995; the previous data in this series represent 1993. Data are reported on the State and County Profile pages.

- We also report the **median household income of families with children**. The latest statewide estimate is a multi-year average of income data from 1994 through 1998. The median income of families with children for this period was $37,600, a 3.9% increase from the previous estimate of $36,200 for the years 1993-1997. This measure represents the median annual income for families with "related children" under age 18 living in the household. "Related children" include the householder's children by birth, marriage, or adoption, as well as other persons living in the house, such as nieces or nephews, who are related to the householder. National trends have also shown increases in this income measure over the past several years. As one would expect, however, the percentage increase for households with children tends to be less than the percentage increase for other households without children.

- In 1995, 16.2% of children in Maine under age 18 were living in poverty, compared with 19.4% in 1993, according to the Small Area

immunizations;

(B) Employment services/workforce development;

(C) Public education; and

(D) Providing Temporary Assistance for Needy Families.

(2) Provide a description of the results of the coordination with each of these agencies in the CCDF Plan.

(b) Consult with appropriate representatives of local governments;

(c)(1) Hold at least one hearing in the State, after at least 20 days of statewide public notice, to provide to the public an opportunity to comment on the provision of child care services under the Plan.

(2) The hearing required by paragraph (c)(1) shall be held before the Plan is submitted to ACF, but no earlier than nine months before the Plan becomes effective.

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(3) In advance of the hearing required by this section, the Lead Agency shall make available to the public the content of the Plan as described in Sec. 98.16 that it proposes to submit to the Secretary.

Sec. 98.15 Assurances and certifications.

(a) The Lead Agency shall include the following assurances in its CCDF Plan:

(1) Upon approval, it will have in effect a program that complies with the provisions of the CCDF Plan, and that is administered in accordance with the Child Care and Development Block Grant Act of 1990, as amended, section 418 of the Social Security Act, and all other applicable Federal laws and regulations;

(2) The parent(s) of each eligible child within the area served by the Lead Agency who receives or is offered child care services for which financial assistance is provided is given the option either:

(i) To enroll such child with a child care provider that has a grant or contract for the provision of the service; or

Income and Poverty Estimates (SAIPE) series, which provides poverty measurement at the state and county levels. Piscataquis, Somerset, Waldo, and Washington counties followed this trend of declining poverty. Even so, the rates of child poverty in these counties remained above the state and national (20.8%) averages in 1995. The overall decline in the state rate is certainly a welcome trend, yet 16.2% of children equates to 49,672 children in Maine living below the poverty threshold.

- The five-year aggregated index of children living in poverty represents averages for the years 1994-1998 and indicates that 14% of children in Maine under 18 live at or below the poverty threshold. This is a decline from 15% for the years 1993-1997. Although this is progress in the right direction, and is well below the national average of 20%, these figures reveal that **we have nearly 42,000 children living in poverty**.

- Maine was one of the five states that experienced the largest percent drop in unemployment (one full percentage point) between 1997 and 1998. The **unemployment rate in Maine dropped from 5.4% in 1997 to 4.4% in 1998**. The national rate decreased from 4.9% to 4.5% over this period. Persons are counted as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work (see Definitions and Sources for more information). Of Maine counties, five were below the state average: Cumberland (2.4%), Knox (3.3%), Lincoln (3.4%), Sagadahoc (3.2%), and York (3.1%). Unfortunately, the unemployment rate in four of our counties was higher than any state, regional (i.e. Midwest, Northeast), or divisional (i.e. New England) rate in 1998: Aroostook (7.1%), Franklin (6.7%), Somerset (7.4%), and Washington (9.4%). The average unemployment rate of New England states was 3.5% [Connecticut (2.5%), Massachusetts (3.3%), Rhode Island (4.9%) New Hampshire (2.9%), Maine (4.4%), and Vermont (3.4%)].

There are several indicators that give us cause for concern:

Livable wage statistics

Students enrolled in free/reduced price school lunch program

TANF and Food Stamp participation

Livable wage analyses and measures of participation in social programs can serve to inform the story we tell of the economic health of our families. While the percent of children in poverty is widely used as the most global measure of

(ii) To receive a child care certificate as defined in Sec. 98.2;

(3) In cases in which the parent(s), pursuant to Sec. 98.30, elects to enroll their child with a provider that has a grant or contract with the Lead Agency, the child will be enrolled with the eligible provider selected by the parent to the maximum extent practicable;

(4) In accordance with Sec. 98.30, the child care certificate offered to parents shall be of a value commensurate with the subsidy value of child care services provided under a grant or contract;

(5) With respect to State and local regulatory requirements (or tribal regulatory requirements), health and safety requirements, payment rates, and registration requirements, State or local (or tribal) rules, procedures or other requirements promulgated for the purpose of the CCDF will not significantly restrict parental choice from among categories of care or types of providers, pursuant to Sec. 98.30(f).

(6) That if expenditures for pre-Kindergarten services are used to meet the maintenance-of-effort requirement, the State has not reduced its level of effort in full-day/full-year child care services, pursuant to Sec. 98.53(h)(1).

(b) The Lead Agency shall include the following certifications in its CCDF Plan:

(1) In accordance with Sec. 98.31, it has procedures in place to ensure that providers of child care services for which assistance is provided under the CCDF, afford parents unlimited access to their children and to the providers caring for their children, during the normal hours of operations and whenever such children are in the care of such providers;

(2) As required by Sec. 98.32, the State maintains a record of substantiated parental complaints and makes information regarding such complaints available to the public on request;

(3) It will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices, as required by Sec. 98.33;

children's well-being, many critics have charged that the measure, based on the federal government's poverty thresholds constructed in the 1960s, underestimates the income needed to meet basic needs. The primary criticism is that the thresholds are based on outdated assumptions about household expenditures. For example, the formula assumes that one-third of household income is spent on food. This is known to be an inflated estimate of the food proportion of contemporary family budgets.[1] What indicators should we attend to in order to construct an accurate picture of the economic health of our families? Much media attention has been focused on low unemployment rates and widespread reductions in the welfare rolls. Decreasing unemployment is undeniably significant; declining unemployment rates signify increased participation in the labor force. However, if these workers are not earning wages that allow them to support themselves, these jobs can hardly be contributing to economic growth. We must consider poverty statistics and unemployment rates alongside occupational wage data.

In fact, the last decade has witnessed a substantial increase in the number of children living in working-poor families (where at least one parent worked at least 26 weeks of the year, and family income was below the poverty threshold for that year). The Census Bureau reports that in the United States in 1997, 5.6 million children lived in working-poor families compared to 4.3 million in 1989.[vii] Clearly, work alone does not shelter children from poverty.

- The number of jobs that pay a **livable wage** has decreased from 81% of all Maine jobs in 1993, to 67.7% in 1998. A livable wage has been defined as 185% of the federal poverty threshold for a family of two (assuming a single-wage earner). The 1998 poverty threshold for a family of two was $10, 634. Therefore, a livable wage (1.85 x $10,634) amounted to an annual salary of $19,673 for a family of two. 67.7% of jobs in Maine paid an annual salary of at least $19,673. Furthermore, this statistic is a job count – it does not reveal how many persons are employed in these jobs. **If** all of these jobs were filled, we would still have over 32% of employed persons earning an annual wage of less than $19,673.

- This year we are also reporting livable hourly wage estimates for each county. Data are from **"Getting By in 1999: Basic needs and livable wages in Maine,"** a report of research conducted by the **Maine Center for Economic Policy**. The figures presented are estimates of the hourly wage needed to meet a basic needs budget (please see Definitions and Sources for further explanation, or contact the MECEP for their report, which includes detail of the methodology). Their research suggests that the annual income

[1] For an excellent exposition of these issues, see Pohlman, L, St. John, C., & Kavanaugh, W. (1999). *Getting by in 1999: Basic needs and livable wages in Maine.* Published by the Maine Center for Economic Policy, P.O. Box 2422, Augusta, ME 04338. www.mecep.org

(4) There are in effect licensing requirements applicable to child care services provided within the State (or area served by Tribal Lead Agency), pursuant to Sec. 98.40;

(5) There are in effect within the State (or other area served by the Lead Agency), under State or local (or tribal) law, requirements designed to protect the health and safety of children that are applicable to child care providers that provide services for which assistance is made available under the CCDF, pursuant to Sec. 98.41;

(6) In accordance with Sec. 98.41, procedures are in effect to ensure that child care providers of services for which assistance is provided under the CCDF comply with all applicable State or local (or tribal) health and safety requirements; and

(7) Payment rates for the provision of child care services, in accordance with Sec. 98.43, are sufficient to ensure equal access for eligible children to comparable child care services in the State or sub-State area that are provided to children whose parents are not eligible to receive assistance under this program or under any other Federal or State child care assistance programs.

Sec. 98.16 Plan provisions.

A CCDF Plan shall contain the following:

(a) Specification of the Lead Agency whose duties and responsibilities are delineated in Sec. 98.10;

(b) The assurances and certifications listed under Sec. 98.15;

(c)(1) A description of how the CCDF program will be administered and implemented, if the Lead Agency does not directly administer and implement the program;

(2) Identification of the entity designated to receive private donated funds and the purposes for which such funds will be expended, pursuant to Sec. 98.53(f);

(d) A description of the coordination and consultation processes involved in the development of the Plan, including a description of

required to meet basic needs is over 200% of the poverty level.[viii] There are 288,000 children aged 0-17 in Maine; 106,000 (37%) live in families with income below 200% of poverty. Seventy-five percent of these children (79,000) have parents who work. Growing up in an environment in which working hard does not guarantee a family's security can hardly serve to promote healthy development or aspirations for future success.

- The percent of school children participating in the **subsidized school lunch program** has shown little movement in the last 5 years, hovering around 30%. This year 29% of the student population was enrolled in the program, with the majority receiving free meals. Students who live in homes with annual incomes at or below 130% of the poverty level are eligible for free meals; 22% of students enrolled in school received free meals. Students who live in homes with annual incomes between 130% and 185% of the poverty level are eligible for reduced price meals; 7% of students enrolled in school received reduced price meals. These data are interesting for several reasons. We have seen a reduction in the numbers of children living below the federal poverty threshold. One would expect to then see decreasing numbers of children receiving subsidized school lunch. However, nearly one third of our children live in families with annual incomes below 200% of poverty, and nearly one third participate in the school lunch program. It is clear that the Department of Education is succeeding in identifying and enrolling eligible children in need of this assistance. And the benefits of this assistance are well documented: Research has shown that students who participate in subsidized lunch programs experience lower rates of absenteeism and perform better on standardized achievement tests than children of similar family income status who do not receive this assistance.[ix]

- **TANF (Temporary Aid to Needy Families) and Food Stamps benefits** are also indicators of family economics. This year Maine has experienced declines in both forms of assistance. The percent of children on TANF decreased from 8.3% in 1998 to 7.5% in 1999. The percent of children receiving food stamps decreased from 13.5% in 1998 to 11.9% in 1999. These programs seek to help low-income families make more successful transitions from welfare to work by providing supports in terms of cash assistance and Food Stamp benefits. These supports will help families meet their needs for housing, food, clothing, transportation, and child care. It is hard to establish what reductions in the numbers of recipients indicate. We know that the combined maximum monthly benefit level of TANF and Food Stamps, $791/month for a family of three, represents monthly income that is 68.4% of the federal poverty level (the federal poverty level for a family of three is $13,880 for a

public-private partnership activities that promote business involvement in meeting child care needs pursuant to Sec. 98.14(a) and (b);

(e) A description of the public hearing process, pursuant to Sec. 98.14(c);

(f) Definitions of the following terms for purposes of determining eligibility, pursuant to Secs. 98.20(a) and 98.44:

(1) Special needs child;

(2) Physical or mental incapacity (if applicable);

(3) Attending (a job training or educational program);

(4) Job training and educational program;

(5) Residing with;

(6) Working;

(7) Protective services (if applicable), including whether children in foster care are considered in protective services for purposes of child care eligibility; and whether respite care is provided to custodial parents of children in protective services.

(8) Very low income; and

(9) in loco parentis.

(g) For child care services pursuant to Sec. 98.50:

(1) A description of such services and activities;

(2) Any limits established for the provision of in-home care and the reasons for such limits pursuant to Sec. 98.30(e)(1)(iv);

(3) A list of political subdivisions in which such services and activities are offered, if such services and activities are not available throughout the entire service area;

(4) A description of how the Lead Agency will meet the needs of certain families specified at Sec. 98.50(e).

(5) Any additional eligibility criteria, priority rules and definitions established pursuant to Sec. 98.20(b);

(h) A description of the activities to provide comprehensive consumer education, to increase parental choice, and to improve the quality and availability of child care, pursuant to Sec. 98.51;

(i) A description of the sliding fee scale(s) (including any

family of three in 1999, or $1,157/month). Although our combined benefit level is above the national average, even in Maine the combined benefit is not enough to lift a family out of poverty.

We need more reliable data on the meanings of increases and decreases in public assistance program participation. Are there families moving from welfare to work who, because of low-wages, remain eligible for benefits but either do not know or are not informed? Does work sometimes prohibit eligible families from attending to recertification requirements? Do we succeed in informing applicants who are denied one form of assistance that they may be eligible for another? How do we ensure that we reach the greatest numbers of eligible children and families? We know that there are 106,000 children under 18 whose families do not make annual incomes that provide for basic needs.[x] If we consider Census Bureau data that indicate only 40% of children in poverty live in families receiving public assistance, reason would suggest that child poverty continues to jeopardize improvements in the well-being of many children.

***insert Social and Economic Opportunity layout page (excel file)**

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[i] America's Children

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factors other than income and family size used in establishing the fee scale(s)) that provide(s) for cost sharing by the families that receive child care services for which assistance is provided under the CCDF, pursuant to Sec. 98.42;

(j) A description of the health and safety requirements, applicable to all providers of child care services for which assistance is provided under the CCDF, in effect pursuant to Sec. 98.41;

(k) A description of the child care certificate payment system(s), including the form or forms of the child care certificate, pursuant to Sec. 98.30(c);

(l) Payment rates and a summary of the facts, including a biennial local

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market rate survey, relied upon to determine that the rates provided are sufficient to ensure equal access pursuant to Sec. 98.43;

(m) A detailed description of how the State maintains a record of substantiated parental complaints and how it makes information regarding those complaints available to the public on request, pursuant to Sec. 98.32;

(n) A detailed description of the procedures in effect for affording parents unlimited access to their children whenever their children are in the care of the provider, pursuant to Sec. 98.31;

(o) A detailed description of the licensing requirements applicable to child care services provided, and a description of how such licensing requirements are effectively enforced, pursuant to Sec. 98.40;

(p) Pursuant to Sec. 98.33(b), the definitions or criteria used to implement the exception, provided in section 407(e)(2) of the Social Security Act, to individual penalties in the TANF work requirement applicable to a single custodial parent caring for a child under age six;

(q)(1) When any Matching funds under Sec. 98.53(b) are claimed, a

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Newborns in America's Biggest Cities Face Longer Odds in Life than Most U.S. Kids

WASHINGTON – Babies born in the nation's top 50 cities are far more likely to start life at a substantial disadvantage relative to other infants, according to a new study of birth certificate data for more than 750,000 babies born in large cities in 1997. The report is the first comprehensive study of large cities based on data drawn from birth certificates.

The study, a KIDS COUNT Special Report focused on the nation's largest cities, underscores the extent to which many urban communities remain isolated from the economic and social resurgence experienced over the past decade.

The Annie E. Casey Foundation's *The Right Start: Conditions of Babies and Their Families in America's Largest Cities* found urban newborns are more likely to be born to unmarried women, to women with less than 12 years of education, and to women who get late or no prenatal care – risk factors that can have lifelong implications

The report also ranks cities on measures such as mothers who smoke during pregnancy and pre-term births, providing potential clues to how communities can give children a better start in life.

"We believe that children do best when their families do well, and that families do better when they live in supportive neighborhoods," said Douglas W. Nelson, president of the Casey Foundation. "This study shows clearly what happens when families don't get the kind of support they need. But because of the differences between cities, it may also give us more information on how to change this picture."

(more)

Among the major findings:

- In the average large city, 43 percent of total births occurred to unmarried women, compared to a national average of 32.4 percent. In the cities, that percentage ranged from a high of 71.6 percent in Detroit to a low of 24.5 percent in Honolulu.

- In the average large city, 14.9 percent of all births were to women under 20, compared to 12.7 nationally. The rate ranged from a high in Baltimore of 22.8 percent to a low in Seattle of 6.3 percent.

- In the average large city, 27.7 percent of births were to women with less than 12 years of education, compared to 22.1 percent nationwide. In the cities, the rate was highest in Los Angeles, at 47.1 percent, and lowest in Honolulu, at 9.5 percent.

The report also found some positive national changes between 1990 and 1997. Among the greatest changes:

- The percent of total births to mothers who smoked during pregnancy dropped from 18.4 percent in 1990 to 13.2 percent in 1997.

- The percent of total births to mothers receiving late or no prenatal care dropped from 6.1 percent to 1990 to 3.9 percent in 1997.

The report ranks the 50 largest cities using eight individual indicators, and two combined indexes, for a total of 10 measurements. An Appendix provides the same measures for every state. Data are also provided for five additional cities that are part of the Casey Foundation's 22-city *Making Connections* initiative, even though they are not among the 50 largest. This initiative seeks to stimulate and support local networks of residents, civic groups, political leaders, grassroots groups, government, and faith-based organizations to transform tough neighborhoods into family-supportive environments.

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children and families in the United States. It was established in 1948 by Jim Casey, one of the founders of United Parcel Service, and his siblings, who named the Foundation in honor of their mother.

The Casey Foundation also publishes the annual *KIDS COUNT Data Book* that provides a state-by-state assessment of children's well-being.

Complete data from The Right Start is available on the Foundation's Website at www.aecf.org.

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