

**Kathy Wilson
Board Member
Alexandria Child Care Director's Association
Testimony Before the Alexandria City Council
April 8, 2002**

My name is Kathy Wilson. I have been asked to speak on behalf of the Alexandria Child Care Director's Association of which I am a member and have previously served for seven years as Chair. For eleven years, I have served as director of Abracadabra Child Care and Development Center.

The Director's Association is comprised of a majority of the City's child care centers and represents all nationally accredited child care centers in the City.

This is what center directors ask of you today: we ask that you raise the City's reimbursement rate and eligibility scale for subsidized child care to the level of Fairfax County's.

These two terms are quite familiar to all of you.

The reimbursement rate - sometimes referred to as the market rate - is the rate at which centers that serve low income children are reimbursed for subsidized childcare. But to call it market rate is a misnomer. It is no where near the market rate. The reimbursement rate the City offers is far below the cost of providing child care and far below the already artificially depressed market rate for child care .

Alexandria's preschool subsidy is \$145 per week while Fairfax County's is \$161 per week.

The eligibility scale is a rate expressed in terms of the poverty rate. Currently, a family of four, living in Alexandria is eligible for child care subsidy if their income is 185% of poverty or \$30,895 annually. We believe that this rate should be raised to 250% of the poverty level – as with Fairfax County’s – which, for a family of four is \$41,750 annually.

Here is the problem in childcare today in Alexandria, and again I want to remind you I speak for every certified preschool in the city.

There is little incentive for centers to take low income children under the current reimbursement rate that inadequately compensates child care centers, failing to pay for the care and education provided by qualified teachers.

Because the reimbursement rate does not cover the per child cost of teacher salaries, materials, rent, or insurance -- increasingly centers are reluctant to serve these children.

But the insufficient reimbursement rate is not the only disincentive.

The eligibility rate is too low. So when parents make an effort to improve their lives by getting a better job or receiving a raise, their access to an affordable and quality preschool is yanked from under them because they exceed an eligibility level that is pegged too low for the cost of living in Alexandria. These enrollments prove to be short-lived, providing another disincentive for center enrollment.

As congestion and the rising cost of living have escalated real estate values and rents, child care centers must receive higher reimbursements to afford to offer this essential service to our City’s most vulnerable children.

Let me give you one human example of what is happening out there. Forget for a moment about market rates, eligibility scales, poverty rates and regional differences.

Recently, my center had a family, which we served. When the father received an offer for a better job he took it. Although the combined family income was less than \$35,000, he exceeded the eligibility standards and was forced to pull his child from our center. Although his new salary was too high for subsidy, it was still too low to support self-sufficiency. Affordable child care... he found unsuitable. He may be forced to leave the work force. Loss of employment has serious negative implications for the well-being of families and undermines the long-term success of welfare reform.

The City has failed him. His success, his hard work, his good fortune were his downfall. When he placed the weight of his family on the next rung of the ladder toward the American dream, it broke.

Child care centers in Alexandria can not shoulder the responsibility that this City must shoulder. We can not absorb the cost that rightfully should be borne by this City. You can not expect to receive first-rate child care on second-rate reimbursements.

Last year a center was forced to close its doors. I am sure there were many reasons underlying that failure, but it 's possible that the loss of income following from years of serving low income families at an insufficient rate of reimbursement contributed to its insolvency. It stands to reason that the centers that serve the largest number of low income children run the largest deficits. How long can these centers maintain quality and stay in business?

You have long challenged us to provide quality child care in order to prepare these children for school. But in asking for a high standard of quality comes the responsibility to reimburse centers at the cost it takes to provide it.

You have set the bar high. You have asked and we have delivered an excellent private system of quality child care.

There are many affluent families in Alexandria that can afford to pay the market rate. What incentive is there to serve low income families when the cost differential can be \$150 a month and \$1,800 a year? That money comes right out of the pocket of our teachers who already are paid near the bottom of the pay scale in America.

So what in principal are we asking? We need a reimbursement rate that lets us pay fair wages and thus retain the skilled and talented workforce needed to provide quality child care. We are not trying to gold-plate the service or even tin-plate it.

We are trying to keep what has taken 20 years to build up. The City's history of commitment to quality early childhood programs is evidenced by the Children's Fund and the Early Childhood Commission. But it is not enough. There remains the very present and serious issue of insufficient reimbursement rates which, in combination with a low eligibility scale threatens to undermine the work of the past.

The scale has tipped in Alexandria. Because the City subsidy is insufficient, the child care teacher is forced to pay the balance in even lower wages. That is wrong and the system is breaking.

Respectfully, we need your help.

We are asking the City Council of Alexandria to raise the preschool reimbursement rate and the eligibility ceiling to that of the level of Fairfax County: from \$145 per week to \$161 per week and from 185% of poverty to 250% of poverty.

Thank you.

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Thank you. For your time + previous consideration of our budgetary request!