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001. bio	Ron Haskins (partial) (1 page)	nd	P6/b(6)
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Clinton Presidential Records
First Lady's Office
Neera Tanden (Subject Files)
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FOLDER TITLE:
Kids Count

2012-0057-S
kc654

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

OP = Outlays Prior

early leany

Congressional Budget Office
Budget Analysis Division
(QEU4456)
M99,M02,P99

PRES REEST V FEB BASELINE V ORIGINAL PRES

SORTED BY FUNC SFUN AGEBU TID SUB
(amounts in millions)

when states start using subsidy $

02/24/98
9:45 AM
PAGE 18

INCOME SECURITY

75 1550 0 1 609 EA1 58 78 04 - policy
Proposed Legislation

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PRES REEST	BA:	0	1,755	1,880	2,000	2,200	2,665	2,712	2,761	2,811	2,862	2,914
	OP:	0	0									
	OT:	0	501	626	626	626	843	1,196	1,590	2,032	2,526	2,896
MARCH BASELINE	BA:	0	0	0	0	0	0	0	0	0	0	0
	OP:	0	0									
	OT:	0	0	0	0	0	0	0	0	0	0	0
ORIGINAL PRES	BA:	0	1,755	1,880	2,000	2,200	2,665	2,712	2,761	2,811	2,862	2,914
	OP:	0	0									
	OT:	0	1,170	1,606	1,892	2,119	2,492	2,633	2,721	2,788	2,838	2,890
GROUP 1- GROUP 2	BA:	0	1,755	1,880	2,000	2,200	2,665	2,712	2,761	2,811	2,862	2,914
	OP:	0	0									
	OT:	0	501	626	626	626	843	1,196	1,590	2,032	2,528	2,896
GROUP 1- GROUP 3	BA:	0	0	0	0	0	0	0	0	0	0	0
	OP:	0	0									
	OT:	0	-669	-980	-1,266	-1,493	-1,849	-1,437	-1,131	-756	-312	6

CBO outlay project

OMB Estimate

CBO - Pres.

75 1550 0 1 609 EB1 58 78 04
Legislation assumed in baseline - reauthorization / approp. of existing $'s

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PRES REEST	BA:	0	0	0	0	0	2,717	2,717	2,717	2,717	2,717	2,717
	OP:	0	0									
	OT:	0	0	0	0	0	2,482	2,717	2,717	2,717	2,717	2,717
MARCH BASELINE	BA:	0	0	0	0	0	2,717	2,717	2,717	2,717	2,717	2,717
	OP:	0	0									
	OT:	0	0	0	0	0	2,482	2,717	2,717	2,717	2,717	2,717
ORIGINAL PRES	BA:	0	0	0	0	0	0	0	0	0	0	0
	OP:	0	0									
	OT:	0	0	0	0	0	0	0	0	0	0	0
GROUP 1- GROUP 2	BA:	0	0	0	0	0	0	0	0	0	0	0
	OP:	0	0									
	OT:	0	0	0	0	0	0	0	0	0	0	0
GROUP 1- GROUP 3	BA:	0	0	0	0	0	2,717	2,717	2,717	2,717	2,717	2,717
	OP:	0	0									
	OT:	0	0	0	0	0	2,482	2,717	2,717	2,717	2,717	2,717

701 St. Paul Street
Baltimore, MD 21202
410 547-6600
FAX 410 547-6624

The Annie E. Casey Foundation

ASSESSING THE CHILD CARE CHALLENGE:

WHERE DO WE GO FROM HERE ?

The issue of child care, already a growing problem for America's families, has captured the attention of policymakers in Congress and the White House. It is also the focus of the Annie E. Casey Foundation's latest *KIDS COUNT Data Book*, which highlights the special need for safe and adequate child care for 10 million kids whose parents work at low-wage jobs, often at night or on weekends. The *Data Book* finds that the current child care systems are hurting kids, costing businesses and sabotaging welfare reform. That is why even bipartisan recognition of the need for increased child care is not enough.

Douglas W. Nelson
President of The Annie E. Casey Foundation
Invites You to Join Him
for a Panel Discussion on this Urgent Issue

Tuesday, May 5, 1998
10:30 a.m. to 12:00 noon
at the National Press Club, Holeman Lounge
14th and F Streets, NW
Washington, DC

Moderator:
Yolie Flores Aguilar, President of the Los Angeles County Board of Education, and formerly, Director of Child Care for Los Angeles

Panelists:

- Bruce Reed, Assistant to the President for Domestic Policy
- Ron Haskins, Staff Director, House Ways and Means Subcommittee on Human Resources
- Sharon Lynn Kagan, The Bush Center on Child Development and Social Policy, Yale University
- James Stojak, Executive Vice President, Global Fulfillment, Citicorp Credit Services, Inc.
- Mary Palmer Smith, Executive Director, Babyland Nursery, Inc.

For more information or to R.S.V.P. call 202-879-9314

FAX COVER

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Executive Office of the President
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DRAFT

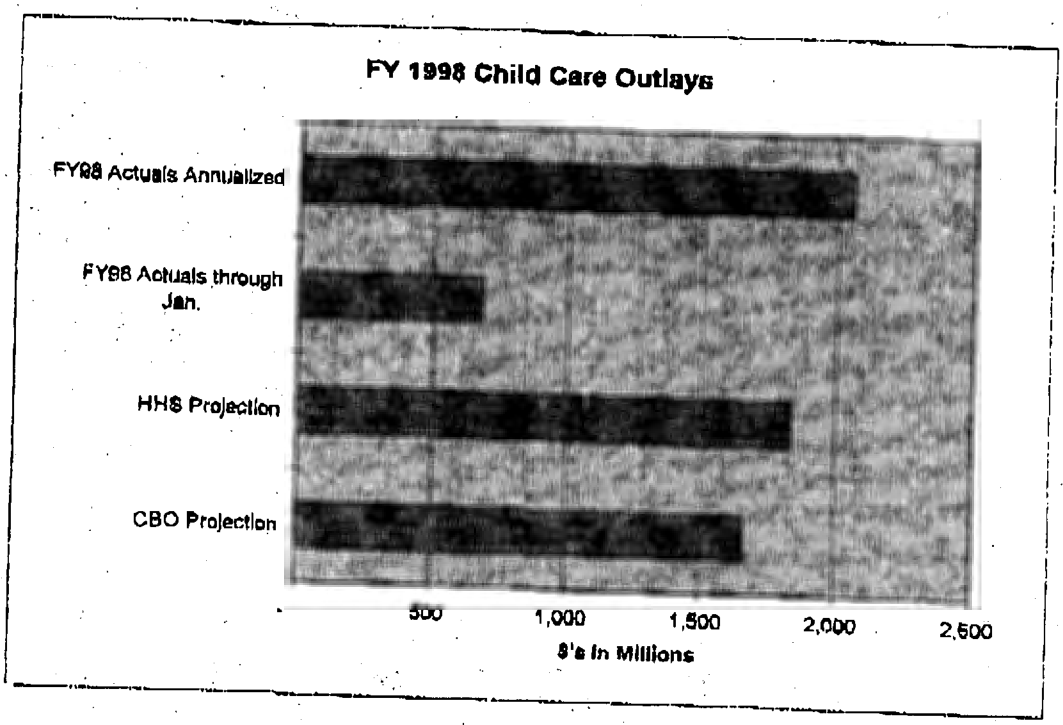
MANDATORY & MATCHING FUNDS -- OUTLAY SUMMARY

	Outlay Rates	
	As of 1/31/98	As of 1/31/97
FY97 Mandatory Funds	90.8%	24.7%
FY97 Matching Funds	90.1%	22.6%
FY98 Mandatory Funds	27.3%	-
FY98 Matching Funds	28.4%	-

CBO's baseline projection assumes that FY98 child care funds will be displaced by leftover FY97 funds; States will spend their funds remaining from FY97 first, and some portion of new FY98 funds will go unused by States.

The Administration's projection assumes that States will use all their FY97 and FY98 funds, and current outlay data support this. While prior year outlays are running at a very high rate (90%), the rate of new funds drawn down by States so far during FY98 is higher than at the same period last year (see table above). In addition, outlay rates for the first quarter are normally low for all programs. Therefore, while States are spending down their leftover FY97 balances, there is every indication that States will use all of their FY98 child care funds.

As the chart below indicates, FY98 outlays are currently running higher than either CBO or Administration projections.



CHILD CARE INITIATIVE: STATE ABILITY TO SPEND FEDERAL DOLLARS

Question: Why is new funding for child care programs necessary when States are not even spending the resources they currently have? States are only drawing down their money at a 70% rate-- that suggests they don't need additional funds.

Answer: We project that the States will spend all of their FY97 child care funds and know that states have obligated 99 percent of their funds. While it is true that child care outlays were 72 percent of the budget authority in FY97, this does not mean that the money will not be spent or is not needed. We project that states will outlay around 90 percent of their child care funds in two years and that virtually all of the money will outlay over the course of four years.

In any program, money does not outlay immediately. States first need to make commitments to spend the money -- they enter into contracts, place orders, etc. These are obligations. States then pay their bills from the state treasury after receiving services. At that point, states then come into the federal government seeking reimbursement. All of these steps take time, which means there is a lag between when funds are available and when they are outlays by the federal government.

A better measure of the states' committment to child care programs, and the need for child care funds, is that of child care obligations. This is the amount of money that states have committed to spend.

There are a variety of reasons why outlay rates are lower than obligation rates. States have one year to obligate their funds and the overwhelming majority have done so. States have two years to actually spend their money and several years to draw down funds (i.e., outlays) from the Federal Treasury. Since obligations reflect the amount of contracts and agreements (which will require States to make expenditures and outlays at some later time) we believe it is a better indicator of whether States are using their existing funds.

We are very encouraged by state financial reports, which show that the states have obligated over 99 percent of the child care funds available under the new welfare law for FY 1997. The fact that States have committed virtually all of this money demonstrates the tremendous need for child care, and President Clinton has continued to urge States to invest their dollars helping these working families.

Additional: The passage of the Personal Responsibility and Work Opportunity Reconciliation Act restructured funding of the child care program, and it was expected that States would require some time to transition. However, despite the extreme changes in the program, States reacted quickly to the need for child care funds and have drawn down the vast majority (72 percent of 1997 funds) of child care money.

- Background: The child care funds provided during welfare reform were originally targeted to welfare families. These new funds are aimed at working poor families since their child care costs place a large burden on the family's resources -- families with annual incomes under $14,400 spend 25 percent of their income on care for their children under age five.

Even with the Federal and State dollars currently available, we are only serving a small percentage of eligible children from working families. While the most recent data from 1995 indicates we serve over 1 million children, there are approximately 10 million children eligible for federal child care assistance.

TO: Bruce
FROM: Jen and Neera
RE: "KIDS COUNT" Panel Discussion
DATE: 5/4/98

Tomorrow you will participate in a panel discussion on child care sponsored by The Annie E. Casey Foundation. Casey is releasing its KIDS COUNT Data Book, an annual publication tracking the status of children in the United States, and has focused this year's edition on child care. The report highlights the need for safe, adequate and affordable child care, particularly for the 10 million children who grow up in low-income working families (March Current Population Survey, U.S. Census Bureau). The report also concludes that child care is crucial to the success of welfare reform --noting that as more families leave welfare for work, they should not be required to compromise their paramount obligations to their children.

KIDS COUNT Report

Highlights. The report talks about the need for caring and reliable child care for children in the crucial early years and for safe and structured activities for school age children. It notes that the demand for child care is increasing; today, nearly 29 million American children under 13 are likely to need child care while their parents work (over half of the children in that age group). Casey also reports that child care is unaffordable for many families, consuming 25 percent of income for low-income families. The report includes information about the difficulty families face simply finding child care, particularly low-income workers with nontraditional hours. Finally, Casey notes that quality is uneven and often poor and that inadequate care can have a dramatic impact on children's development.

Recommendations. The Casey Foundation commends the President's child care initiative and points to a number of model states that are providing child care in order to assure responsible welfare reform. Their recommendations include: (1) child care should be made more affordable through increased subsidies (i.e., states should reach all working families with incomes up to 85% of state median income) and by making the Dependent Care Tax Credit refundable; (2) employers have an important role to play in providing child care for their employees; (3) quality should be addressed by improving the training and compensation of child care providers and by enforcing adequate state licensing standards; (4) tax credits for families with a stay-at-home parent should be explored; and (5) parents need information in order to become better consumers of child care.

Panel Discussion

The panel discussion will include the following speakers (bios attached):

- Sharon Lynn Kagan, Yale's Bush Center on Child Development and Social Policy
- James Stojak, Exec. VP, Global Fulfillment, Citicorp Credit Services, Inc.
- Mary Palmer Smith, Exec. Director, Babyland Nursery, Inc.
- Ron Haskins, Staff Director, House Ways and Means Subcommittee on Human Resource

Tuesday, May 5, 1998

BruceReed	POTUS
9:10 Tarplin Call 9:30 DPC Staff Mtg (Room 211) 10:20 Car #33 with Jen Klein 10:30 Child Care Panel 5 min remarks Q&A (Holeman Lounge Nat Press Club) 12:00 Retailers PreBrief (Room 211) 12:15 Tobacco Retailers 1:45 Car #33 2:00 Shalala/ Specter (S-106 Capitol) 2:30 HHS Issues Shalala/Senate Moderates (G-59 Dirksen) 3:15 Car #33 3:00 Tobacco - Antitrust (Room 100) 4:30 Tobacco - Price (Room 180) 6:30 Farewell for Steve & Emily (State Floor)	Down until 11:30 11:30 Briefing (Oval) Bowles 11:45 Briefing (Oval) Goody 12:15 Departs WH 12:20 Reagan Bldg 12:30 Meet/Greet (Atrium Ballroom) 12:55 Dedication 2:10 Departs 2;15 Back at WH 2:15 Phone/Office 3:30 Time (Oval) 3:30 Mtg (Oval) Bowles 4:15 Foreign Policy Mtg (Ovl) Berger 5:15 Mtg (Oval) Streett 5:20 Meeting (Germany) (Oval) Berger 5:50 Briefing for Videos McCurry 6:00 Video Taping Evening Off

The panel's focus will be on how to solve the child care challenge. The discussion will touch on child care policy today, future problems, and solutions to the child care challenge on the local, state, and national level, from both the private and non-profit sector.

You should make the following general points:

- During the policy development process, we based our proposal on a set of values: First, child care is critical to working families; second, parents know best what is right for their children and we must support thier choices; and third, states and communities need flexiblity and federal government shoud give them that flexibility.

- We also recognized that states and local communities are finding the solutions to the child care challenges throughout the nation. States are developing innovative approaches to solve meet the need for more affordable, accessible, higher quality care. As the Casey report notes, states such as Illinois and Minnesota are exploring innovative approaches to provide child-care assistance for all low-income families

- In addition, local communities are trying to find child care solutions that meet their particular needs. For example: In the Atlanta area, Save the Children Child Care Support Center's Family child-care networks offer family child-care providers an opportunity to increase their skills and improve the quality of their services. In Newark, New Jersey, Babyland Family Services, provides entry-level employment, training, career development, and entrepreneurial opportunities for hundreds of community residents at its child-care centers and Ms. Smith will tell us more about this.[MARY PALMER SMITH, ONE OF THE PANELISTS, REPRESENTS BABYLAND.]

- The President's initiative builds on these state and local initiatives, and supports individual choice and state flexibility. Today, parents choose a wide range of child care situations -- be it relative care, family day care, or center-based care. The entire package is tailored to provide maximum flexibility to parents so that they can make whatever choices are best for their families.

- Then discuss the details of the President's initiatives. [See attached one pager.]

We anticipate that the most difficult arguments will come from Ron Haskins. He may argue that states have more than enough TANF money that they can use for child care and he may well refer to CBO's recent projection that states will not use the new child care funds proposed by the President. In response, you should make the following arguments.

- Most importantly, the President's child care initiative is designed to address the child care needs of all low-income working families, not only those coming off welfare. We know from HHS data that many states are setting their elegibility rates far below the federal eligibility rate. Additional funding will help working families who have never been on welfare as well as those families coming off welfare to help meet child care costs that can make up as much as 25% of their income.

- At first, many on the Hill argued that states still aren't using all their current CCDBG funds. In response, we made clear that state financial reports received thus fare show that States have obligated over 99% of the FY 1997 child care funds available to them under the new welfare law. Obligations represent the amount of money that States are committed to spending, reflecting the amount of contracts and agreements that States have made for which expenditures and outlays will be made at a later point.

- States are spending TANF funds at a rapid rate -- they have obligated 90% of their FY 97 TANF awards. By the end of March, their FY 98 outlay rate was about 66% (a higher rate than the comparable figure for March of 1997). The evidence indicates that States are drawing down their TANF funds.

- To date, few States have transferred funds into CCDBG. In FY 97, less than $180 million (slightly more than 1 percent) of TANF funds were transferred into CCDBG. In addition, under CCDBG, states are allowed to ask for reallocations of remaining funds that states do not use. At the end of last year, three-fourths of all states asked for reallocations, already getting in line for any additional funding. This indicates there is a strong demand for funds.

- Finally, we strongly disagree with CBO's projection that states won't use additional CCDBG funds. A recent GAO Report, titled *Welfare Reform: States' Efforts to Expand Child Care Programs*, studied seven states' child care expenditures under welfare reform and found that all seven states are unable to fund child care for all families meeting the federal eligibility criteria who might benefit from such assistance.

[Note for your purposes as background on CBO's projections:

OMB's projection are based on different assumptions than is CBO's. As the Child Care entitlement stands today, at the end of each year, states may request a reallocation of funds that are not used by other states.[See above bullet.] CBO assumes that there would be no request for reallocation and therefore, some funds would simply lapse. However, as pointed out above, three quarters of all states have requested reallocation. Thus, far there has not been much money reallocated, because states are using their funds.

Indeed, recent outlays indicate that CBO's projections are overly negative. We should look at what happened: During first quarter of 1997, the rate of outlay was 22% for matching funds, and 24% for non-matching funds. By the end of the year, 1997 funds were outlayed at roughly 90% for both matching and non-matching funds. For 1998, the rate of outlay was 28% for matching and 27% for non-matching funds, which was higher than the previous year and higher than both OMB's and CBO's projections. In fact, we assume a four-year outlay rate of 67%, which is much more conservative than actual outlays have been up to this point.]

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The Annie E. Casey Foundation

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WHERE DO WE GO FROM HERE?

The issue of child care, already a growing problem for America's families, has captured the attention of policymakers in Congress and the White House. It is also the focus of the Annie E. Casey Foundation's latest *KIDS COUNT Data Book*, which highlights the special need for safe and adequate child care for 10 million kids whose parents work at low-wage jobs, often at night or on weekends. The *Data Book* finds that the current child care systems are hurting kids, costing businesses and sabotaging welfare reform. That is why even bipartisan recognition of the need for increased child care is not enough.

Douglas W. Nelson
President of The Annie E. Casey Foundation
Invites You to Join Him
for a Panel Discussion on this Urgent Issue

Tuesday, May 5, 1998
10:30 a.m. to 12:00 noon
at the National Press Club, Holeman Lounge
14th and F Streets, NW
Washington, DC

Moderator:
Yolie Flores Aguilar, President of the Los Angeles County Board of Education, and formerly, Director of Child Care for Los Angeles

Panelists:
- Bruce Reed, Assistant to the President for Domestic Policy
- Ron Haskins, Staff Director, House Ways and Means Subcommittee on Human Resources
- Sharon Lynn Kagan, The Bush Center on Child Development and Social Policy, Yale University
- James Stojak, Executive Vice President, Global Fulfillment, Citicorp Credit Services, Inc.
- Mary Palmer Smith, Executive Director, Babyland Nursery, Inc.

For more information or to R.S.V.P. call 202-879-9314

A Project of
The Annie E. Casey Foundation
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news

MEDIA ADVISORY

Contact: Anneliesa Clump
Christy Campbell
Sharon Fischman
(202) 393-1010

1998 *KIDS COUNT Data Book*
NEW DATA ON THE CHILD CARE CHALLENGE AND RECOMMENDATIONS FOR REFORM TO BE RELEASED
States Ranked Best Through Worst On Children's Well-Being

WHEN: **Tuesday, May 5th at 9:30 a.m.**

WHERE: **First Amendment Lounge, National Press Club**
14th and F Streets, NW – Washington, D.C.

WHO: Representatives of the Annie E. Casey Foundation, publisher of the *KIDS COUNT Data Book*. (Including Oz Nelson, Retired Chairman and CEO of UPS and Chairman of the Annie E. Casey Foundation Broad of Trustees, Douglas W. Nelson, President of the Annie E. Casey Foundation, and William O'Hare, KIDS COUNT Coordinator.)

For the working parents of 30 million American children, finding affordable, safe, and accessible child care is a daily crunch. But for 10 million kids whose parents work at low-wage jobs, often at night or on weekends, securing safe and adequate child care amounts to a full-blown crisis. The 9th annual *KIDS COUNT Data Book* reports on the state of our child care system and underscores the need for increased child care support, particularly for working poor families.

The *KIDS COUNT Data Book* also provides detailed national and state figures on indicators such as juvenile crime arrest rate, high school dropout rate, and percent of children in poverty. The state-by-state rankings as well as other findings of the 1998 *KIDS COUNT Data Book*, will be released at the press conference and discussed at the panel following.

For more information, to get an embargoed copy of the *KIDS COUNT Data Book* and state fact sheets, or to arrange interviews, please call 202-393-1010.

A PANEL DISCUSSION on how to solve the child care challenge featuring policy-makers, advocates, and leading academics will be at 10:30 a.m. in the Holeman Lounge, National Press Club.

###

Date: 05/05/98 Time: 18:01
bClinton Statement on Casey Foundation Report on Childcare

To: National Desk
Contact: White House Press Office, 202-456-2100
WASHINGTON, May 5 /U.S. Newswire/ -- The following statement from President Clinton was released today by the White House:
STATEMENT BY THE PRESIDENT
I want to commend the Annie E. Casey Foundation for its KIDS COUNT Data Book, which highlights the need for safe and affordable child care for millions of America's working families. The report, released today, provides important evidence of the child care challenges facing families, businesses, and the economy.
KIDS COUNT reports that every day, parents of 29 million children struggle to find safe and affordable child care so that they can go to work. The challenge is especially great for the working parents of 10 million children in low-income families. The report tells us that this need continues to grow; that child care is unaffordable for many families, consuming 25 percent of income for many low-income families; that quality is uneven and often poor; and that inadequate care can have a dramatic impact on children's development.
This report provides further evidence of the urgency for Congress to act on child care legislation. Too many American families are struggling to find and afford child care to meet their obligations as workers and their more important responsibility as parents. My child care initiative will help working families pay for child care, build a good supply of after-school programs, improve the safety and quality of care, and promote early learning. Today, I again call on Congress to act, and I look forward to working with Members in both parties to enact comprehensive bipartisan child care legislation that meets the needs of children and families.
-0-
/U.S. Newswire 202-347-2770/
APNP-05-05-98 1801EDT

DATE: 4/28/98

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 INDEPENDENCE AVE., SW
WASHINGTON, D.C. 20201

PHONE: (202) 690-6311 **FAX: (202) 690-8425**

OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION
HUMAN SERVICES LEGISLATION
ROOM 413 H HUMPHREY BUILDING

FROM:

TO : Jen Klein [XX] MARY M. BOURDETTE
Deputy Asst. Sec.

OFFICE : WH/DPC

ROOM NO :

PHONE NO :

FAX NO : 456-2878

TOTAL PAGES
INCLUDING COVER) : 3

N
For Casey
J
My only copy.

REMARKS: Here's some notes that you may want to use to brief Bruce for his Casey presentation. I have some attachments for it, but a little much to fax - so I'll bring them over before end of week -- is that soon enough? I do think that since he goes first, he may want to initially undercut the arguments that Ron will be making

See ya

Jen,

As Bruce prepares for his Casey presentation on child care next week, he should anticipate that Ron Haskins will argue that states are swimming in money and, as a result, there is no need to give them another $21 billion for child care. He is likely to argue this from three perspectives:

1. States aren't even spending all their current Child Care and Development Block Grant (CCDBG) funds.

This was the initial Republican argument against the President's initiative. We have developed the attached (#1) to refute this and have spent considerable time with hill staff trying to convince them that this argument doesn't hold water. As a result, Ron may not put much emphasis on this point and may move onto points 2 and 3.

2. States have tons of TANF funds that they can use for child care.

Ron definitely will emphasize this argument and point to current TANF spending as well as CBO estimates re future TANF spending to make the case that states will have lots of money they can transfer to CCDBG.

As per the attached (#2), there are several points to make in response:

- States are spending TANF funds at a rapid rate-- they have obligated 90 % of their FY 97 TANF awards. By the end of March, their FY 98 outlay rate was about 66% (a higher rate than the comparable figure for March of 1997). The evidence indicates that States are drawing down their TANF funds.

- To date, few States have transferred funds into CCDBG. In FY 97, less than $180 million (slightly more than 1 percent) of TANF funds were transferred into CCDBG.

- With respect to future TANF funds, states will face increasing welfare to work costs as the work requirements increase and their rolls are composed of harder-to-place recipients with more difficult needs.

- Further, keep in mind that Congress specifically allowed states unlimited time to obligate their TANF funds so that they would have their funds available for rainy days or contingency purposes. Can't both set aside the funds for a rainy day and use them for child care. (A caution here, we can't say for sure how much states are planning to set aside for rainy day funds, since they can't draw them down for this purpose --

rather they simply don't obligate these funds and they therefore remain available for the state to use at a later point.)

3. CBO projects that states won't use the new child care funds proposed by the President.

► While OMB projects that states will use all of their new child care funds each year, CBO's initial projections (#3) are that states won't begin to use the new child care subsidy funds until FY 2003.

► These projections are simply unbelievable in light of all the evidence about the need for child care - especially among working (non-welfare) families. We are only serving a small fraction of those eligible for CCDBG; there's 5 million latch-key kids out there; CDF has highlighted state waiting lists; the press reports every day on the difficulty parents face finding or affording child care.

Needs help.

Hope this helps - all of us here would be happy to provide you any other information Bruce may need for this.

Mary

P.S. I'll bring the attachment over.

PODESTA
associates, inc.

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TO: N. Tanden for Bruce Reed

FAX #: 456-2878 CODE: 121

DATE & TIME: 5/4/98

FROM: Anneliese Cheung 202 879 9381

NUMBER OF PAGES INCLUDING COVER SHEET: 15

MESSAGE

Bios of AE Casey Foundation panelists.

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news

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THE CHILD CARE CHALLENGE: MAKING CARE AFFORDABLE, PRACTICAL AND TRUSTWORTHY

9th ANNUAL STUDY OF U.S. CHILDREN MANDATES ACTION

WASHINGTON, DC – Every working day, parents of 29 million children confront the challenge of finding safe and reliable child care while balancing the demands of work. But finding adequate and affordable care for the 10 million children in America's lowest income families is a never-ending crisis.

That is the central finding highlighted in the 1998 edition of the Annie E. Casey Foundation's *KIDS COUNT Data Book.* According to that report, child care costs consume, on average, fully one-fourth of the income of those Americans who earn less than $1,200 a month – even after existing public subsidies are counted.

Moreover, demand for available child care is soaring, driven by the fact that an estimated 70 percent of all women with pre-school children – including millions of former welfare mothers – will be working outside the home by the year 2000.

"American families need a child care system that is affordable, practical, and trustworthy," says Douglas W. Nelson, president of the Casey Foundation. "If we don't improve upon the current state of child care, we will not only undermine welfare reform and weaken the future workforce, but we also end up putting tens of thousands of children in harm's way."

The ninth annual KIDS COUNT report also finds dangerously few good options for the more than one-fourth of working poor parents who do not work traditional 9-to-5, Monday-to-Friday shifts, when child care is now most often available. And the study documents a growing need for after-school programs for some 3.5 million young children who are left by themselves until their parents return from work.

Even when parents can find child care, it is often substandard. One multi-state study cited in the report found that only 1 out of 12 infant and toddler rooms at child care centers provided developmentally appropriate care, and 40 percent were deemed a potential threat to children's health and safety. The report links low quality child care to low wages and inadequate training for child-care workers – problems that make it difficult to attract and retain skilled staff.

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"Parents trying to make ends meet and provide quality care for their children need a child care environment that helps prepare their children for school," Nelson said. "Success begins from the start, but so does failure. Nurturing, high quality child care puts children on the road to success."

Welfare-to-Work: The Child Care Deficit

The report emphasizes that the lack of affordable and practical day care is a significant barrier preventing welfare recipients from making a successful transition to employment. A study in Minneapolis, for example, found that one-quarter of the former welfare recipients on the waiting list for child care went back on public assistance because child care never materialized.

Without coordinated efforts by government, business, and religious and civic organizations, affordable, practical, and trustworthy child care will never become a reality for the people who need it most, the report asserts.

"If we fail to provide children, especially those poor children who are most at risk, with quality child care, we are gambling with their future," said Nelson. "Child care is a make-or-break issue for welfare parents making the transition into the workforce. Welfare reform that puts mothers to work at the cost of putting their children in jeopardy is a flawed reform."

As the report notes, child care complications affect not only welfare mothers, but all working families. In fact, 75 percent of working mothers reported disruptions in job attendance due to child care difficulties. Meanwhile, according to estimates cited in the study, U.S. business is losing $3 billion in productivity each year because of working parents' problems with child care.

The report underscores the need for increased funding for federal child care block grants to the states as well as the desirability of expanding and making refundable the dependent care tax credit. States are urged to ensure that subsidy levels are sufficient for low-income and welfare-to-work families. The report also exhorts states to make assistance more flexible to accommodate the needs and preferences of low-income families.

To improve quality, the report recommends better compensation and training for child care employees. Minimum quality standards by states and consistent enforcement of these standards by public agencies are also recommended. In order to meet the special needs of low-income families, the report calls for more investment in neighborhood-based child care, including centers operated by churches and community organizations as well as programs located in schools or public housing communities. Such local facilities offer not only convenience to parents, but also employment and training for neighborhood residents.

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Finally, the report urges that more information be available to parents so that they can become better consumers of child care. To assist with consumer awareness, the 1998 Data Book is being issued with a resource kit, entitled *Child Care You Can Count On: Model Programs and Policies,* that details where parents and child care providers can find the best practices in the field.

In addition to providing child care facts and analysis, the 1998 *KIDS COUNT Data Book* updates the Casey Foundation's annual comprehensive state-by-state statistical assessment of the well-being of American children. Using the best available government data, the report uses several key indicators to track the condition of children over time. (For a more complete summary of these indicators, with background information for each state, including demographic, economic and health data, see the enclosed National Fact Sheet, or use the on-line database available at **www.kidscount.org**).

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.

Along with publishing the *KIDS COUNT Data Book,* the Casey Foundation also funds a nationwide network of state-level KIDS COUNT projects that provide more detailed, community-by-community data on the condition of children.

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The New York Times

April 29, 1998, Wednesday, Late Edition - Final

SECTION: Section A; Page 14; Column 4; National Desk

LENGTH: 683 words

HEADLINE: From Welfare Roll to Child Care Worker

BYLINE: By TAMAR LEWIN

BODY:

Many day care centers, especially for-profit chains, are hiring welfare recipients to care for young children.

In a survey of 158 centers in five cities, the Center for the Child Care Work Force, a nonprofit research and advocacy group in Washington, found that 35 percent of the centers employed welfare recipients.

But 80 percent of the for-profit chains, the fastest-growing segment of the day care industry, employed welfare recipients as against 40 percent of the independent, nonprofit centers, 30 percent of the church-sponsored centers and 20 percent of the independent, for-profit centers.

"For-profit child care has a history of going after low-wage workers," said Deborah Phillips, an author of the study. "They used to go after grandparents, and now they're going to welfare recipients. They are hired primarily as the lowest-paid assistants at centers with the lowest wages. Absent training and anything like a decent wage, this solution to welfare reform and need for child care is unlikely to provide women a route to self-sufficiency."

The Federal welfare overhaul law requires recipients with young children to find work, and that has increased the demand for both child care services and jobs for many women with little education or job training. Many states have responded to those dual needs by putting those women to work in child care centers, raising concerns both for the women hired and the children they care for.

The centers that pay the lowest wages are the ones most likely to employ welfare recipients. Fewer than half the centers that hire welfare recipients offer on-site training, and only 1 in 5 offers the kind of college-credit training required for the better-paying child care jobs.

"These women are just thrust into classrooms," said Ms. Phillips, who is also director of the National Academy of Science's Board on Children, Youth and Families. "If this was first-grade teachers we were talking about, I don't think we'd consider doing this."

The new study is based on a sample of child care centers in Atlanta, Boston, Detroit, Phoenix and Seattle. In 1988, the center did an in-depth study of staffing and quality at 227 centers in those cities, finding that the best child care was in nonprofit centers, and those with the highest wages, lowest turnover, best training and fewest children assigned to each teacher.

The centers in the new study represent those from the original sample that were still operating and willing to participate in the follow-up. The 70 percent that survived and were included in the new study, the center said, tended to be the better ones.

But even among these centers, wages and turnover remain problems. The average turnover rate was 31 percent, with one-fifth of the centers reported losing half or more of their teaching staff in the past year. Turnover in the for-profit chains was 45 percent, compared with 20 percent in the centers accredited by the National Association for the Education of Young Children.

Centers that pay higher wages have less turnover. But the average child care worker earns less than a parking lot attendant. Entry-level child care jobs pay $6 an hour, or $10,500 a year, a rate that, adjusted for inflation, has increased just a penny an hour over the last decade, and one that keeps many child care workers below the Federal poverty line, $12,830 for a family of three. Even child care teachers in the highest-paid category -- mostly people with college degrees and early childhood training -- earn $10.85 an hour, or $18,988 a year, less than the $19,656 average salary of working women with a high-school diploma.

The decade between the two studies was a time of increased public funding for low-income families' child care, through the Child Care and Development Block Grant. For-profit chains tripled their revenues from public subsidies over the last decade, the study found, while independent nonprofit centers experienced a 4 percent decrease in revenue from public subsidies.

The center would not say which for-profit chains were included in the study.

GRAPHIC: Chart: "BY THE NUMBERS: Near the Bottom"
The median hourly wage of child care workers falls short compared with other workers.

Minimum wage: $5.15
Child care worker: 6.12
Parking lot attendant: 6.38
Animal caretaker: 6.90
Preschool teacher: 7.80
Secretary: 10.61
Bus driver: 11.56
Flight attendant: 16.94
Kindergarten teacher: 19.16

(Source: Bureau of Labor Statistics)

LANGUAGE: ENGLISH

LOAD-DATE: April 29, 1998

The Annie E. Casey Foundation hosts

ASSESSING THE CHILD CARE CHALLENGE: WHERE DO WE GO FROM HERE ?

Tuesday, May 5, 1998

BIOGRAPHIES OF PANELISTS

YOLIE FLORES AGUILAR - Moderator

Yolie Flores Aguilar, President of the Los Angeles County Board of Education, is a child care and education leader in Los Angeles. Ms. Aguilar chairs the Los Angeles County Child Care Capacity Workgroup, is an executive member of the Children's Planning Council and the Los Angeles Roundtable for Children, and serves on the Los Angeles County Welfare Reform Taskforce. Recently, she joined the National Economic Development and Law Center as a Senior Program Manager, and prior to that she was Director of Child Care Policy and Planning for the City of Los Angeles and the former Work/Family Director for the Los Angeles Department of Water and Power. Ms. Aguilar was in the inaugural class of the Annie E. Casey Foundation's Children and Family Fellowship Program. She has played a critical role in shaping the section on child-care policy in this year's *1998 KIDS COUNT Data Book.*

RON HASKINS

Ron Haskins is the Staff Director for the Subcommittee on Human Resources of the Committee on Ways and Means, U.S. House of Representatives. Mr. Haskins is the chief House staffer responsible for child care related legislation. Prior to being Staff Director, Mr. Haskins was welfare counsel for the Republicans on the Ways and Means Committee. Before working on Capitol Hill, he was a research professor at the University of North Carolina at Chapel Hill. Mr. Haskins has published books and articles on children and policies. In his 11 years in Washington, Mr. Haskins has worked primarily on welfare reform, day care, child support enforcement, foster care, unemployment, and budget issues.

SHARON LYNN KAGAN

Sharon Lynn Kagan, Senior Associate at Yale University's Bush Center in Child Development and Social Policy, is recognized nationally and internationally for her work related to the care and education of young children and their families. Presently, Dr. Kagan is the President-Elect of the National Association for the Education of Young Children, Co-Chair of the National Education Goals Panel on Goal One, and a member of more than 40 national boards or panels. She has recently completed a national study, Not By Chance, the report of The Quality 2000 Initiative, and Co-edited new volumes on Reinventing Early Care and Education, and Children, Families and Government. Dr. Kagan has been also a Head Start teacher and director, and Director of the New York City Mayor's Office of Early Childhood Education.

BRUCE REED

Bruce Reed, Assistant to the President for Domestic Policy and Director of the Domestic Policy Council, is the chief architect of the Administration's child-care proposals. He oversees a variety of domestic issues including welfare reform, education, health care, and crime, as well as long-term policy development. Mr. Reed served Deputy Assistant to the President for Domestic Policy from 1993 to 1995 and Assistant to the President for Domestic Planning from 1995 to 1996. In 1992, he was Deputy Campaign Manager for Policy of the Clinton-Gore campaign. From 1990 to 1991, he served as Policy Director of the Democratic Leadership Council, where he was editor of The New Democrat magazine. He worked as Chief Speechwriter to then Senator Al Gore from 1985 to 1989.

MARY PALMER SMITH

Mary Palmer Smith is the founder and Executive Director of Babyland Nursery, Inc, a model child-care center. Ms. Smith operates six child-care centers, which annually provide quality care to more than 700 children in the Newark, New Jersey area. In addition, Babyland has a network of family-based child-care providers, training mothers who can work in their own homes. A high proportion of participating families are low income or on welfare, although the centers also serve middle- and upper-income families. Babyland employs nearly 200 workers, and construction of four new centers will create additional jobs in future years. Ms. Smith recognizes the link between reliable and affordable child care and economic independence for working families. Ms. Smith served as a trustee of the New Jersey University of Medicine and Dentistry. She is a member of the State Human Services Advisory Council, a member of the State Child Care Advisory Board to name a few.

JAMES R. STOJAK

James R. Stojak, Citibank Executive Vice President, Global Fulfillment, leads the Corporation's strategic initiatives to deliver the highest quality products and services to consumers worldwide. Citibank, one of the world's leading financial organizations, is committed to helping employees balance the demands of work and family by providing high quality, affordable, onsite child care at locations across the United States. Mr. Stojak directs efforts to establish both short and long term strategies for the business. Previously, he served as Senior Vice President of Computing and Communications at Wells Fargo Bank, San Francisco. Prior to that, Mr. Stojak was Vice President and Manager of Systems Technology at Continental Illinois National Bank, where during a 13 year career at the bank he held various management positions in systems and operations.

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. The Foundation was established in 1948 by Jim Casey, one of the founders of the United Parcel Service, and his siblings who named the Foundation in honor of their mother. For more information, please visit our website at www.aecf.org.

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Brief Biography
Ron Haskins
April 1997

Ron Haskins is the staff director for the Subcommittee on Human Resources of the Committee on Ways and Means, U.S. House of Representatives. Prior to becoming staff director, he was welfare counsel for the Republicans on the Ways and Means Committee. Previously, he was a research professor at the University of North Carolina at Chapel Hill, a lecturer in history and education at the University of North Carolina at Charlotte, a high school social studies teacher in Charlotte, North Carolina, and a non-commissioned officer in the United States Marine Corps. After completing his undergraduate degree in history, Haskins obtained an M.A. in education and a Ph.D. in developmental psychology from the University of North Carolina at Chapel Hill. Haskins has published books and articles on intellectual development, illness and day care, day care policy, education policy, divorce and child support, federal expenditures on social programs, and federal budget and tax policy. In his 11 years in Washington, Haskins has worked primarily on welfare reform, day care, child support enforcement, foster care, unemployment, and budget issues. He is remarried and has four children ranging in age from 9 to 30.

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SHARON LYNN KAGAN, Ed.D.

BIOGRAPHICAL STATEMENT

Sharon Lynn Kagan, Senior Associate at Yale University's Bush Center in Child Development and Social Policy, is recognized nationally and internationally for her work related to the care and education of young children and their families. Dr. Kagan is a frequent consultant to the White House, Congress, the National Governors' Association, the U.S. Departments of Education and Health and Human Services, and numerous states, foundations, corporations, and professional associations. Presently, she is the President-Elect of the National Association for the Education of Young Children (NAEYC), Co-Chair of the National Education Goals Panel on Goal One, and a member of over 40 national boards or panels. Formerly, Chair of the Family Resource Coalition of America's Board of Directors, and a member of President Clinton's education transition team, National Commissions on Head Start and Chapter 1, and the NAEYC Governing Board, Dr. Kagan has received numerous awards, among them an honorary doctoral degree from Wheelock College and a distinguished alumna award from Teachers College, Columbia.

Dr. Kagan is a prolific author, having written over 120 publications including the authorship or editorship of 12 volumes and the guest editorship of numerous journals. In her writings, Dr. Kagan has investigated issues including the development of policy for children and families, family support, early childhood pedagogy, strategies for collaboration and service integration, and the evaluation of social programs. She has recently completed a national study, *Not By Chance*, the report of The Quality 2000 Initiative, and co-edited new volumes on *Reinventing Early Care and Education*, and *Children, Families and Government*. Her analytic work has been supported by research grants from ten national foundations, along with the U.S. Departments of Education and Health and Human Services. Augmenting her scholarship with practice in the field, Dr. Kagan has been a Head Start teacher and director, a fellow in the U.S. Senate, an administrator in the public schools, and Director of the New York City Mayor's Office of Early Childhood Education.

12/97

Citicorp Executive Biography:

James R. Stojak
Executive Vice President, Global Fulfillment
Citicorp

James R. Stojak, Citibank Executive Vice President, Global Fulfillment, leads the Corporation's strategic initiatives to deliver the highest quality products and services to consumers worldwide. In this role, Mr. Stojak directs efforts to establish both short and long term strategies for the business.

Mr. Stojak's overall responsibilities comprise overseeing and expanding the methods of customer interactions. This includes leveraging best practices throughout the corporation to enhance both the spectrum of products the bank offers and the variety and quality of methods of customer contact -- from telephones to ATMs to personal computers. As a senior business leader, he has overall accountability for developing the operational strategic direction to ensure the company excels in the competitive financial marketplace. Since joining Citibank in 1985, Mr. Stojak has held a variety of strategic organizational positions. Joining the corporation as Senior Vice President, Director of Information Services for Bankcards, he then became General Manager of Citicorp Credit Services, Inc. (Maryland). In 1990, Mr. Stojak assumed overall responsibility for the bank's credit card operations in Sioux Falls, South Dakota; The Lakes, Nevada; and Hagerstown, Maryland. In 1993, Mr. Stojak became a member of the Executive Team responsible for Citicorp's U.S. Card Products Group. He became Chief Operating Officer for Europe/North America Bankcards in 1994. He assumed his current responsibilities in February, 1997.

Mr. Stojak's professional background includes serving as Senior Vice President of Computing and Communications at Wells Fargo Bank, San Francisco. Prior to that, he was Vice President and Manager of Systems Technology at Continental Illinois National Bank, where during a 13 year career at the bank he held various management positions in systems and operations.

Mr. Stojak serves on various professional organizations. He holds an MBA in Finance from DePaul University, Illinois. Mr. Stojak's office is located in Hagerstown, Maryland.

yolie flores aguilar

serving comunities, children, & families

Yolie Flores Aguilar, appointed to the Los Angeles County Board of Education in 1995, is one of the highest ranking Latinas in local public education and in children's advocacy. She is the former Director of Child Care for the City of Los Angeles, and currently a Senior Program Manager with the National Economic Development and Law Center where she works with communities across the country in planning for neighborhood child care development and implementation. She has also consulted to the Annie E. Casey Foundation on child care and Latino children's issues. Previously, at the Department of Water and Power, she designed and managed DWP Family Care, a nationally acclaimed employer-supported child care and work/family program.

As a recognized leader in children's issues in Los Angeles, Ms. Aguilar serves on various boards to help improve the lives of children, families, and communities. In her capacity as President of the L.A. County Board of Education, she has gained the commitment from the Los Angeles County Office of Education to develop and implement an early childhood development initiative. As an executive member of the Children's Planning Council, she has the led the county-wide effort to develop children's planning collaboratives in each of the eight Service Planning Areas of Los Angeles County. In addition, she co-chairs the Los Angeles County Child Care Capacity Development Work Group, is a member of the Los Angeles County Welfare Reform Taskforce, is vice president of the board of the Pediatric and Family Medical Center, an executive board member of the Los Angeles Roundtable for Children, and a founder and director of the National Latina Alliance.

Yolie Flores Aguilar is an avid and passionate bilingual speaker on early childhood development and on the power and responsibility of parents and communities in charting a successful future for all children.

Ms. Aguilar is a graduate of the University of Redlands and received her master's degree in Social Welfare from the University of California, Los Angeles. In 1993, Ms. Aguilar was one of ten selected in the nation to participate in the 1993-94 inaugural class of the Children and Family Fellowship sponsored by the Annie E. Casey Foundation. Most recently Ms. Aguilar was selected by the YWCA of Greater Los Angeles as one of twenty multi-ethnic women for the Incredible Women Making History award.

MARY PALMER SMITH

I. BIOGRAPHY

Mary Smith, the founder and Executive Director of Babyland Nursery, Inc. earned a B.S. degree from Rutgers University-Livingston College with a major in Sociology and an M.A. from Kean College in Early Childhood Education. She was awarded honorary doctorates by Seton Hall University, South Orange, New Jersey and Drew University, Madison, New Jersey.

Mrs. Smith served as a trustee of the New Jersey University of Medicine and Dentistry. She is a member of the State Human Services Advisory Council, a member of the State Child Care Advisory Board, New Jersey State Department of Human Services Ad Hoc Committee on Infant /Toddler Child Care Regulation; National Center for Urban Ethnic Affairs; and The National Committee of the Campaign for Human Development. Her awards include: Kean College-Outstanding Graduate; New Jersey Pride Award, 1989; Senator Bill Bradley's "Unsung Heroine Award" and the Pro Ecclesia et Pontifice Award from Pope John Paul II, the highest award that the Catholic Church gives to a lay person. This marked the first time a black woman had ever been the recipient of this award. She was also one of the "Faces of Hope" guest at President Bill Clinton's Inaugural Gala. In 1996, Mary was presented the Phenomenal Woman Award by the Honorable Gayle Chaneyfield, Councilwoman-at-Large and she also received the Ann Klein Award for dedicated and forceful service as a community activist who advocates for the delivery of quality service to the elderly population of Newark's Central Ward.

A resident of Newark since she was six years old, Mary Smith is thoroughly familiar with inner-city problems, especially those of Newark, a city whose people she loves with all of her heart. She has seen her city change from a multi-cultural city where small flourishing businesses lined the streets. She remembers when the downtown area was once a major regional retail center with large department stores, branches of national chain merchandisers, three large movie theaters and cultural sites and events that rivalled those of most cities.

> "This was a place where you could leave your door unlocked. In our neighborhood there were blacks and whites. Then you began to see a progression in the early 1960's with whites who used to live over their businesses starting to move to the suburbs. Buildings started looking terrible. People stopped cleaning up, and the suburbanites coming back in to look around would say 'I lived there and look at how bad it is now.' They were blaming black people who didn't own the housing. People from the suburbs owned it, but

they wouldn't paint it or repair anything."

Mrs. Smith had four young children and was juggling a number of jobs with her husband. However, when the needs of a sick child demanded more of her attention, she stopped working. In 1964 the family moved to Scudder Homes, the State's largest public housing project which was made up of a series of 13-story buildings, housing 1,200 families. The lessons she learned about public housing, life and the people in Newark's infamous public housing projects molded her thinking and helped to shape the New Community philosophy.

"I was the third person to move into my building. The day after I moved in, I went shopping and returned to find the elevator was broken. I lived on the eleventh floor, and that elevator stayed broken. Then we didn't have hot water. I found out they didn't put screens on windows above the seventh floor. I went to complain about the mosquitos we were getting at night and was told that the Federal government had determined that mosquitos didn't go above the seventh floor. The mosquitos were eating my kids up. It changed my attitude about people in public housing."

Mrs. Smith organized the residents to fight back by prodding the public housing bureaucracy to provide hot water, repair elevators and put screens on windows. She worked tirelessly with tenants, teaching them skills like budgeting, sewing and doing laundry. Within six months, Mrs. Smith became president of the new tenant's association at Scudder Homes and became involved in a statewide public housing tenant's group, schooling herself in neighborhood activism and even agitating for improvements in Newark's overcrowded public school system.

Residents also expressed concerns about street crime and other dangerous conditions in their neighborhoods, which they attributed partly to a lack of police presence. Mary Smith's response was to organize the Tenant's Association of Scudder Homes and tenants from other public housing to pack the City Council meeting with 1,500 residents. The politicians got the message and soon provided additional police protection for the area. The group also called for a Police Review Board to investigate suspected corruption on the force. The Newark Police Department refused, but did permit neighborhood representatives to ride on police patrols to see them doing their jobs and to convince residents that police were not brutal.

Mary Smith next became involved in Operation Understanding, an early civil rights awareness movement in Newark. This involvement followed a series of conversations and meetings with Father William J. Linder, the founder of New Community Corporation, who wanted Mrs. Smith involved in the efforts that were to seed one of the most effective community development relationships in Newark. From this sprang a remarkably effective and dedicated group called Operation Housewives that was soon to have 15 chapters around New Jersey. Mrs. Smith became co-chairperson of this coalition of urban and suburban women.

She spent six years traveling to churches in the suburbs talking about the plight of inner city residents. One of the messages that she took was the need to create well-paying jobs for urban women. The suburban women could encourage their husbands to help by opening up jobs and developing training programs. Many of the suburban men held prominent posts in prestigious firms.

However, according to Mrs. Smith, jobs were of minimal value, without reliable child care for the prospective working mothers, during working hours. No day-care center in Newark would accept children under 2 1/2 years of age. Nor was there any infant day care center in New Jersey.

Mary Smith was determined to provide day care, and for over twenty five years has been doing just that. With funds from the Operation Housewives' thrift shop, the first Babyland Nursery opened in August 1969 in a seven-room apartment in Scudder Homes. Now there are seven centers, caring for nearly 700 children in the Central Ward, the Roseville area and Downtown Newark.

Although she is now a grandmother of five, Mary Smith shows no signs of slowing down. She has a hands-on approach to her Babyland responsibilities and serves as treasurer of the Board of Directors of New Community Corporation, as well.

II. BABYLAND NURSERY

Babyland Nursery, Inc. was incorporated in the state of New Jersey in 1970 and Mary Smith became the Executive Director. Babyland was a national trailblazer when it began providing day care to the children of the Central Ward. It was New Jersey's first non-profit interracial day care center for children from 2 1/2 months to five years old. Not a single day care center in Newark would accept children under 2 1/2 years of age, and infant day care was unheard of in New Jersey.

Mary Smith understood that the hundreds of mothers in her neighborhood required good, dependable day care, if they were going to hold down jobs. She continued to inform her suburban counterparts about the jobs that Central Ward residents needed and the obstacles they faced in finding day care for their children. The group set up the Central/West Ward Service League of Newark, which opened a thrift shop called Operation Housewives, at 302 South Orange Avenue. Run by Newark women and stocked by suburbanites, this entrepreneurial venture succeeded in raising the money needed for the day care center. With the intervention of the suburban women, the fledgling group received a vacant seven-room apartment in the Scudder Homes Housing Project.

EARLY STRUGGLES

"We did the work ourselves," Mary Smith says, "And, in a year the center was open. It was beautiful, bright and cheerful with new furniture. Operation Housewives helped us staff it. I insisted that it had to be equal to what you'd find in suburbia: no second-hand furniture or equipment, nothing inferior."

Babyland was an immediate success. The center's hours were 6:00 a.m. to 6:00 p.m. and the original enrollment of 26 children soon grew to 40. Within a year Babyland's waiting list had ballooned to 200 families. Three years later more than 1,000 mothers were waiting to have their children admitted--evidence of the need for child care in the Central Ward.

This partnership, unique at the time, forged a strong bond between the more privileged element of society who saw a need and responded to it and the less privileged inner city dwellers. In a sense the "founding mothers," both black and white, set a precedent for Babyland's being supported mutually by the inner city parents and other more affluent members of society. No Federal or State funding was used until 1973.

Finances were initially very scarce. Government officials were not inclined to respond favorably to Babyland's request for State and Federal aid to offset the cost of caring for the children. The New Jersey Bureau of Children Services, the State agency dealing with children's issues, said Babyland could not receive government aid because it lacked the proper license for child care, furthermore it was impossible to license Babyland, they alleged, because there were no Federal guidelines for certifying infant day care centers. No license meant no aid, but no one could issue a license because there were no rules.

After a year-and-a-half of phone calls, meeting with lawyers and various investigations, Babyland's Executive Director discovered that the Federal government required a state to have regulations and standards for infant day care in order to qualify for aid. New Jersey had none. Nor would it supply the 25% State Match of funds that the Federal program required.

"To write standards, we had to go to the politicians and that's where the suburbanites came in again," Mary Smith said.

Babyland's suburban allies enlisted Assembly Speaker Thomas Kean(later to be Governor of New Jersey) and other legislators in their cause. Mr. Kean called public hearings to examine the lack of day care in the State. The hearings put pressure on the State to write standards that would free Federal money for Babyland.

The pressure on state officials to act was also increased by U.S. Senator Harrison Williams, who suggested circumventing Federal regulations by having Babyland certified as a pilot project which would make it eligible for Federal aid; a move that would have placed the day care center beyond the reach of New Jersey bureaucrats.

Babyland's Executive Director meanwhile asked to sit on the State Task Force that was being formed to draft infant day care standards. In 1970 and 1971 Mary Smith, the women from Operation Housewives, and the Board of Directors of Babyland drafted four proposals for infant day care standards. The state responded to their ideas by declaring that it was not writing guidelines, but just studying whether they were needed or not. Eight months later, on September 23, 1971, guidelines for infant day care were published. The title was Standards for Group Day Care of Infants. They had been developed by Mary Smith and her associates.

State regulators ignored virtually all of Babyland's recommendations and drew up a list of regulations that would have created more problems than they solved. Assembly speaker Kean again came to Babyland's aid, scheduling hearings that allowed its directors to mount a challenge to the State's guidelines. Because of the Trenton hearings and the continuing political pressure on State regulators to compromise, many of the regulatory changes supported by Babyland were finally enacted.

BABYLAND BEGINS TO EXPAND

When public monies became more readily available in 1973, Babyland had already bought and renovated a former medical office building for its second day care center. A child abuse program, with 35 day care slots, opened in 1975. That same year the original Babyland in Scudder Homes Housing Projects had to close after a rash of break-ins, leaking pipes, a basement fire and the lack of heat and hot water. Their experience at Scudder Homes made Babyland's Executive Director and supporters determined to build and control their own facilities in the future.

In 1978 Essex County wanted to setup a shelter for the victims of Domestic violence. A number of traditional service agencies were anxious to win the contract to run the facility, but thought the $50,000 budgeted was insufficient. Meetings went on for a year, thus, this long-term haggling placed the funding in danger of expiring. Then a surprising development occurred at one of the meetings that Babyland was hosting. Babyland was offered the contract to run the shelter because the New Jersey Division of Youth and Family Services(DYFS) was impressed with its commitment, experience, capabilities, and track record for success. Through a concerted effort, DYFS facilitated the process to have Babyland run the facility. Today the Babyland-sponsored Essex County Family Violence Program provides housing and counseling for more than 40 women and their children each month.

Babyland III, a $2 million facility for nearly 200 infants and toddlers, opened on South Orange Avenue in 1981. The nursery was planned by more than 50 neighborhood residents, Babyland employees, and a number of early childhood experts, who helped to custom-design it. A $900,000 mortgage was financed through the New Jersey Economic Development Authority with first Fidelity Bank of New Jersey. The first center to be built in New Jersey for infants and toddlers, from the ground up, it is truly a child-centered state of the art day-care facility.

SPECIAL POPULATIONS

Several years later, the Federal Head Start Agency wanted to launch two pilot programs for HIV children, a Newark Head Start provider was asked to set one up. They refused to get involved because of the stigma attached to AIDS. However, Babyland accepted the challenge and in 1989 opened one of the nation's first day care centers for children infected with HIV. The Babyland IV center provides medical treatment and day care for 30 children, as well as counseling, education and support services for their parents. With New Jersey ranking fourth nationally in pediatric AIDS cases and with more than 200 children being treated at Newark's United Hospitals Medical Center for the illness, Babyland IV fills another critical void in the Central Ward. It allows the toddlers to socialize in a pleasant environment with age-appropriate activities, rather than have them restricted to the lonely, clinical surroundings of a hospital.

Babyland Nursery, Inc. is also taking on the challenge of teenage pregnancy in the City of Newark, through a program that serves teen mothers and their children. The Babyland Parent-Child Center operates a two part program which is Federally funded by Head Start. One section offers services to 31 pregnant teenagers, ages 15-18, who attend workshops that teach nutrition, pre-natal care, and parenting skills. Girls who are not under a physician's care are referred to a clinic. A host of services is available, such as Women, Infants, Children(WIC), food stamps, and other services that ensure the well-being of the infant and mother. The Head Start Parent Center offers an additional 15 young women a chance to create a better life for their babies and themselves. Mothers who are 16-18 years old may place their children from ages three months to three years in the Babyland I Day Care Program while they attend school or work. They must attend workshops each weekday from 3:30 to 4:30 where they learn good parenting skills, life skills, and the availability of social services. They are encouraged to go into their children's classes, both to participate in their children's care and to observe skilled caregivers who serve as parenting role models. Most stay in the program for the entire three years.

In 1990 when New Community opened Harmony House, 102 units of traditional housing for homeless families, Babyland V became an integral part of the facility. It now serves 76 homeless infants and toddlers each day while their parents are learning how to become self-sufficient through job training and basic education.

Babyland VI opened in 1992 in the downtown headquarters of New Jersey Blue Cross and Blue Shield. It has the capacity to serve up to 95 children of Blue Cross/Blue Shield employees. In 1994, Babyland VII began operating in a bright, freshly remodeled, growth and development conducive facility which was once a building that belonged to the Telephone Company. Serving mostly children at risk, the center serves nearly 60 toddlers.

CHILDREN TOGETHER: FOSTER CARE

Babyland pioneered a new form of child care in 1993 when it opened Children Together. Brothers and sisters from severely dysfunctional families are often separated, not only from their parents, but also from each other when they are by necessity placed in foster care. This severance has devastating effects on children. However, if they can remain together as part of their natural family, they retain some semblance of stability and permanence. Children Together provides a community-based option that offers continuity of care and planning for sibling groups and other children from birth to ten years of age by using a three-fold approach:

-Children Together Home (South Orange, N.J.) is a residence with a capacity for twelve children, with enough room to house siblings who are maintained together in a family-style living environment.

-Specialized Foster Homes Program which offers training and evaluation of prospective foster parents, coordinated case management, and has a community resource component. In March 1995, Babyland established the Boarder Babies Program as part of its Foster Care Program. Through this program, babies who are not permitted, by DYFS, to leave the hospital with their parents are placed in the loving care of foster parents.

-Provides support services and special training to DYFS foster parents, which include crisis intervention, health care, nutrition, special cultural requirements and family reunification.

Children Together emphasizes the merits of a home-like, supportive environment by means of appropriate role-modeling, positive relationship building activities, family-group oriented functions, and warm, comfortable physical surroundings.

SUMMARY

Babyland Nursery's eight locations include six day-care centers, a Family Violence Shelter, and the Children Together Home. A total of 20 different programs address the needs of children and their families. The centers provide quality day care for over 1000 children, ranging from prenatal to 5 years of age. They benefit from both an early childhood education and a health maintenance and nutrition program, parent involvement in their children's development, as well as a transportation program.

The services provided to the children at every Babyland center are comprehensive. Nearly half of the youngsters cared for in the seven nurseries receive a wide array of social services. Field workers visit their homes, assisting parents to care properly for their children. All of the toddlers are enrolled in the Federal WIC Program to ensure that their nutritional needs are met. Children are immunized and given complete physical examinations. The centers keep complete medical records on each child.

The staff of 197 during summer months, includes 165 full-time employees. Nearly half hold professional degrees or certifications. Their backgrounds range from Child Development Associate to Ph.D. and cover many fields including: Social Work, Sociology, Nursing, Early Childhood Education, Nutrition, Family & Child Development and Psychology. This highly experienced staff is augmented by volunteers who serve at most centers, and 15 members of the State's Foster Grandparents Program who serve at Centers I, III, and VII.

Babyland has a proud tradition of staff training. It develops and maintains high standards of care. Its teachers and caregivers are continually updated on the latest methods and trends in infant and early childhood education. Caregivers can earn up to 36 credits in Early Childhood Education through on-site, in-service training courses which are taught by accredited staff members.

rather they simply don't obligate these funds and they therefore remain available for the state to use at a later point.)

3. CBO projects that states won't use the new child care funds proposed by the President.

> ▸ While OMB projects that states will use all of their new child care funds each year, CBO's initial projections (#3) are that states won't begin to use the new child care subsidy funds until FY 2003.
>
> ▸ These projections are simply unbelievable in light of all the evidence about the need for child care - especially among working (non-welfare) families. We are only serving a small fraction of those eligible for CCDBG; there's 5 million latch-key kids out there; CDF has highlighted state waiting lists; the press reports every day on the difficulty parents face finding or affording child care.

where's the Hill on CBO? What are our Dems saying?

Hope this helps - all of us here would be happy to provide you any other information Bruce may need for this.

Mary

P.S. I'll bring the attachment over.

#1

CHILD CARE INITIATIVE/STATE SPENDING

State Ability to Spend Child Care Dollars

QUESTION:

Why is new funding for child care programs necessary when States are not even spending the resources they currently have? States are only drawing down their money at a 70% rate-- that suggests they don't need additional funds.

ANSWER:

- In fact, we do project that the States will spend virtually all of their child care funds for the 1997 fiscal year. The State financial reports received thus far are very encouraging and show that States have obligated over 99 percent of the FY 1997 child care funds available to them under the new welfare law.

- We believe that the amount obligated represents a better measure of a States' commitment to child care programs and the need for child care assistance. Obligations represent the amount of money that States have committed to spending. They reflect the amount of contracts and agreements that States have made for which expenditures and outlays will be made at a later point. States are required to obligate their funds within one year, and the overwhelming majority have done so. States have two years to actually spend their money and several years to draw down (i.e. outlay) funds from the Federal Treasury. While it is true that child care outlays were 72 percent for FY 1997, we project that States will **expend** all their funds within the two years as required.

- The passage of the Personal Responsibility and Work Opportunity Reconciliation Act made major changes in the funding for State child care programs, and it was expected that States would require some time to make the transition. However, despite these significant reforms in the program, States reacted quickly and have drawn down the vast majority (72 percent of 1997 funds) of child care money.

- There is a tremendous need for child care assistance, particularly among low income working families. While our most recent data from 1995 indicates that funds in that year allowed us to serve over about 1 million children, that is a small percentage of those eligible since there are approximately 10 million children eligible for the Child Care and Development Block Grant. Further, without assistance, working families with annual incomes under $14,400 who pay for care for children under five spend 25 percent of their incomes on child care -- and even then, it's difficult to find accessible, high- quality care.

March 2, 1998

OBLIGATION/OUTLAY STATUS OF FY97 CHILD CARE & DEVELOPMENT FUNDS

As of September 30, 1997

TOTAL CCDF 1/			
STATE	FEDERAL OBLIGATIONS (GRANT AWARDS)	OUTLAYS	% OUTLAID
AL	27,926,853	18,329,649	65.6%
AK	5,610,115	4,720,799	84.1%
AZ	33,009,317	31,453,685	95.3%
AR	12,156,237	5,743,278	47.2%
CA	191,419,162	83,686,052	43.7%
CO	20,670,842	9,904,849	47.9%
CT	27,436,190	23,353,949	85.1%
DC	6,045,074	0	0.0%
DE	7,120,013	6,261,946	87.9%
FL	79,950,897	55,649,835	69.6%
GA	57,341,557	45,336,879	79.1%
HI	8,614,735	8,356,481	97.0%
ID	6,458,213	3,397,358	52.6%
IL	93,357,853	72,796,280	78.0%
IN	41,822,487	32,535,258	77.8%
IA	16,353,592	10,866,603	66.4%
KS	17,133,537	15,581,573	90.9%
KY	26,909,331	22,171,508	82.4%
LA	27,090,865	14,605,828	53.9%
ME	6,327,589	4,186,601	66.2%
MD	37,221,533	28,576,145	76.8%
MA	60,625,908	44,930,622	74.1%
MI	58,858,804	58,858,804	100.0%
MN	36,489,141	24,192,624	66.3%
MS	14,382,687	6,818,062	47.4%
MO	39,275,586	27,634,777	70.4%
MT	5,623,488	3,381,476	60.1%
NE	15,983,845	11,937,142	74.7%
NV	6,957,737	2,276,531	32.7%
NH	8,203,100	7,607,314	92.7%
NJ	52,995,377	45,128,630	85.2%
NM	14,097,126	14,097,126	100.0%
NY	154,582,535	63,626,914	41.2%
NC	89,130,000	86,195,818	96.7%
ND	4,271,224	1,504,161	35.2%
OH	100,676,759	96,242,949	95.6%
OK	34,196,929	33,005,422	96.5%
OR	27,789,219	25,078,034	90.2%
PA	86,275,355	54,490,569	63.2%
RI	9,211,348	8,454,520	91.8%
SC	20,020,772	16,610,181	83.0%
SD	3,866,368	3,090,306	79.9%
TN	51,658,408	51,658,408	100.0%
TX	118,659,031	87,026,560	73.3%
UT	19,608,284	19,140,224	97.6%
VT	5,699,454	4,977,134	87.3%
VA	38,749,634	25,884,423	66.8%
WA	57,071,362	44,734,934	78.4%
WV	13,120,981	6,049,528	46.1%
WI	38,656,278	29,383,686	76.0%
WY	4,193,464	1,759,249	42.0%
TERR	573,904	13,365	2.3%
TOTAL	$1,941,480,100	$1,403,304,049	72.3%

MANDATORY & MATCHING FUNDS 2/			
STATE	FEDERAL OBLIGATIONS (GRANT AWARDS)	STATE OBLIGATIONS	% OBLIGATED
AL	27,538,930	27,538,930	100.0%
AK	5,573,564	5,573,564	100.0%
AZ	32,654,444	32,654,444	100.0%
AR	11,928,191	11,928,191	100.0%
CA	189,109,829	189,109,829	100.0%
CO	20,458,829	20,458,829	100.0%
CT	27,297,695	27,297,695	100.0%
DC	6,007,129	6,007,129	100.0%
DE	7,079,533	7,079,533	100.0%
FL	78,991,515	78,991,515	100.0%
GA	56,725,095	56,725,095	100.0%
HI	8,544,528	8,544,528	100.0%
ID	6,360,048	3,809,277	59.9%
IL	92,635,041	92,635,041	100.0%
IN	41,476,175	41,476,175	100.0%
IA	16,176,667	16,176,667	100.0%
KS	16,962,947	16,126,305	95.1%
KY	26,565,371	26,565,371	100.0%
LA	26,579,410	26,579,410	100.0%
ME	6,253,341	6,253,341	100.0%
MD	36,968,426	36,968,426	100.0%
MA	60,349,955	60,349,955	100.0%
MI	58,298,700	58,298,700	100.0%
MN	36,230,665	36,230,665	100.0%
MS	14,049,912	13,624,205	97.0%
MO	38,926,173	38,926,173	100.0%
MT	5,561,904	5,561,904	100.0%
NE	15,877,705	15,877,705	100.0%
NV	6,878,492	6,878,492	100.0%
NH	8,153,892	8,153,892	100.0%
NJ	52,638,058	52,638,058	100.0%
NM	13,916,036	13,916,036	100.0%
NY	153,480,403	153,480,403	100.0%
NC	88,590,381	88,590,381	100.0%
ND	4,226,635	4,226,635	100.0%
OH	100,003,527	100,003,527	100.0%
OK	[illegible],016	33,904,916	100.0%
OR	27,[illegible],040	27,598,040	100.0%
PA	85,648,280	85,648,280	100.0%
RI	9,159,194	9,159,194	100.0%
SC	19,673,401	19,673,401	100.0%
SD	3,805,883	3,805,883	100.0%
TN	51,258,743	51,258,743	100.0%
TX	116,877,750	116,877,750	100.0%
UT	19,428,168	19,428,168	100.0%
VT	5,666,584	5,666,584	100.0%
VA	38,380,459	38,380,459	100.0%
WA	56,766,466	56,766,466	100.0%
WV	12,973,006	12,973,006	100.0%
WI	38,370,188	38,370,188	100.0%
WY	4,162,276	4,162,276	100.0%
TOTAL	$1,922,742,500	$1,918,929,380	99.8%

1/ Includes grant awards and outlays from Mandatory & Matching Funds, as well as the $19 million in Discretionary Funds for FY97. Outlays represent cash drawdown of grant awards as reported by the Payment Management System (PMS). When reporting to PMS, States did not differentiate between outlays from the three funding sources of the CCDF. For all three parts of the CCDF, States have at least one year beyond the year of the grant award to liquidate funds.

2/ Data is shown as reported by States and is subject to revision. State obligations represents amounts obligated by States from their Mandatory & Matching Funds. Matching Funds not obligated by States during the year of the grant award are reallotted to other States.

NOTE: Amounts exclude Tribal funds, as well as Training and Technical Assistance.

18-Feb-98

FY97 & FY98 CHILD CARE FUNDING 1/
Outlays Through Jan. 31, 1998

DRAFT

FY 1997 CCDF			
STATE	GRANT AWARDS	OUTLAYS (DRAWDOWNS)	% OUTLAID
AL	27,926,853	27,917,002	100.0%
AK	5,610,115	5,610,115	100.0%
AZ	33,009,317	32,619,584	98.8%
AR	12,156,237	12,156,237	100.0%
CA	191,419,162	178,938,322	93.5%
CO	20,670,842	17,224,015	83.3%
CT	27,436,190	24,283,319	88.5%
DC	6,045,074	6,045,074	100.0%
DE	7,120,013	6,487,006	91.1%
FL	79,950,897	79,744,835	99.7%
GA	57,341,557	49,306,879	86.0%
HI	8,614,735	8,571,528	99.5%
ID	6,458,213	3,907,442	60.5%
IL	93,357,853	90,857,853	97.3%
IN	41,822,487	36,366,094	87.0%
IA	16,353,592	16,353,592	100.0%
KS	17,133,537	17,133,537	100.0%
KY	26,909,331	23,189,301	86.2%
LA	27,090,865	15,334,347	56.6%
ME	6,327,589	6,189,073	97.8%
MD	37,221,533	26,355,856	70.8%
MA	60,625,908	44,930,622	74.1%
MI	58,858,804	38,803,194	65.9%
MN	36,489,141	28,170,108	77.2%
MS	14,382,687	9,229,603	64.2%
MO	39,275,586	39,275,586	100.0%
MT	5,623,488	5,065,876	90.1%
NE	15,983,845	15,868,605	99.3%
NV	6,957,737	3,347,368	48.1%
NH	8,203,100	8,203,100	100.0%
NJ	52,995,377	52,436,918	98.9%
NM	14,097,126	14,097,126	100.0%
NY	154,582,535	137,198,982	88.8%
NC	89,130,000	88,816,130	99.6%
ND	4,271,224	1,747,999	40.9%
OH	100,676,759	99,658,940	99.0%
OK	34,196,929	33,005,422	96.5%
OR	27,789,219	25,850,049	93.0%
PA	86,275,355	69,369,824	80.4%
RI	9,211,348	9,211,348	100.0%
SC	20,020,772	19,283,840	96.3%
SD	3,866,368	3,759,579	97.2%
TN	51,658,408	51,658,408	100.0%
TX	118,659,031	118,659,031	100.0%
UT	19,608,284	19,441,050	99.1%
VT	5,699,454	5,699,454	100.0%
VA	38,749,634	25,886,041	66.8%
WA	57,071,362	56,905,721	99.7%
WV	13,120,981	8,919,048	68.0%
WI	38,656,278	36,142,317	93.5%
WY	4,193,464	2,858,696	68.2%
TERR	573,904	423,657	73.8%
TOTAL	**$1,941,480,100**	**$1,758,514,649**	**90.6%**

FY 1998 CCDF (First Qtr. Grants only)			
STATE	GRANT AWARDS	OUTLAYS (DRAWDOWNS)	% OUTLAID
AL	29,066,739	6,750,989	23.2%
AK	2,680,699	167,759	6.3%
AZ	31,407,907	14,531,525	46.3%
AR	11,763,443	1,141,030	9.7%
CA	157,322,210	73,632,832	46.8%
CO	19,174,514	110,301	0.6%
CT	21,245,433	5,560,518	26.2%
DC	4,691,059	-	0.0%
DE	5,584,762	2,490,170	44.6%
FL	92,540,322	35,480,000	38.3%
GA	60,098,647	21,136,000	35.2%
HI	8,641,460	3,795,349	43.9%
ID	5,106,148	2,846,457	55.7%
IL	78,150,925	140,000	0.2%
IN	39,339,621	21,509,074	54.7%
IA	14,082,230	707,425	5.0%
KS	9,162,803	736,803	8.0%
KY	28,850,102	8,515,235	29.5%
LA	18,446,346	4,621,392	25.1%
ME	6,290,973	381,464	6.1%
MD	26,999,467	9,485,712	35.1%
MA	52,394,278	-	0.0%
MI	30,921,965	30,921,965	100.0%
MN	35,105,524	-	0.0%
MS	10,883,620	3,485,027	32.0%
MO	40,697,510	22,147,276	54.4%
MT	5,381,746	140,000	2.6%
NE	7,323,165	4,365,714	59.6%
NV	6,416,074	1,893,892	29.5%
NH	6,286,366	1,101,764	17.5%
NJ	39,023,018	18,969,046	48.6%
NM	8,071,812	5,096,832	63.1%
NY	147,633,252	-	0.0%
NC	82,263,466	41,140,360	50.0%
ND	3,206,184	187,290	5.8%
OH	79,909,662	3,770,503	4.7%
OK	22,152,897	8,303,326	37.5%
OR	14,655,604	-	0.0%
PA	72,968,225	16,324,339	22.4%
RI	5,982,805	2,420,968	40.5%
SC	26,410,956	4,428,600	16.8%
SD	3,752,582	1,070,519	28.5%
TN	25,340,420	25,340,420	100.0%
TX	116,823,833	33,544,117	28.7%
UT	10,256,016	9,866,443	96.2%
VT	4,349,618	1,358,519	31.2%
VA	41,503,492	9,469,977	22.8%
WA	44,903,624	15,820,605	35.2%
WV	14,391,330	2,599,348	18.1%
WI	37,750,483	7,958,831	21.1%
WY	2,988,722	-	0.0%
TERR	10,752,279	6,705,876	62.4%
TOTAL	**$1,681,146,338**	**$492,171,592**	**29.3%**

1/ Includes grant awards and outlays from all three funding sources: Mandatory, Matching and Discretionary Funds. FY97 amounts include the $19 million in Discretionary Funds appropriated for FY97. Outlays represent cash drawdown of grant awards as reported by the Payment Management System (PMS). When reporting to PMS, States did not differentiate between outlays from the three funding sources of the CCDF. FY98 grant awards represent only one quarter's worth of a State's annual allocation.

NOTE: Amounts do not include Tribal funds or Training and Technical Assistance.

Prepared by ACF/DHHS 3/4/98

DRAFT

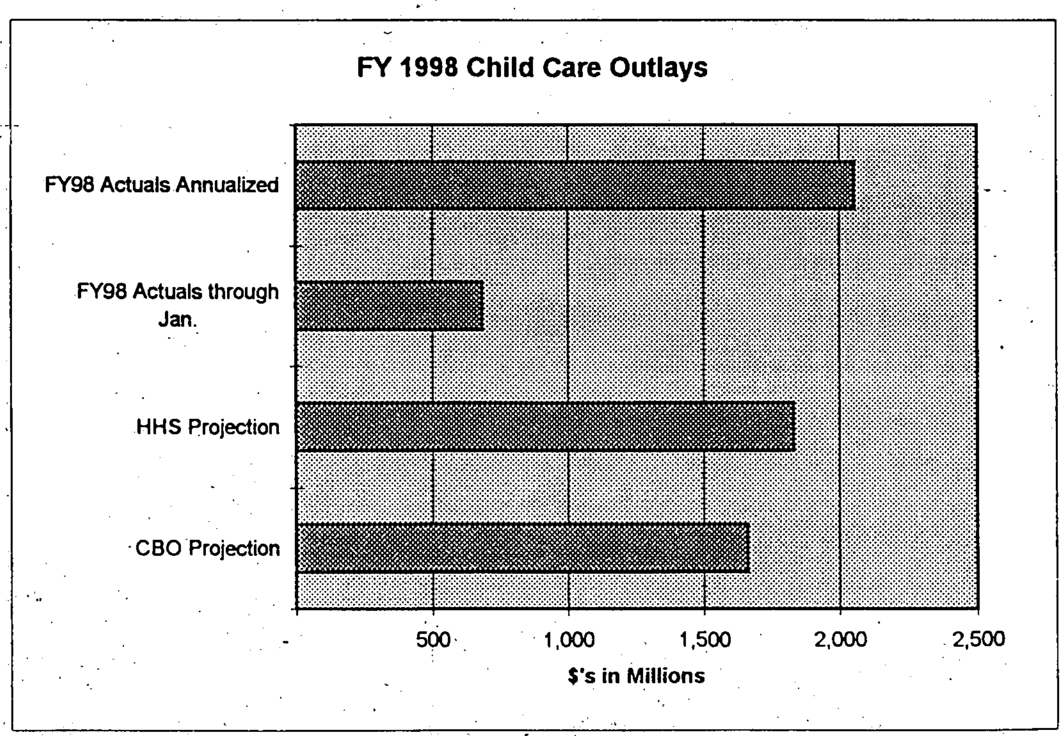
MANDATORY & MATCHING FUNDS -- OUTLAY SUMMARY

	Outlay Rates As of 1/31/98	As of 1/31/97
FY97 Mandatory Funds	90.8%	24.7%
FY97 Matching Funds	90.1%	22.6%
FY98 Mandatory Funds	27.3%	-
FY98 Matching Funds	28.4%	-

CBO's baseline projection assumes that FY98 child care funds will be displaced by leftover FY97 funds; States will spend their funds remaining from FY97 first, and some portion of new FY98 funds will go unused by States.

The Administration's projection assumes that States will use all their FY97 and FY98 funds, and current outlay data support this. While prior year outlays are running at a very high rate (90%), the rate of new funds drawn down by States so far during FY98 is higher than at the same period last year (see table above). In addition, outlay rates for the first quarter are normally low for all programs. Therefore, while States are spending down their leftover FY97 balances, there is every indication that States will use all of their FY98 child care funds.

As the chart below indicates, FY98 outlays are currently running higher than either CBO or Administration projections.



Prepared by ACF/DHHS 3/5/98

Child Care and Development Block Grant (CCDBG)
Historical and Projected Outlay Rates

FY	Appropriation ($'s in thousands)	Year 1	Year 2	Year 3	Year 4	Year 5
1991 1/	$731,915	44.0%	43.9%	9.4%	0.8%	
1992	$825,000	49.8%	40.7%	6.7%	1.7%	0.8%
1993	$892,711	50.5%	37.3%	7.7%	4.1%	0.2%
1994	$892,616	61.0%	25.3%	12.2%	1.4%	
1995	$934,642	66.8%	17.2%	14.5%	1.5%	
1996	$934,642	62.4%	21.6%	14.5%	1.5%	
1997	$19,100	67.9%	22.0%	8.4%	1.6%	
1998	$1,002,672	62.0%	22.0%	14.5%	1.5%	

1/ FY 1991 outlay rates do not add to 100% due to deobligation of approx. $13 million in unliquidated funds.

Mandatory and Matching Child Care
Historical and Projected Outlay Rates

FY	Appropriation ($'s in thousands)	Year 1	Year 2	Year 3	Year 4	Year 5
1997	$1,967,000	71.0%	18.7%	6.7%	3.4%	
1998	$2,070,792	70.9%	18.9%	6.8%	3.5%	

Numbers may not add due to rounding.

Prepared by ACF/DHHS 2/19/98

OUTLAY RATES OF SELECTED HHS PROGRAMS

Program	Year 1	Year 2	Year 3	Year 4
Mandatory & Matching Fund	71%	19%	7%	4%
Discretionary Fund (CCDBG)	62%	22%	15%	2%
Head Start	38%	57%	3%	2%
Maternal & Child Health	60%	33%	7%	0%
Child Welfare Services	82%	17%	0.2%	0.8%

Prepared by ACF/DHHS 3/5/98

TANF

TABLE A

DATA AS OF : February 27, 1998

Temporary Assistance to Needy Families (TANF) Program

FEDERAL AWARDS, TRANSFERS AND EXPENDITURES FY-1997

Data reported by States in Column A on Form ACF-196 Line Items:	1	2	3	4	5	6	7	8	8(a)	9	10	11	12	13
	TOTAL AWARDED \1	TRANSFERRED TO CCDF	TRANSFERRED TO SSBG	AVAILABLE FOR TANF	CASH AND WORK BASED ASSISTANCE	WORK ACTIVITIES	CHILD CARE	ADMINISTRATION	SYSTEMS	TRANSITIONAL SERVICES	OTHER EXPENDITURES	TOTAL EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
Alabama	81,313,004			81,313,004	33,499,408	4,245,726	-	8,979,199	-	-	11,376,876	58,101,209	870,347	22,341,448
Alaska	18,759,063			18,759,063	11,027,089	1,056,756		213,572	369,870		1,228,134	13,895,421		4,863,642
Arizona	222,419,998			222,419,998	145,656,733	-	-	12,341,817	561,836	-	30,196,321	168,756,707	3,589,275	30,074,016
Arkansas	19,936,461			19,936,461	8,724,914	1,872,805	-	551,968	232,528	-	1,520,533	12,902,748		7,033,712
California	3,147,715,829			3,147,715,829	2,074,980,903	-	-	91,007,931	20,860,071	-	198,023,708	2,384,872,613	762,843,217	
Colorado	45,627,939			45,627,939	17,306,270	253,627	-	1,194,183	469,882	-	4,703,006	23,926,968	-	21,700,972
Connecticut	266,788,107		5,966,288	260,821,819	219,926,488	-	-	19,605,760	-	-	(7,759,652)	231,772,596		29,049,223
Delaware	14,564,516			14,564,516	7,480,507	4,616,223	-	984,966	1,765,526		-	14,847,222	(282,706)	
District of Columbia	61,048,692			61,048,692	29,342,949	2,228,783	-	3,463,793	389,459	-	-	35,424,984	417,215	25,206,493
Florida	562,340,120			562,340,120	258,310,420	30,631,574	-	16,019,945	-	76,035	50,472,137	355,510,111		206,830,009
Georgia	254,339,628			254,339,628	155,056,121	10,020,561		10,560,633	2,173,359		25,750,587	203,561,261	8,717,305	42,061,062
Hawaii	28,631,202			28,631,202	21,477,672	1,187,566	-	1,739,537	917,869	-	-	25,322,644	889,289	2,419,269
Idaho	10,600,557			10,600,557	390,525	10,387	-	288,584	37,285	-	1,678,293	2,405,074	-	9,670,135
Illinois	134,004,829			134,004,829	122,077,008	208,411	-	11,505,755	213,655	-	-	134,004,829	-	-
Indiana	206,799,109			206,799,109	57,491,025	5,654,598		10,446,501	3,893,212		1,395,477	78,880,813	127,918,296	
Iowa	105,169,272		4,546,031	100,623,241	65,037,676	6,144,890	-	6,588,768	57,686	-	-	77,829,020		22,794,221
Kansas	101,931,061			101,931,061	43,794,079	1,379,331		4,222,981			21,569,773	70,966,164		30,964,897
Kentucky	170,006,205	7,040,032	3,675,544	159,290,629	115,487,348	2,844,265		18,765,284	692,354			137,789,241	2,708,380	18,793,008
Louisiana	139,757,495			139,757,495	32,096,444	12,818,437	-	20,306,925	-	-		65,221,806	-	74,535,689
Maine	72,476,874	3,229,010	2,212,878	67,034,986	55,362,313	4,899,998		5,674,572	118,030		1,105,946	67,160,659		
Maryland	183,017,827			183,017,827	76,877,956	12,429,929	43,195	10,691,641	4,132,942	15,261	1,017,452	105,208,376	-	77,809,451
Massachusetts	459,371,116	109,058,553	29,646,924	320,665,639	212,340,814	19,737,153		44,960,185	2,995,184		42,221,468	322,254,804	-	
Michigan	775,352,858	26,212,117	76,810,640	672,330,101	435,699,415	40,172,312	11,537,068	47,340,038	12,954,153		46,835,172	594,538,158		77,792,085
Minnesota	111,835,618			111,835,618	41,141,292	93,704		5,882,977	861,984			47,979,957		63,655,661
Mississippi	86,767,578			86,767,578	45,209,008	5,363,829	6,478	8,078,372	-	113,459	8,439,547	67,210,693	8,773,831	10,783,054
Missouri	187,838,524			187,838,524	58,951,977	21,833,886		25,618,732	6,694,660		21,681,296	134,780,551	53,057,973	
Montana	34,035,612			34,035,612	16,641,692	2,430,269	-	1,849,498	423,287	-	1,425,872	22,770,618	-	11,264,994
Nebraska	49,340,853			49,340,853	20,322,000	1,952,496		4,748,937	2,028,104			29,051,537		20,289,316
Nevada	34,008,078			34,008,078	19,618,431	594,684	-	3,577,366	2,345,917	-	3,904,972	30,041,370	-	3,966,709
New Hampshire	38,521,261			38,521,261	25,028,575	1,243,509	-	4,680,941	2,309,139	-	3,406,078	36,668,242	-	-
New Jersey	293,107,925			293,107,925	135,381,731	3,255,704	-	4,799,970	1,664,198	-	-	145,101,603	148,006,322	
New Mexico	31,991,934			31,991,934	23,329,417	66,829		1,828,358	93,296		6,494,425	31,812,325	179,609	-
New York	1,982,294,198		168,400,000	1,813,894,198	1,327,422,040	57,933,404	-	229,579,231	5,178,953	-	110,000,000	1,730,113,628		83,780,570
North Carolina	225,973,410			225,973,410	127,325,159	-	-	12,509,090	-		52,802,390	192,636,639	33,336,771	
North Dakota	11,066,221			11,066,221	3,450,413	87,535	-	370,276	153,976	-		4,062,200	103,815	6,900,206
Ohio	727,968,260			727,968,260	367,487,793	2,103,741	-	23,342,616	-	-	61,854,190	454,788,340	273,788,340	
Oklahoma	148,013,558	5,200,000		142,813,558	59,990,302	10,709,174	-	2,534,125	492,604	-	12,539,088	88,265,293	-	56,548,265
Oregon	167,808,448			167,808,448	118,347,073	5,905,338		13,581,795	350,144		188,492	138,372,842	29,435,606	
Pennsylvania	418,343,381			418,343,381	229,421,794	732,475	-	41,034,676	2,447,353	-	19,926,376	293,562,674	48,970,269	75,810,438
Rhode Island	46,025,651			46,025,651	31,804,331	899,199		3,675,027	485,428			36,863,985		9,161,666
South Carolina	93,872,849			93,872,849	45,205,110	9,247,860	-	5,940,803	2,659,628	-	13,376,357	76,429,756	17,443,093	
South Dakota	18,759,543			18,759,543	6,175,286	654,559	-	2,122,850	125,622	-	2,722,358	11,800,675	6,958,868	-
Tennessee	191,523,797	12,673,948		178,849,849	103,060,508	19,173,331		10,195,726	2,750,487		8,226,394	143,406,446	6,707,731	28,735,672
Texas	431,610,973			431,610,973	221,754,008	27,406,126	-	17,614,398	4,944,855	-	75,832,098	347,551,485	84,059,489	
Utah	76,829,219			76,829,219	59,872,044			3,824,244	495,620		39,561	64,231,469		12,597,750
Vermont	47,353,181	3,500,000	1,700,000	42,153,181	30,732,585	147,164	483,039	4,882,614	273,843			36,519,045		5,634,136
Virginia	114,733,567	8,385,000	11,473,357	94,875,210	54,846,575	12,267,339	219,925	14,231,282	1,111,135	23,854	411	82,700,521	12,174,690	
Washington	289,298,269			289,298,269	192,311,142	2,452,303	-	10,670,174	833,599	60,777	15,603,000	221,930,995	67,367,274	
West Virginia	82,155,212			82,155,212	41,670,544	2,311,244	-	5,509,675	1,735,368	-	1,920,230	53,147,081	-	29,008,152
Wisconsin	318,159,462			318,159,462	90,045,752	52,681,463	1,193,883	27,253,203	6,594,659	-	7,834,494	185,603,454		132,556,008
Wyoming	19,215,579			19,215,579	1,246,659	75,055		1,442,439	470,463			3,234,816	15,981,773	
Total	$13,360,423,923	$175,298,660	$304,431,662	$12,880,693,601	$7,697,237,518	$404,035,542	$13,483,588	$838,833,933	##########	$289,386	$859,552,860	$9,913,791,848	$1,714,016,072	$1,254,831,929

GENERAL NOTES:

THE DATA IS DERIVED FROM THE FIRST CUMULATIVE FY-1997 TANF FINANCIAL REPORT. ALL DATA IS PRELIMINARY AND SUBJECT TO CHANGE. THIS TABLE WILL BE UPDATED AS CLARIFICATIONS, REVISIONS AND NEW REPORTS ARE RECEIVED.

This table shows information exactly as reported by States in column A on the quarterly TANF report (Form no. ACF-196). The first time States were required to submit TANF financial data on this form was 11/14/97.

Table A shows how States used Federal funds. Tables B and C show how States used their own funds in the TANF program.

FOOTNOTE:

\1 Federal fiscal year 1997, which began on 10/1/96, was a transition year for implementing the TANF program. States were not required to implement TANF until 7/1/97. Only 16 States operated a TANF program for the entire year. Therefore the total amount of Federal funds awarded to States for fiscal year 1997 was less than the full annual TANF allocations of $16.5 billion per year that States will receive in fiscal years 1998 through 2002.

THE AMOUNTS REPORTED IN COLUMN (1) ARE FROM ACF's RECORDS OF CUMULATIVE FOURTH QUARTER FY-1997 TANF GRANT AWARDS: NEW MEXICO, IDAHO AND TEXAS REPORTED A DIFFERENT AMOUNT ON LINE 1(A) OF THE ACF-196.

TABLE B

DATA AS OF
February 27, 1998

STATE TANF MAINTENANCE OF EFFORT
EXPENDITURES OF STATE FUNDS IN FY-1997

Data reported by States in Column B on ACF-196 Line Items:	5 CASH AND WORK BASED ASSISTANCE	6 WORK ACTIVITIES	7 CHILD CARE	8 ADMINISTRATION	8(a) SYSTEMS	9 TRANSITIONAL SERVICES	10 OTHER EXPENDITURES	11 TOTAL STATE TANF EXPENDITURES
Alabama	17,168,850	2,175,713		4,600,957			5,829,531	29,775,051
Alaska	21,482,392	704,504		170,871	369,864		993,273	23,700,904
Arizona	49,825,410			12,328,503	1,110,216		26,411,691	89,475,820
Arkansas	3,750,608	1,481,368	1,061,407	551,968	232,528		1,362,435	8,440,314
California	2,027,650,655		92,946,000	86,663,974	20,676,205		239,463,150	2,467,399,984
Colorado	7,015,391	102,841	8,985,899	543,686	469,883		2,147,013	19,264,713
Connecticut	101,000,707	517,906	62,060,835	29,347,368	2,462,445		259,866	195,649,127
Delaware	7,480,507	2,169,760	7,535,079	111,938	1,218,071			18,515,355
District of Columbia	30,350,815	1,712,277	10,000,000	3,463,794	389,460		500,000	46,416,346
Florida	272,324,692	2,794,151	33,415,872	12,302,796			71,164,645	392,002,156
Georgia	78,172,618	5,476,843	53,798,830	3,414,374	2,172,607	8,134,854	12,637,342	163,807,468
Hawaii	7,758,306	791,710		856,997	27,985			9,434,998
Idaho	1,672,833	44,494	293,955	368,316	159,710		1,108,354	3,647,662
Illinois	58,689,125		14,902,368	1,818,078	23,331			75,432,902
Indiana	68,280,034	13,254,763	15,357,049	10,374,863	3,597,816		1,395,477	112,260,002
Iowa	22,382,383	16,604,532	330,295	7,415,221	235,058			46,967,489
Kansas	37,619,151	3,270,484		3,300,011			27,691,882	71,881,528
Kentucky	50,114,470	1,539,096		18,967,664	692,360			71,313,590
Louisiana	43,019,344	(379)		6,061,681	2,157,419			51,238,065
Maine	34,364,521		1,749,818	3,186,710			375,436	39,676,485
Maryland	97,760,101	8,910,237	21,418,919	10,269,429	4,135,423		1,017,593	143,511,702
Massachusetts	276,733,889	1,852,223		43,588,799	3,207,828		4,764,739	330,147,478
Michigan	291,254,645	32,187,938	74,129,738	41,307,719	6,082,716		41,529,222	486,491,978
Minnesota	36,186,193	2,982,418	1,647,265	6,648,172	861,984			48,326,032
Mississippi	15,069,669		1,715,431	6,387,495				23,172,595
Missouri	121,141,155		11,307,654	1,012,512			4,155,775	137,617,096
Montana	6,276,913	132,840	1,309,922	1,545,712	432,284		1,425,872	11,123,543
Nebraska	16,174,267	2,403,776	709,170	4,748,937	2,028,104			26,064,254
Nevada	11,591,478	594,682	647,084	1,816,952	2,010,056	958,694	4,876,431	22,495,377
New Hampshire	18,634,948	930,318	4,582,606	3,675,730	1,835,792		2,595,682	32,255,076
New Jersey	155,863,713	15,856,221		23,434,183	6,372,547			201,526,664
New Mexico	8,862,270	51,931		550,272	79,894		442,414	9,986,781
New York	868,323,100	45,333,554	69,193,603	199,577,733	5,178,952		239,048,589	1,426,655,531
North Carolina	73,343,196			10,291,097			47,923,413	131,557,706
North Dakota	1,815,733	9,725		359,595	153,975			2,339,028
Ohio	329,580,198	8,912,399	45,628,354	22,407,206			34,430,270	440,958,427
Oklahoma	35,154,333	6,342,808	10,630,233	1,477,639	280,163		7,365,130	61,250,306
Oregon	77,843,034	4,361,891		9,745,578	261,323		43,015	92,254,841
Pennsylvania	161,941,129	519,567	27,083,175	37,149,704	2,447,353		23,091,042	252,231,970
Rhode Island	18,777,942	605,680	3,334,726	3,675,027	485,428		1,255,336	28,134,139
South Carolina	18,979,342	3,882,710	2,239,877	3,960,535	1,773,083		8,917,571	39,753,118
South Dakota	6,957,380	653,805	553,087	1,461,580	118,019			9,743,871
Tennessee	26,874,462	14,193,249		5,505,984	5,316,206		36,440,639	88,330,540
Texas	132,709,140	19,828,873	34,681,426	15,105,210	3,897,128		46,491,059	252,712,836
Utah	16,495,786		4,474,900	3,824,244	495,620			25,290,550
Vermont	22,544,285	48,816	3,185,540	1,494,222	90,770			27,363,633
Virginia	44,743,699	11,267,336	107,783	9,927,516	1,111,135	23,853	411	67,181,733
Washington	173,686,640	1,765,430		26,253,723	754,064	60,934	12,662,691	215,183,482
West Virginia	20,426,471	1,101,600		4,266,824	1,735,368		915,233	28,445,496
Wisconsin	105,528,307	22,139,581	16,477,623	10,581,903	349,118		3,504,895	158,581,427
Wyoming	4,802,266	1,353,144		678,942	159,304			6,993,656
State Total	6,135,978,496	260,862,815	637,495,523	718,579,944	87,648,595	9,178,335	914,237,117	8,763,980,825
GENERAL NOTES:								

This table shows information exactly as reported by States in column B on the quarterly TANF report (Form no. ACF-196). The first time States were required to submit TANF financial data on this form was 11/14/97. There are blank data elements in columns 5 through 11 for States whose financial reports have not yet been received by ACF. This table shows how States used State funds in the TANF program. Table A shows how States used Federal funds in the TANF program.

TABLE C

STATE TANF MAINTENANCE OF EFFORT (MOE)
EXPENDITURE OF STATE FUNDS IN SEPARATE STATE PROGRAMS IN FY 1997

Data reported by States in Column C on Form ACF-196 Line Items:	5 CASH AND WORK BASED ASSISTANC	6 WORK ACTIVITIES	7 CHILD CARE	8 ADMINISTRATION	8(a) SYSTEMS	9 TRANSITIONAL SERVICES	10 OTHER EXPENDITURES	11 TOTAL EXPENDITURES
Alabama			6,896,417					6,896,417
Alaska								-
Arizona			10,065,324				1,821,710	11,887,034
Arkansas	-							-
California	-							-
Colorado	45,687		406,927				6,541,639	6,994,253
Connecticut	-							-
Delaware	-							-
District of Columbia	-							-
Florida	7,571,410						1,002,019	8,573,429
Georgia								-
Hawaii	10,060,193							10,060,193
Idaho	-							-
Illinois	8,398,178		25,000,000	421,891	7,834			33,827,903
Indiana							1,265,176	1,265,176
Iowa			7,829,957				4,950,959	12,780,916
Kansas								-
Kentucky								-
Louisiana	-							-
Maine							2,212,878	2,212,878
Maryland	-							-
Massachusetts	-		44,918,343					44,918,343
Michigan	13,277,398							13,277,398
Minnesota	-							-
Mississippi	-							-
Missouri								-
Montana	-							-
Nebraska								-
Nevada	-							-
New Hampshire	-							-
New Jersey	-							-
New Mexico	-							-
New York								-
North Carolina	-							-
North Dakota	-							-
Ohio	-							-
Oklahoma	-							-
Oregon								-
Pennsylvania	-							-
Rhode Island							628,239	628,239
South Carolina	-							-
South Dakota	-							-
Tennessee	250,167							250,167
Texas	-							-
Utah								-
Vermont								-
Virginia	3,721,849		14,076,986					17,798,835
Washington	-							-
West Virginia	-							-
Wisconsin	10,647,305							10,647,305
Wyoming			1,553,781					1,553,781
State Total	53,972,187	-	110,747,735	421,891	7,834	-	18,422,620	183,572,267

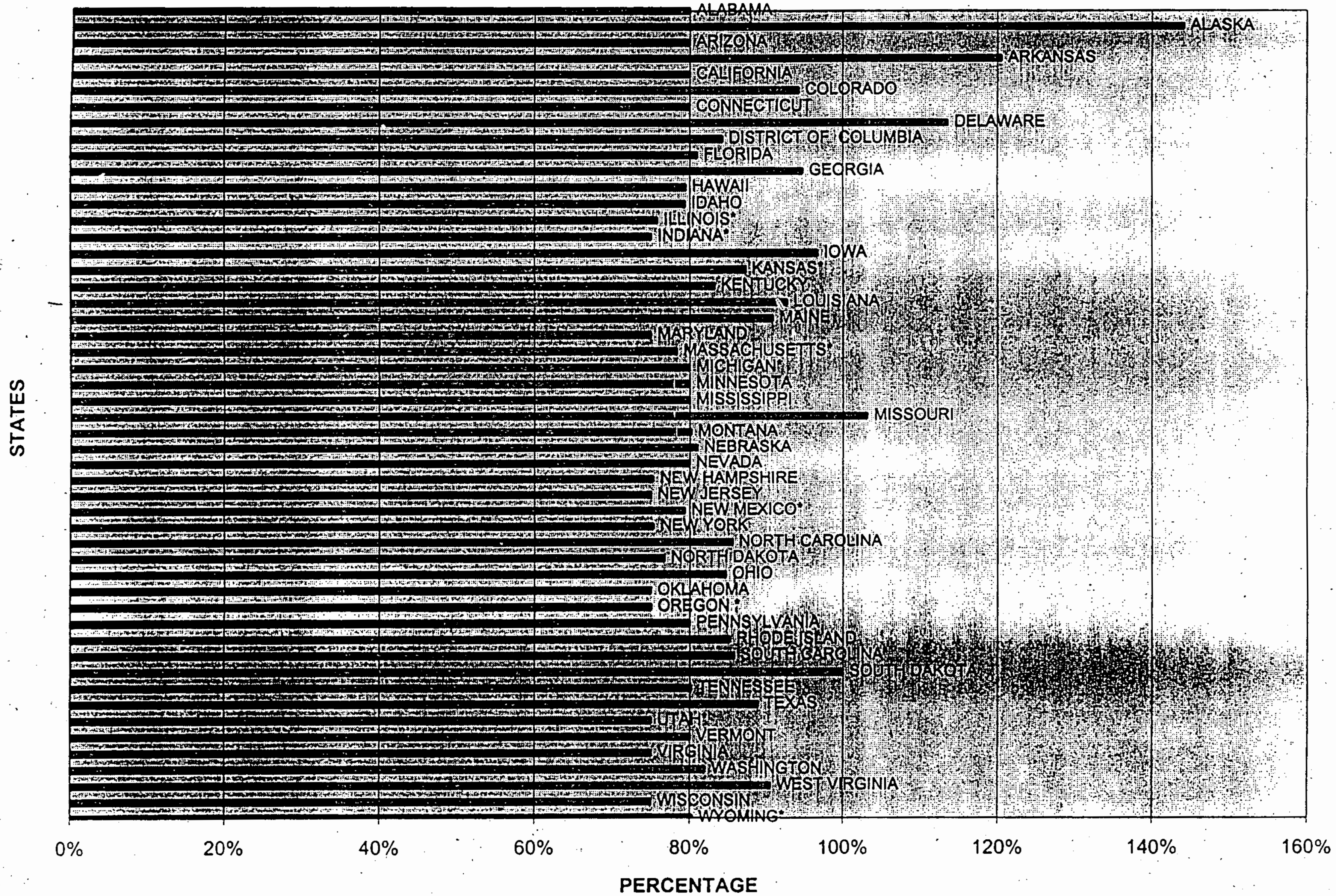
GENERAL NOTES:

This table shows information exactly as reported by States in column C on the quarterly TANF report (Form no. ACF-196). The first time States were required to submit TANF financial data on this form was 11/14/97. This table shows how States used their own funds in separate State programs. Funding a separate State TANF program entirely with State funds is one of the options available to States. Of the 41 States who have submitted reports to date, twelve have reported the expenditure of funds in a separate State program. States may use such expenditures to meet the MOE level of State expenditures required by statute.

Chart 2

TANF PROGRAM

EXPENDITURE OF STATE FUNDS IN FY 1997 AS % OF MOE



Data as of February 27, 1998

Chart prepared by U.S. Dept. of Health and Human Services
Administration for Children and Families

Table D

Data as of: February 27, 1998

STATE TANF MAINTENANCE OF EFFORT
EXPENDITURES OF STATE FUNDS IN FY-1997

Data reported by Stat in Columns B & C on ACF-196 Line Items:	11 TOTAL STATE TANF EXPENDITURES	12 SEPARATE STATE PROGRAM TOTAL EXPENDITURES	COMBINED STATE EXPENDITURES (Col. 11 + Col. 12)	STATE	COMBINED EXPENDITURE AS % OF MOE	TANF IMPLEMENTATION DATE	NO. OF DAYS IN FY-1997 UNDER TANF	PRORATED MOE AT 100%
Alabama	29,775,051	6,896,417	36,671,468	ALABAMA	80%	11/15/96	320	45,839,335
Alaska	23,700,904	-	23,700,904	ALASKA	144%	7/1/97	92	16,448,223
Arizona	89,475,820	11,887,034	101,362,854	ARIZONA	80%	10/1/96	365	126,703,568
Arkansas	8,440,314	-	8,440,314	ARKANSAS	121%	7/1/97	92	7,003,410
California	2,467,399,984	-	2,467,399,984	CALIFORNIA	80%	11/26/96	309	3,084,249,980
Colorado	19,264,713	6,994,253	26,258,966	COLORADO	94%	7/1/97	92	27,850,675
Connecticut	195,649,127	-	195,649,127	CONNECTICUT	80%	10/1/96	365	244,561,409
Delaware	18,515,355	-	18,515,355	DELAWARE	114%	3/10/97	205	16,303,449
District of Columbia	46,416,346	-	46,416,346	DISTRICT OF CO	84%	3/1/97	214	55,072,422
Florida	392,002,156	8,573,429	400,575,585	FLORIDA	81%	10/1/96	365	494,558,734
Georgia	163,807,468	-	163,807,468	GEORGIA	95%	1/1/97	273	172,893,545
Hawaii	9,434,998	10,060,193	19,495,191	HAWAII	79%	7/1/97	92	24,527,109
Idaho	3,647,662	-	3,647,662	IDAHO	79%	7/1/97	92	4,597,053
Illinois	75,432,902	33,827,903	109,260,805	ILLINOIS*	76%	7/1/97	92	144,182,239
Indiana	112,260,002	1,265,176	113,525,178	INDIANA*	75%	10/1/96	365	151,366,637
Iowa	46,967,489	12,780,916	59,748,405	IOWA	97%	1/1/97	273	61,793,509
Kansas	71,881,528	-	71,881,528	KANSAS*	87%	10/1/96	365	82,332,751
Kentucky	71,313,590	-	71,313,590	KENTUCKY	83%	10/18/96	348	85,704,593
Louisiana	51,238,065	-	51,238,065	LOUISIANA	93%	1/1/97	273	55,263,305
Maine	39,676,485	2,212,878	41,889,363	MAINE	91%	11/1/96	334	46,092,044
Maryland	143,511,702	-	143,511,702	MARYLAND	75%	12/9/96	296	191,348,936
Massachusetts	330,147,478	44,918,343	375,065,821	MASSACHUSETT	78%	9/30/96	365	478,596,697
Michigan	486,491,978	13,277,398	499,769,376	MICHIGAN*	80%	9/30/96	365	624,691,167
Minnesota	48,326,032	-	48,326,032	MINNESOTA	80%	7/1/97	92	60,407,540
Mississippi	23,172,595	-	23,172,595	MISSISSIPPI	80%	10/1/96	365	28,965,744
Missouri	137,617,096	-	137,617,096	MISSOURI	103%	12/1/96	304	133,394,395
Montana	11,123,543	-	11,123,543	MONTANA	80%	2/1/97	242	13,869,732
Nebraska	26,064,254	-	26,064,254	NEBRASKA	81%	12/1/96	304	32,172,899
Nevada	22,495,377	-	22,495,377	NEVADA	80%	12/3/96	302	28,119,222
New Hampshire	32,255,076	-	32,255,076	NEW HAMPSHIRE	75%	10/1/96	365	42,820,131
New Jersey	201,526,664	-	201,526,664	NEW JERSEY	75%	2/1/97	242	268,702,219
New Mexico	9,986,781	-	9,986,781	NEW MEXICO*	79%	7/1/97	92	12,586,081
New York	1,426,655,531	-	1,426,655,531	NEW YORK	75%	12/2/96	303	1,893,592,594
North Carolina	131,557,706	-	131,557,706	NORTH CAROLIN	86%	1/1/97	273	153,753,364
North Dakota	2,339,028	-	2,339,028	NORTH DAKOTA	77%	7/1/97	92	3,047,968
Ohio	440,958,427	-	440,958,427	OHIO	85%	10/1/96	365	520,734,467
Oklahoma	61,250,306	-	61,250,306	OKLAHOMA	75%	10/1/96	365	81,667,075
Oregon	92,254,841	-	92,254,841	OREGON *	75%	10/1/96	365	122,921,435
Pennsylvania	252,231,970	-	252,231,970	PENNSYLVANIA	80%	3/3/97	212	315,289,962
Rhode Island	28,134,139	628,239	28,762,378	RHODE ISLAND	85%	5/1/97	153	33,739,390
South Carolina	39,753,118	-	39,753,118	SOUTH CAROLIN	86%	10/12/96	354	46,345,726
South Dakota	9,743,871	-	9,743,871	SOUTH DAKOTA	100%	12/1/96	304	9,743,871
Tennessee	88,330,540	250,167	88,580,707	TENNESSEE*	80%	10/1/96	365	110,413,171
Texas	252,712,836	-	252,712,836	TEXAS	89%	11/5/96	330	284,161,244
Utah	25,290,550	-	25,290,550	UTAH*	75%	10/1/96	365	33,720,733
Vermont	27,363,633	-	27,363,633	VERMONT	80%	9/20/96	365	34,204,541
Virginia	67,181,733	17,798,835	84,980,568	VIRGINIA	75%	2/1/97	242	113,307,423
Washington	215,183,482	-	215,183,482	WASHINGTON	82%	1/10/97	264	262,371,084
West Virginia	28,445,496	-	28,445,496	WEST VIRGINIA	91%	1/11/97	263	31,416,888
Wisconsin	158,581,427	10,647,305	169,228,732	WISCONSIN	75%	9/30/96	365	225,617,781
Wyoming	6,993,656	1,553,781	8,547,437	WYOMING*	80%	1/1/97	273	10,636,106
			-					
State Total	8,763,980,825	183,572,267	8,947,553,092					

Jen,

As Bruce prepares for his Casey presentation on child care next week, he should anticipate that Ron Haskins will argue that states are swimming in money and, as a result, there is no need to give them another $21 billion for child care. He is likely to argue this from three perspectives:

1. States aren't even spending all their current Child Care and Development Block Grant (CCDBG) funds.

This was the initial Republican argument against the President's initiative. We have developed the attached (#1) to refute this and have spent considerable time with hill staff trying to convince them that this argument doesn't hold water. As a result, Ron may not put much emphasis on this point and may move onto points 2 and 3.

2. States have tons of TANF funds that they can use for child care.

Ron definitely will emphasize this argument and point to current TANF spending as well as CBO estimates re future TANF spending to make the case that states will have lots of money they can transfer to CCDBG.

As per the attached (#2), there are several points to make in response:

- States are spending TANF funds at a rapid rate-- they have obligated 90 % of their FY 97 TANF awards. By the end of March, their FY 98 outlay rate was about 66% (a higher rate than the comparable figure for March of 1997). The evidence indicates that States are drawing down their TANF funds.

- To date, few States have transferred funds into CCDBG. In FY 97, less than $180 million (slightly more than 1 percent) of TANF funds were transferred into CCDBG.

- With respect to future TANF funds, states will face increasing welfare to work costs as the work requirements increase and their rolls are composed of harder-to-place recipients with more difficult needs.

- Further, keep in mind that Congress specifically allowed states unlimited time to obligate their TANF funds so that they would have their funds available for rainy days or contingency purposes. Can't both set aside the funds for a rainy day and use them for child care. (A caution here, we can't say for sure how much states are planning to set aside for rainy day funds, since they can't draw them down for this purpose --

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The Annie E. Casey Foundation hosts

ASSESSING THE CHILD CARE CHALLENGE: WHERE DO WE GO FROM HERE ?

Tuesday, May 5, 1998

BIOGRAPHIES OF PANELISTS

YOLIE FLORES AGUILAR - Moderator

Yolie Flores Aguilar, President of the Los Angeles County Board of Education, is a child care and education leader in Los Angeles. Ms. Aguilar chairs the Los Angeles County Child Care Capacity Workgroup, is an executive member of the Children's Planning Council and the Los Angeles Roundtable for Children, and serves on the Los Angeles County Welfare Reform Taskforce. Recently, she joined the National Economic Development and Law Center as a Senior Program Manager, and prior to that she was Director of Child Care Policy and Planning for the City of Los Angeles and the former Work/Family Director for the Los Angeles Department of Water and Power. Ms. Aguilar was in the inaugural class of the Annie E. Casey Foundation's Children and Family Fellowship Program. She has played a critical role in shaping the section on child-care policy in this year's *1998 KIDS COUNT Data Book.*

RON HASKINS

Ron Haskins is the Staff Director for the Subcommittee on Human Resources of the Committee on Ways and Means, U.S. House of Representatives. Mr. Haskins is the chief House staffer responsible for child care related legislation. Prior to being Staff Director, Mr. Haskins was welfare counsel for the Republicans on the Ways and Means Committee. Before working on Capitol Hill, he was a research professor at the University of North Carolina at Chapel Hill. Mr. Haskins has published books and articles on children and policies. In his 11 years in Washington, Mr. Haskins has worked primarily on welfare reform, day care, child support enforcement, foster care, unemployment, and budget issues.

SHARON LYNN KAGAN

Sharon Lynn Kagan, Senior Associate at Yale University's Bush Center in Child Development and Social Policy, is recognized nationally and internationally for her work related to the care and education of young children and their families. Presently, Dr. Kagan is the President-Elect of the National Association for the Education of Young Children, Co-Chair of the National Education Goals Panel on Goal One, and a member of more than 40 national boards or panels. She has recently completed a national study, Not By Chance, the report of The Quality 2000 Initiative, and Co-edited new volumes on Reinventing Early Care and Education, and Children, Families and Government. Dr. Kagan has been also a Head Start teacher and director, and Director of the New York City Mayor's Office of Early Childhood Education.

BRUCE REED

Bruce Reed, Assistant to the President for Domestic Policy and Director of the Domestic Policy Council, is the chief architect of the Administration's child-care proposals. He oversees a variety of domestic issues including welfare reform, education, health care, and crime, as well as long-term policy development. Mr. Reed served Deputy Assistant to the President for Domestic Policy from 1993 to 1995 and Assistant to the President for Domestic Planning from 1995 to 1996. In 1992, he was Deputy Campaign Manager for Policy of the Clinton-Gore campaign. From 1990 to 1991, he served as Policy Director of the Democratic Leadership Council, where he was editor of The New Democrat magazine. He worked as Chief Speechwriter to then Senator Al Gore from 1985 to 1989.

MARY PALMER SMITH

Mary Palmer Smith is the founder and Executive Director of Babyland Nursery, Inc, a model child-care center. Ms. Smith operates six child-care centers, which annually provide quality care to more than 700 children in the Newark, New Jersey area. In addition, Babyland has a network of family-based child-care providers, training mothers who can work in their own homes. A high proportion of participating families are low income or on welfare, although the centers also serve middle- and upper-income families. Babyland employs nearly 200 workers, and construction of four new centers will create additional jobs in future years. Ms. Smith recognizes the link between reliable and affordable child care and economic independence for working families. Ms. Smith served as a trustee of the New Jersey University of Medicine and Dentistry. She is a member of the State Human Services Advisory Council, a member of the State Child Care Advisory Board to name a few.

JAMES R. STOJAK

James R. Stojak, Citibank Executive Vice President, Global Fulfillment, leads the Corporation's strategic initiatives to deliver the highest quality products and services to consumers worldwide. Citibank, one of the world's leading financial organizations, is committed to helping employees balance the demands of work and family by providing high quality, affordable, onsite child care at locations across the United States. Mr. Stojak directs efforts to establish both short and long term strategies for the business. Previously, he served as Senior Vice President of Computing and Communications at Wells Fargo Bank, San Francisco. Prior to that, Mr. Stojak was Vice President and Manager of Systems Technology at Continental Illinois National Bank, where during a 13 year career at the bank he held various management positions in systems and operations.

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. The Foundation was established in 1948 by Jim Casey, one of the founders of the United Parcel Service, and his siblings who named the Foundation in honor of their mother. For more information, please visit our website at www.aecf.org.

yolie flores aguilar

serving comunities, children, & families

Yolie Flores Aguilar, appointed to the Los Angeles County Board of Education in 1995, is one of the highest ranking Latinas in local public education and in children's advocacy. She is the former Director of Child Care for the City of Los Angeles, and currently a Senior Program Manager with the National Economic Development and Law Center where she works with communities across the country in planning for neighborhood child care development and implementation. She has also consulted to the Annie E. Casey Foundation on child care and Latino children's issues. Previously, at the Department of Water and Power, she designed and managed DWP Family Care, a nationally acclaimed employer-supported child care and work/family program.

As a recognized leader in children's issues in Los Angeles, Ms. Aguilar serves on various boards to help improve the lives of children, families, and communities. In her capacity as President of the L.A. County Board of Education, she has gained the commitment from the Los Angeles County Office of Education to develop and implement an early childhood development initiative. As an executive member of the Children's Planning Council, she has the led the county-wide effort to develop children's planning collaboratives in each of the eight Service Planning Areas of Los Angeles County. In addition, she co-chairs the Los Angeles County Child Care Capacity Development Work Group, is a member of the Los Angeles County Welfare Reform Taskforce, is vice president of the board of the Pediatric and Family Medical Center, an executive board member of the Los Angeles Roundtable for Children, and a founder and director of the National Latina Alliance.

Yolie Flores Aguilar is an avid and passionate bilingual speaker on early childhood development and on the power and responsibility of parents and communities in charting a successful future for all children.

Ms. Aguilar is a graduate of the University of Redlands and received her master's degree in Social Welfare from the University of California, Los Angeles. In 1993, Ms. Aguilar was one of ten selected in the nation to participate in the 1993-94 inaugural class of the Children and Family Fellowship sponsored by the Annie E. Casey Foundation. Most recently Ms. Aguilar was selected by the YWCA of Greater Los Angeles as one of twenty multi-ethnic women for the Incredible Women Making History award.

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Brief Biography
Ron Haskins
April 1997

Ron Haskins is the staff director for the Subcommittee on Human Resources of the Committee on Ways and Means, U.S. House of Representatives. Prior to becoming staff director, he was welfare counsel for the Republicans on the Ways and Means Committee. Previously, he was a research professor at the University of North Carolina at Chapel Hill, a lecturer in history and education at the University of North Carolina at Charlotte, a high school social studies teacher in Charlotte, North Carolina, and a non-commissioned officer in the United States Marine Corps. After completing his undergraduate degree in history, Haskins obtained an M.A. in education and a Ph.D. in developmental psychology from the University of North Carolina at Chapel Hill. Haskins has published books and articles on intellectual development, illness and day care, day care policy, education policy, divorce and child support, federal expenditures on social programs, and federal budget and tax policy. In his 11 years in Washington, Haskins has worked primarily on welfare reform, day care, child support enforcement, foster care, unemployment, and budget issues. He is remarried and has four children ranging in age from 9 to 30.

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SHARON LYNN KAGAN, Ed.D.

BIOGRAPHICAL STATEMENT

Sharon Lynn Kagan, Senior Associate at Yale University's Bush Center in Child Development and Social Policy, is recognized nationally and internationally for her work related to the care and education of young children and their families. Dr. Kagan is a frequent consultant to the White House, Congress, the National Governors' Association, the U.S. Departments of Education and Health and Human Services, and numerous states, foundations, corporations, and professional associations. Presently, she is the President-Elect of the National Association for the Education of Young Children (NAEYC), Co-Chair of the National Education Goals Panel on Goal One, and a member of over 40 national boards or panels. Formerly, Chair of the Family Resource Coalition of America's Board of Directors, and a member of President Clinton's education transition team, National Commissions on Head Start and Chapter 1, and the NAEYC Governing Board, Dr. Kagan has received numerous awards, among them an honorary doctoral degree from Wheelock College and a distinguished alumna award from Teachers College, Columbia.

Dr. Kagan is a prolific author, having written over 120 publications including the authorship or editorship of 12 volumes and the guest editorship of numerous journals. In her writings, Dr. Kagan has investigated issues including the development of policy for children and families, family support, early childhood pedagogy, strategies for collaboration and service integration, and the evaluation of social programs. She has recently completed a national study, *Not By Chance*, the report of The Quality 2000 Initiative, and co-edited new volumes on *Reinventing Early Care and Education*, and *Children, Families and Government*. Her analytic work has been supported by research grants from ten national foundations, along with the U.S. Departments of Education and Health and Human Services. Augmenting her scholarship with practice in the field, Dr. Kagan has been a Head Start teacher and director, a fellow in the U.S. Senate, an administrator in the public schools, and Director of the New York City Mayor's Office of Early Childhood Education.

12/97

Citicorp Executive Biography:

James R. Stojak
Executive Vice President, Global Fulfillment
Citicorp

James R. Stojak, Citibank Executive Vice President, Global Fulfillment, leads the Corporation's strategic initiatives to deliver the highest quality products and services to consumers worldwide. In this role, Mr. Stojak directs efforts to establish both short and long term strategies for the business.

Mr. Stojak's overall responsibilities comprise overseeing and expanding the methods of customer interactions. This includes leveraging best practices throughout the corporation to enhance both the spectrum of products the bank offers and the variety and quality of methods of customer contact -- from telephones to ATMs to personal computers. As a senior business leader, he has overall accountability for developing the operational strategic direction to ensure the company excels in the competitive financial marketplace. Since joining Citibank in 1985, Mr. Stojak has held a variety of strategic organizational positions. Joining the corporation as Senior Vice President, Director of Information Services for Bankcards, he then became General Manager of Citicorp Credit Services, Inc. (Maryland). In 1990, Mr. Stojak assumed overall responsibility for the bank's credit card operations in Sioux Falls, South Dakota; The Lakes, Nevada; and Hagerstown, Maryland. In 1993, Mr. Stojak became a member of the Executive Team responsible for Citicorp's U.S. Card Products Group. He became Chief Operating Officer for Europe/North America Bankcards in 1994. He assumed his current responsibilities in February, 1997.

Mr. Stojak's professional background includes serving as Senior Vice President of Computing and Communications at Wells Fargo Bank, San Francisco. Prior to that, he was Vice President and Manager of Systems Technology at Continental Illinois National Bank, where during a 13 year career at the bank he held various management positions in systems and operations.

Mr. Stojak serves on various professional organizations. He holds an MBA in Finance from DePaul University, Illinois. Mr. Stojak's office is located in Hagerstown, Maryland.

MARY PALMER SMITH

I. BIOGRAPHY

Mary Smith, the founder and Executive Director of Babyland Nursery, Inc. earned a B.S. degree from Rutgers University-Livingston College with a major in Sociology and an M.A. from Kean College in Early Childhood Education. She was awarded honorary doctorates by Seton Hall University, South Orange, New Jersey and Drew University, Madison, New Jersey.

Mrs. Smith served as a trustee of the New Jersey University of Medicine and Dentistry. She is a member of the State Human Services Advisory Council, a member of the State Child Care Advisory Board, New Jersey State Department of Human Services Ad Hoc Committee on Infant /Toddler Child Care Regulation; National Center for Urban Ethnic Affairs; and The National Committee of the Campaign for Human Development. Her awards include: Kean College-Outstanding Graduate; New Jersey Pride Award, 1989; Senator Bill Bradley's "Unsung Heroine Award" and the Pro Ecclesia et Pontifice Award from Pope John Paul II, the highest award that the Catholic Church gives to a lay person. This marked the first time a black woman had ever been the recipient of this award. She was also one of the "Faces of Hope" guest at President Bill Clinton's Inaugural Gala. In 1996, Mary was presented the Phenomenal Woman Award by the Honorable Gayle Chaneyfield, Councilwoman-at-Large and she also received the Ann Klein Award for dedicated and forceful service as a community activist who advocates for the delivery of quality service to the elderly population of Newark's Central Ward.

A resident of Newark since she was six years old, Mary Smith is thoroughly familiar with inner-city problems, especially those of Newark, a city whose people she loves with all of her heart. She has seen her city change from a multi-cultural city where small flourishing businesses lined the streets. She remembers when the downtown area was once a major regional retail center with large department stores, branches of national chain merchandisers, three large movie theaters and cultural sites and events that rivalled those of most cities.

> "This was a place where you could leave your door unlocked. In our neighborhood there were blacks and whites. Then you began to see a progression in the early 1960's with whites who used to live over their businesses starting to move to the suburbs. Buildings started looking terrible. People stopped cleaning up, and the suburbanites coming back in to look around would say 'I lived there and look at how bad it is now.' They were blaming black people who didn't own the housing. People from the suburbs owned it, but

they wouldn't paint it or repair anything."

Mrs. Smith had four young children and was juggling a number of jobs with her husband. However, when the needs of a sick child demanded more of her attention, she stopped working. In 1964 the family moved to Scudder Homes, the State's largest public housing project which was made up of a series of 13-story buildings, housing 1,200 families. The lessons she learned about public housing, life and the people in Newark's infamous public housing projects molded her thinking and helped to shape the New Community philosophy.

> "I was the third person to move into my building. The day after I moved in, I went shopping and returned to find the elevator was broken. I lived on the eleventh floor, and that elevator stayed broken. Then we didn't have hot water. I found out they didn't put screens on windows above the seventh floor. I went to complain about the mosquitos we were getting at night and was told that the Federal government had determined that mosquitos didn't go above the seventh floor. The mosquitos were eating my kids up. It changed my attitude about people in public housing."

Mrs. Smith organized the residents to fight back by prodding the public housing bureaucracy to provide hot water, repair elevators and put screens on windows. She worked tirelessly with tenants, teaching them skills like budgeting, sewing and doing laundry. Within six months, Mrs. Smith became president of the new tenant's association at Scudder Homes and became involved in a statewide public housing tenant's group, schooling herself in neighborhood activism and even agitating for improvements in Newark's overcrowded public school system.

Residents also expressed concerns about street crime and other dangerous conditions in their neighborhoods, which they attributed partly to a lack of police presence. Mary Smith's response was to organize the Tenant's Association of Scudder Homes and tenants from other public housing to pack the City Council meeting with 1,500 residents. The politicians got the message and soon provided additional police protection for the area. The group also called for a Police Review Board to investigate suspected corruption on the force. The Newark Police Department refused, but did permit neighborhood representatives to ride on police patrols to see them doing their jobs and to convince residents that police were not brutal.

Mary Smith next became involved in Operation Understanding, an early civil rights awareness movement in Newark. This involvement followed a series of conversations and meetings with Father William J. Linder, the founder of New Community Corporation, who wanted Mrs. Smith involved in the efforts that were to seed one of the most effective community development relationships in Newark. From this sprang a remarkably effective and dedicated group called Operation Housewives that was soon to have 15 chapters around New Jersey. Mrs. Smith became co-chairperson of this coalition of urban and suburban women.

She spent six years traveling to churches in the suburbs talking about the plight of inner city residents. One of the messages that she took was the need to create well-paying jobs for urban women. The suburban women could encourage their husbands to help by opening up jobs and developing training programs. Many of the suburban men held prominent posts in prestigious firms.

However, according to Mrs. Smith, jobs were of minimal value, without reliable child care for the prospective working mothers, during working hours. No day-care center in Newark would accept children under 2 1/2 years of age. Nor was there any infant day care center in New Jersey.

Mary Smith was determined to provide day care, and for over twenty five years has been doing just that. With funds from the Operation Housewives' thrift shop, the first Babyland Nursery opened in August 1969 in a seven-room apartment in Scudder Homes. Now there are seven centers, caring for nearly 700 children in the Central Ward, the Roseville area and Downtown Newark.

Although she is now a grandmother of five, Mary Smith shows no signs of slowing down. She has a hands-on approach to her Babyland responsibilities and serves as treasurer of the Board of Directors of New Community Corporation, as well.

II. BABYLAND NURSERY

Babyland Nursery, Inc. was incorporated in the state of New Jersey in 1970 and Mary Smith became the Executive Director. Babyland was a national trailblazer when it began providing day care to the children of the Central Ward. It was New Jersey's first non-profit interracial day care center for children from 2 1/2 months to five years old. Not a single day care center in Newark would accept children under 2 1/2 years of age, and infant day care was unheard of in New Jersey.

Mary Smith understood that the hundreds of mothers in her neighborhood required good, dependable day care, if they were going to hold down jobs. She continued to inform her suburban counterparts about the jobs that Central Ward residents needed and the obstacles they faced in finding day care for their children. The group set up the Central/West Ward Service League of Newark, which opened a thrift shop called Operation Housewives, at 302 South Orange Avenue. Run by Newark women and stocked by suburbanites, this entrepreneurial venture succeeded in raising the money needed for the day care center. With the intervention of the suburban women, the fledgling group received a vacant seven-room apartment in the Scudder Homes Housing Project.

EARLY STRUGGLES

"We did the work ourselves," Mary Smith says, "And, in a year the center was open. It was beautiful, bright and cheerful with new furniture. Operation Housewives helped us staff it. I insisted that it had to be equal to what you'd find in suburbia: no second-hand furniture or equipment, nothing inferior."

Babyland was an immediate success. The center's hours were 6:00 a.m. to 6:00 p.m. and the original enrollment of 26 children soon grew to 40. Within a year Babyland's waiting list had ballooned to 200 families. Three years later more than 1,000 mothers were waiting to have their children admitted--evidence of the need for child care in the Central Ward.

This partnership, unique at the time, forged a strong bond between the more privileged element of society who saw a need and responded to it and the less privileged inner city dwellers. In a sense the "founding mothers," both black and white, set a precedent for Babyland's being supported mutually by the inner city parents and other more affluent members of society. No Federal or State funding was used until 1973.

Finances were initially very scarce. Government officials were not inclined to respond favorably to Babyland's request for State and Federal aid to offset the cost of caring for the children. The New Jersey Bureau of Children Services, the State agency dealing with children's issues, said Babyland could not receive government aid because it lacked the proper license for child care, furthermore it was impossible to license Babyland, they alleged, because there were no Federal guidelines for certifying infant day care centers. No license meant no aid, but no one could issue a license because there were no rules.

After a year-and-a-half of phone calls, meeting with lawyers and various investigations, Babyland's Executive Director discovered that the Federal government required a state to have regulations and standards for infant day care in order to qualify for aid. New Jersey had none. Nor would it supply the 25% State Match of funds that the Federal program required.

"To write standards, we had to go to the politicians and that's where the suburbanites came in again," Mary Smith said.

Babyland's suburban allies enlisted Assembly Speaker Thomas Kean(later to be Governor of New Jersey) and other legislators in their cause. Mr. Kean called public hearings to examine the lack of day care in the State. The hearings put pressure on the State to write standards that would free Federal money for Babyland.

The pressure on state officials to act was also increased by U.S. Senator Harrison Williams, who suggested circumventing Federal regulations by having Babyland certified as a pilot project which would make it eligible for Federal aid; a move that would have placed the day care center beyond the reach of New Jersey bureaucrats.

Babyland's Executive Director meanwhile asked to sit on the State Task Force that was being formed to draft infant day care standards. In 1970 and 1971 Mary Smith, the women from Operation Housewives, and the Board of Directors of Babyland drafted four proposals for infant day care standards. The state responded to their ideas by declaring that it was not writing guidelines, but just studying whether they were needed or not. Eight months later, on September 23, 1971, guidelines for infant day care were published. The title was Standards for Group Day Care of Infants. They had been developed by Mary Smith and her associates.

State regulators ignored virtually all of Babyland's recommendations and drew up a list of regulations that would have created more problems than they solved. Assembly speaker Kean again came to Babyland's aid, scheduling hearings that allowed its directors to mount a challenge to the State's guidelines. Because of the Trenton hearings and the continuing political pressure on State regulators to compromise, many of the regulatory changes supported by Babyland were finally enacted.

BABYLAND BEGINS TO EXPAND

When public monies became more readily available in 1973, Babyland had already bought and renovated a former medical office building for its second day care center. A child abuse program, with 35 day care slots, opened in 1975. That same year the original Babyland in Scudder Homes Housing Projects had to close after a rash of break-ins, leaking pipes, a basement fire and the lack of heat and hot water. Their experience at Scudder Homes made Babyland's Executive Director and supporters determined to build and control their own facilities in the future.

In 1978 Essex County wanted to setup a shelter for the victims of Domestic violence. A number of traditional service agencies were anxious to win the contract to run the facility, but thought the $50,000 budgeted was insufficient. Meetings went on for a year, thus, this long-term haggling placed the funding in danger of expiring. Then a surprising development occurred at one of the meetings that Babyland was hosting. Babyland was offered the contract to run the shelter because the New Jersey Division of Youth and Family Services (DYFS) was impressed with its commitment, experience, capabilities, and track record for success. Through a concerted effort, DYFS facilitated the process to have Babyland run the facility. Today the Babyland-sponsored Essex County Family Violence Program provides housing and counseling for more than 40 women and their children each month.

Babyland III, a $2 million facility for nearly 200 infants and toddlers, opened on South Orange Avenue in 1981. The nursery was planned by more than 50 neighborhood residents, Babyland employees, and a number of early childhood experts, who helped to custom-design it. A $900,000 mortgage was financed through the New Jersey Economic Development Authority with first Fidelity Bank of New Jersey. The first center to be built in New Jersey for infants and toddlers, from the ground up, it is truly a child-centered state of the art day-care facility.

SPECIAL POPULATIONS

Several years later, the Federal Head Start Agency wanted to launch two pilot programs for HIV children, a Newark Head Start provider was asked to set one up. They refused to get involved because of the stigma attached to AIDS. However, Babyland accepted the challenge and in 1989 opened one of the nation's first day care centers for children infected with HIV. The Babyland IV center provides medical treatment and day care for 30 children, as well as counseling, education and support services for their parents. With New Jersey ranking fourth nationally in pediatric AIDS cases and with more than 200 children being treated at Newark's United Hospitals Medical Center for the illness, Babyland IV fills another critical void in the Central Ward. It allows the toddlers to socialize in a pleasant environment with age-appropriate activities, rather than have them restricted to the lonely, clinical surroundings of a hospital.

Babyland Nursery, Inc. is also taking on the challenge of teenage pregnancy in the City of Newark, through a program that serves teen mothers and their children. The Babyland Parent-Child Center operates a two part program which is Federally funded by Head Start. One section offers services to 31 pregnant teenagers, ages 15-18, who attend workshops that teach nutrition, pre-natal care, and parenting skills. Girls who are not under a physician's care are referred to a clinic. A host of services is available, such as Women, Infants, Children (WIC), food stamps, and other services that ensure the well-being of the infant and mother. The Head Start Parent Center offers an additional 15 young women a chance to create a better life for their babies and themselves. Mothers who are 16-18 years old may place their children from ages three months to three years in the Babyland I Day Care Program while they attend school or work. They must attend workshops each weekday from 3:30 to 4:30 where they learn good parenting skills, life skills, and the availability of social services. They are encouraged to go into their children's classes, both to participate in their children's care and to observe skilled caregivers who serve as parenting role models. Most stay in the program for the entire three years.

In 1990 when New Community opened Harmony House, 102 units of traditional housing for homeless families, Babyland V became an integral part of the facility. It now serves 76 homeless infants and toddlers each day while their parents are learning how to become self-sufficient through job training and basic education.

Babyland VI opened in 1992 in the downtown headquarters of New Jersey Blue Cross and Blue Shield. It has the capacity to serve up to 95 children of Blue Cross/Blue Shield employees. In 1994, Babyland VII began operating in a bright, freshly remodeled, growth and development conducive facility which was once a building that belonged to the Telephone Company. Serving mostly children at risk, the center serves nearly 60 toddlers.

CHILDREN TOGETHER: FOSTER CARE

Babyland pioneered a new form of child care in 1993 when it opened Children Together. Brothers and sisters from severely dysfunctional families are often separated, not only from their parents, but also from each other when they are by necessity placed in foster care. This severance has devastating effects on children. However, if they can remain together as part of their natural family, they retain some semblance of stability and permanence. Children Together provides a community-based option that offers continuity of care and planning for sibling groups and other children from birth to ten years of age by using a three-fold approach:

-Children Together Home(South Orange, N.J.) is a residence with a capacity for twelve children, with enough room to house siblings who are maintained together in a family-style living environment.

-Specialized Foster Homes Program which offers training and evaluation of prospective foster parents, coordinated case management, and has a community resource component. In March 1995, Babyland established the Boarder Babies Program as part of its Foster Care Program. Through this program, babies who are not permitted, by DYFS, to leave the hospital with their parents are placed in the loving care of foster parents.

-Provides support services and special training to DYFS foster parents, which include crisis intervention, health care, nutrition, special cultural requirements and family reunification.

Children Together emphasizes the merits of a home-like, supportive environment by means of appropriate role-modeling, positive relationship building activities, family-group oriented functions, and warm, comfortable physical surroundings.

SUMMARY

Babyland Nursery's eight locations include six day-care centers, a Family Violence Shelter, and the Children Together Home. A total of 20 different programs address the needs of children and their families. The centers provide quality day care for over 1000 children, ranging from prenatal to 5 years of age. They benefit from both an early childhood education and a health maintenance and nutrition program, parent involvement in their children's development, as well as a transportation program.

The services provided to the children at every Babyland center are comprehensive. Nearly half of the youngsters cared for in the seven nurseries receive a wide array of social services. Field workers visit their homes, assisting parents to care properly for their children. All of the toddlers are enrolled in the Federal WIC Program to ensure that their nutritional needs are met. Children are immunized and given complete physical examinations. The centers keep complete medical records on each child.

The staff of 197 during summer months, includes 165 full-time employees. Nearly half hold professional degrees or certifications. Their backgrounds range from Child Development Associate to Ph.D. and cover many fields including: Social Work, Sociology, Nursing, Early Childhood Education, Nutrition, Family & Child Development and Psychology. This highly experienced staff is augmented by volunteers who serve at most centers, and 15 members of the State's Foster Grandparents Program who serve at Centers I, III, and VII.

Babyland has a proud tradition of staff training. It develops and maintains high standards of care. Its teachers and caregivers are continually updated on the latest methods and trends in infant and early childhood education. Caregivers can earn up to 36 credits in Early Childhood Education through on-site, in-service training courses which are taught by accredited staff members.