

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 23, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER 

SUBJECT: BUDGET MEMO # 44: HEALTH INSURANCE BENEFITS FOR FAMILY DAY CARE HOME PROVIDERS (COUNCILWOMAN WOODSON'S REQUEST)

On April 11, 2002, City Council received a letter and information packet from the Tenants and Workers Support Committee (Attachment I) requesting that the City Council set aside funds to pay for health insurance for childcare providers. This followed up to budget hearing testimony, as well as to the interest and requests that have been made for this program over the past year by the Committee and the UNITY childcare providers organization (Attachment II is the response to a Council request last September). In the latest letter, an overall cost of \$500,000 was stated as the estimated annual cost of this new program. The City currently has 181 family day care home providers. Councilwoman Woodson subsequently requested a budget memorandum on this topic.

There are a number of reasons why staff recommends that Council exercise caution in this area, and have extensive research conducted before considering a request for funds.

1. Health insurance is an extraordinarily complex program to establish and administer. To date, the details of how the program of providing health insurance to family day care home providers would work, and the terms and conditions of its underwriting, are not known. Before any funds are set aside, far more details of how a program would work and function would need to be known. Health insurance is also strongly regulated at the state and federal level, and any proposal would have to be vetted to see that legal requirements could be met.

2. Health insurance is one of the fastest growing expenditure categories in the United States for public and private employers. The City's own plan for its employees (which has a long-term history, over 2,000 enrollees and multiple service providers) will see costs increase by over 15% in FY 2003. The current long-term national trend is that health insurance costs will increase at a double digit rate for the foreseeable future. With this clear negative financial trend, consideration of starting a new health insurance program needs to be approached with an abundance of caution.

- 3. The precedent of funding health insurance coverage for family day care home providers is likely to cause other groups of providers and non-profits which do not receive or provide health insurance, or provide only minimal employer-sponsored plans, to look to the City to provide the same coverage and funding. For example, the City has 138 companion providers, and contracts with many non-profits who may or may not provide health insurance coverage to their employees. Also, not all City employees receive City-funded health insurance coverage; those who work less than 10 hours per week and seasonal and temporary employees do not receive insurance benefits.

- 4. There is little precedent and few working models for this type of program, with the State of Rhode Island (which used an existing health care program for the poor as its base) being cited as the primary example. Massachusetts is another state that has provided coverage, but research to date has not identified an example of a local government in the United States creating this type of program. This is not to say that such a program could not be successfully created and operated, but without clear examples this is territory that is largely unknown, and before any actions are taken a far more thorough understanding of how such a program works and would be operated is necessary. This is particularly important since once health insurance coverage begins to be provided, it would be extremely difficult to terminate it due to the understandable reliance upon it that would develop.

- 5. The cost of the program has been estimated by UNITY at \$500,000 per year, but UNITY has also stated that they would like to have family coverage "equivalent to the family coverage provided to City employees." Given that the lowest cost of City family coverage is \$6,468 per year and that there are 181 family day care home providers, the total cost of the program could be up to \$1.2 million annually (if all providers enrolled). If only 75% of providers enrolled, the cost could be up to \$0.9 million per year. That cost would increase if the groups covered expanded beyond the family day care home providers.

All this is not to say that, because a program like this has not been undertaken by a locality, it cannot be successfully implemented. However, given the unknowns, complexity, risks and potential costs, I strongly recommend that this issue be explored and studied in far more detail before any funding or program decisions are made.

Attachments:

- I. "Health Insurance for UNITY Childcare Providers" proposal dated April 11, 2002
- II. UNITY Childcare Providers' Benefits (Request No. 02-95E) memorandum to City Council dated September 24, 2001

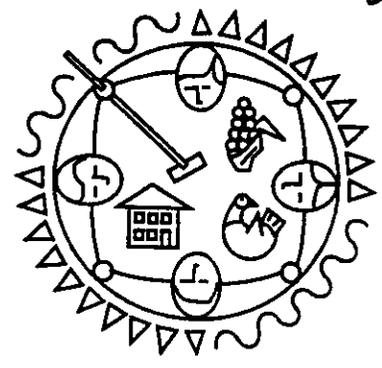
HEALTH INSURANCE FOR UNITY CHILDCARE PROVIDERS



ALEXANDRIA NEEDS TO INVEST
IN PEOPLE, NOT PARKING LOTS

April 11, 2002

Kerry J. Donley
Mayor, City of Alexandria
City Hall
Room 2300
301 King Street
Alexandria, VA 22304



Dear Mayor Donley:

Enclosed please find a new proposal for health insurance for UNITY child care providers. As you know, the providers have sought health insurance paid by the city of Alexandria for nearly a year. The plan submitted to the City Council last fall was flawed in that it did not take into account the independent contractor status of the child care providers. Given that as independent contractors the providers are prohibited from joining the city's insurance plan, we have developed a plan that *only requires that the city set aside funds to provide insurance for child care providers.*

The Tenants' and Workers' Support Committee is able to negotiate with insurance companies on behalf of its chapter, UNITY, and insurers have already agreed that UNITY can be treated for insurance purposes as a group and as such is eligible for a group rate. We have already undertaken a demographics survey to determine the rates needed, and the survey is far enough along to get quotes. We expect quotes by April 16, but now estimate the cost at \$500,000.00 for one year.

The basis for our negotiations with insurers will be the city's plan for it's employees. We are seeking coverage equivalent to the family coverage provided to city employees.

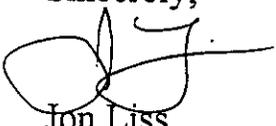
Once the funds have been set aside, the entry level criteria and basis for continued coverage can be determined. If City Council wanted to be a part of that planning, that is, of course possible. Until we know if there is funding and what the funding will purchase in terms of insurance coverage, the specific details of eligibility and coverage will be unresolved. We do know, however, that the providers bill the city monthly in terms of days per child. It will be easy to determine an entry number of days billed in a month that would make a provider eligible for coverage, and a number of days per



month billed that would maintain coverage. It is important to understand that whether a provider bills for one child or five, they are working long hours, often ten per day, and that special condition of child care work should be reflected in any fair criteria for eligibility.

We are still seeking to get some funds set aside for insurance for child care providers in the budget now being considered by the City Council. We would like to meet with you as soon as possible to explain our plan and to answer any questions you might have. Please contact Kathleen Henry at 703-684-5697 or at 240-605-2223 as soon as possible to arrange a meeting. Thank you in advance for your consideration.

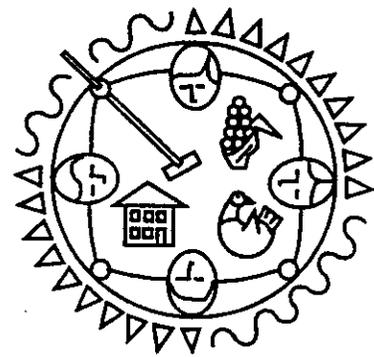
Sincerely,



Jon Liss
Director, Tenants' and Workers' Support Committee

UNITY CHILD CARE PROVIDERS HEALTH INSURANCE PROPOSAL SUMMARY

- UNITY child care providers support the city of Alexandria's efforts to help residents to get off the welfare rolls and back to work. The entry level jobs the parents take often require odd hours or weekend or night work, which makes the UNITY providers the best choice for child care. The UNITY providers also support the welfare-to-work program by accepting a lower rate of pay than they could get for private care. In addition, the UNITY providers support their own families, contributing to the overall economic health of the city.
- Although a relatively small group of about 180, the UNITY providers care for about 1000 children.
- In the aftermath of the September 11 disaster, many agencies have seen the need for a 'safety net' for low income workers. Providing insurance coverage for UNITY providers offers support to two groups of low income workers, the UNITY providers themselves and the parents of the children.
- By insuring UNITY providers and their families, the city of Alexandria is in some measure helping to address the crisis in health care caused by the extraordinary number of uninsured in Alexandria.
- UNITY is asking the city of Alexandria to set aside funds to pay for insurance for child care providers in the same manner that they set aside funds for matching the Arlington rates last year. We are no longer trying to get into the city's plan for it's employees, since we agree that as independent contractors we are not eligible. The city of Alexandria has the legal authority to set aside funds for child care providers. (See Coffey memo enclosed on yellow paper.) The Tenants' and Workers' Support Committee can negotiate for insurance on behalf of the UNITY chapter, and the insurance companies are willing to treat them as a group for insurance purposes. We have nearly completed the demographics survey necessary to get quotes, and we will be getting quotes from companies on April 16. We estimate the overall cost to be around \$500,000.00.
- The basis for our negotiations with insurers will be the city's plan for its employees. We are seeking coverage equivalent to the family coverage provided to city employees.
- Formulas for initial eligibility and continued coverage will be determined based on a formula derived from days billed and paid by the city. Under the current system, providers are paid by the day per child.



November 27, 2001

Councilman William D. Euille
City of Alexandria Council Members
City Hall Room 2300
301 King Street
Alexandria, Virginia 22314

Re: Ms. Meg O'Regan's Memorandum Dated September 24, 2001

Dear Councilman Euille:

I have been serving as pro bono counsel and volunteer of the Unity Campaign since its inception. I regret that I was unable to be present during your visits with the providers, and I did not have the chance to meet you at the celebration we had for the providers at the Departmental Progressive Club on September 22nd. I look forward to meeting you in person.

It has come to Unity's attention that Ms. Meg O'Regan, Director of the Department of Human Services ("D.H.S.") for the City of Alexandria, wrote you a Memorandum on September 24th in which she identified D.H.S.'s position on Unity's request for a City-funded health insurance plan. After having reviewed her Memorandum, I am writing to respond to the issues Ms. O'Regan raised.

Ms. O'Regan first states that the City's Personnel Services Department believes that the child care providers cannot be covered under the City Health Insurance program. Certainly, recent decisions issued by the Virginia Supreme Court may indicate that localities are restricted in their ability to enroll certain individuals in the health plans they sponsor for their employees. Unity's initial hope was that providing health insurance to the child care providers could very conveniently be accomplished through the enrollment of the providers in the City's plan. Even if the City of Alexandria could not enroll the providers in its own plan, however, it would not be restricted in its ability to designate funding for a separate insurance plan specifically for the providers. You may recall that Mr. Jon Newman, another attorney who has worked on behalf of the providers, spoke on this issue at the DPC on September 22nd. Mr. Newman outlined the legal authority on which the City could base its decision to set aside funds for a health insurance plan for the providers, and this authority is identical to the authority on which the City based its decision this past summer to set aside funds for the providers' reimbursement rates.



Notwithstanding the City's authority to do this, however, Ms. O'Regan reached the conclusion that the City was powerless to assist the providers in obtaining health insurance, and proceeded to outline the efforts in other states on behalf of similarly situated providers. Apparently, Ms. O'Regan believes that Unity's campaign is one more appropriately suited for Virginia's General Assembly than for the Alexandria City Council. Our response to this is two-fold.

First, setting aside for a moment the issue of the government venue in which this initiative might take place, it is important to elaborate on the effort in Rhode Island, a state whose program Ms. O'Regan refers to specifically. Rhode Island's provision of health insurance to its *family day-care providers* resulted from a campaign initiated by those providers. Their effort began in 1990, when they organized as a result of the utter and complete failure of the agency responsible for paying the providers to pay them in a timely fashion. They formed the "Home Daycare Justice Committee," and proceeded to take direct action to get paid on time. The agency initially balked at a remedy, but finally agreed to adjust its procedures in light of the attention focused on the problem. As reported in the *Providence Journal* during the struggle, "The Department of Human Services, which.....pays its own employees like clockwork, is always late by a month or more with the money it owes several hundred daycare mothers." Empowered by their victory, the providers initiated a campaign to obtain health insurance. Their campaign focused on the immeasurable contribution they were making to Rhode Island by way of their care of the state's disadvantaged children, and their need to have basic health insurance to better accomplish their task. They won the struggle for health insurance, and their story is an inspirational one.

Unity's campaign began in similar fashion. The City's D.H.S. was forcing the providers to wait three weeks or more for a paycheck. When the providers organized and demanded payment in a timely fashion, the City's D.H.S. refused, and the providers continued to fall behind in their rent, car payments and utility bills. When, however, local newspapers began reporting on the story, in which the City's success in paying its own employees in a timely fashion was reported just as it had been in Rhode Island's newspaper, the City's D.H.S. finally agreed to furnish the providers the respect that professionals are entitled to (copies of some of the articles are attached). It was after this victory that Unity became focused on achieving a basic health care plan, and they made their request to the same City that was paying them for their services. Ms. O'Regan cites the example of the Rhode Island providers to demonstrate the reason why Unity's strategy is apparently misguided. On the contrary, Unity has adopted from the Rhode Island providers a winning formula, one which produced for the Rhode Island providers a level of dignity and respect to which they were very much entitled.

The second response to Ms. O'Regan's reference to Rhode Island--again, a reference seemingly intended to show that this is an issue better suited for the General Assembly--involves Unity's experience with the Commonwealth of Virginia's Department of Social Services ("D.S.S."). Virginia's D.S.S. is responsible for the oversight of the program through which the City of Alexandria is operating its child care program. Any provision made by the General Assembly would be the responsibility of Virginia's D.S.S. to implement. Unfortunately, Unity has reason to lack faith in the willingness of Virginia's D.S.S. to implement any such provisions,

and is therefore more confident that they can accomplish their goals at a local level. Let me further explain this point.

When Unity first was organized, Unity's staff members tried to learn all they could about the program under which Unity's providers were being reimbursed. We learned that the relevant program is the *Child Care and Development Fund*, a federal program by which the U.S. Department of Health and Human Services ("H.H.S.") provides a block grant of money to each participating state. In exchange for the block grant, each state is obligated to submit to the H.H.S. a written plan specifically describing how it intends to use the grant. In their plan, Virginia included the rates at which the providers in Virginia were being reimbursed (D.S.S. is in charge of setting the rates, and the rates differ from one county/city to the next). Every two years, each state must establish new rates and pay their providers accordingly. Virginia had updated their rates and reported the new rates to the H.H.S., but the D.S.S. had refused to *implement* the new rates. Thus, the City's providers and all other Virginia providers had not seen their rates change. D.S.S.'s refusal to implement its own established rates was a violation of its agreement with the H.H.S. We learned that other interested parties, including the City's D.H.S., were aware of the problem; however, no successful action had been taken. On behalf of the Unity campaign, I submitted in February a complaint to the federal government in accordance with the relevant provisions of the Code of Federal Regulations.

We were soon notified by the H.H.S. that they were investigating the complaint, and they began their investigation by notifying Virginia's D.S.S. of the substance of our complaint. D.S.S. was given a deadline by which to respond. As a result of D.S.S.'s response, H.H.S. learned that the providers were not in fact being paid in accordance with D.S.S.'s reported rates, and that this failure constituted a violation of Virginia's agreement with the federal government. As dictated by the federal law, the D.S.S. was thus given the opportunity to either amend their plan or change their policy so that they would be in compliance with their own plan. The failure to do either would result in sanctions. The D.S.S. thus amended the plan, provided a new rate scheme, and began paying the providers at these higher rates this past June. It has come to Unity's attention that D.S.S.'s action this past June on the reimbursement rates is being characterized as a voluntary action on the part of the agency. I have attached the letter I received in August from Mr. James A. Harrel, Acting Commissioner of the United States Department of Health and Human Services' Children, Youth and Families division. His letter makes clear that the D.S.S.'s action was in fact the result of Unity's action. What is important, however, about Unity's experience in this matter is that it learned that a reliance on a non-local authority for action is neither practical nor justified.

Instead, the Unity providers have placed their faith in the City's government, and the confidence they have in the City has developed in light of independent City initiatives, including one targeted at child care providers themselves. It was the City that boldly took the first step in Virginia toward ensuring that workers are paid a living wage, and this effort has inspired other localities in Virginia to do the same. And it was also the City that officially registered its own displeasure with the rates that Virginia's D.S.S. had established for Alexandria child care providers when you and the other members of the City Council voted this past summer to *set aside funds* to supplement providers' rates, an initiative indistinguishable from the one the

providers are now asking the City to accomplish. In setting aside those funds, your message clearly seemed to be that however state-wide the reimbursement rate problem was, it was certainly a *local* problem, and that this local problem would be acted upon *locally*. In requesting that the City set aside funds for a health insurance plan, the Unity providers are requesting that the City adopt the identical approach it took on the living wage and the providers' reimbursement rates.

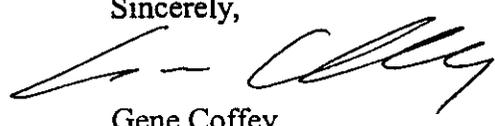
Ms. O'Regan also lists in her response the other health care options existing for those currently without health insurance, including the FAMIS program, the Medicaid program, and the State and Local Hospitalization fund ("SLH"). The FAMIS plan is one geared only for children--the providers whose children may be eligible would receive no coverage. The Medicaid program's "Low-income Families With Children" category has *very* strict eligibility rules, and it is unlikely that the providers would be seeking assistance from the City if most of them were eligible for and receiving benefits from this category. The State and Local Hospitalization program also has its restrictions, and it provides nothing for the preventative care that would go a long way toward make those hospital visits unnecessary. The bottom line is that the existing programs are proving to be insufficient for the providers. I know that you listened to some of the providers explain how difficult it has been for them to work with children and be without health insurance. They need a measure of assistance that is not currently available to them.

Ms. O'Regan further states that the *family day-home providers* are only one element of a provider network in the City, and she questions whether only one element of that network should be afforded such an initiative. Unity has never underestimated the importance of any of the City's providers. It is important to keep in mind, however, the reason *why* so much attention has been focused on the family day-home providers. It was the *family day-home providers* that organized as a result of the D.S.S.'s failure to pay them in a timely fashion. The rallying point of their protest was that their contribution to the City--providing care to the City's most vulnerable children--was worthy of more respect than they were being given. As attention became focused on their conditions, it became more widely known that their *independent contractor* status deprived them of benefits that City employees and *center-based providers* generally enjoy. Added to this was the shock that the City Council itself expressed when it learned how little these particular providers were being paid. It is almost natural to anticipate that a group traditionally treated with neglect would receive a greater amount of attention when the problems associated with their neglect are revealed.

Unity appreciates the commitment that Ms. O'Regan made in her Memorandum toward working with Unity in seeking benefits for the providers that would be commensurate with their contribution to the City. To this end, it is our sincere hope that Ms. O'Regan and the staff at the City's D.H.S. will take a more thorough look into Unity's effort to obtain funding from the City for a meaningful health insurance plan.

If you have any questions, please do not hesitate to call me. My telephone number at work is (703) 538-3962. On behalf of Unity, I thank you for the time you have devoted to studying this matter. We all look forward to continuing to work with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Coffey". The signature is fluid and cursive, with a prominent loop at the end of the last name.

Gene Coffey

Attachments



AUG 16 2001

Administration for Children and Families
Administration on Children, Youth and Families
330 C Street, S.W.
Washington, D.C. 20447

Mr. Gene Coffey
Tenants' and Workers' Support Committee
P. O. Box 2327
Alexandria, VA 22301

Dear Mr. Coffey:

This is in follow-up to our letter of March 16, 2001, regarding the complaint you filed with the Administration for Children and Families (ACF) on behalf of child care providers in Alexandria, Virginia. That letter acknowledged the receipt of your complaint and outlined the process necessary for the State Child Care and Development Fund (CCDF) Lead Agency, the Virginia Department of Social Services, to provide comment about the complaint.

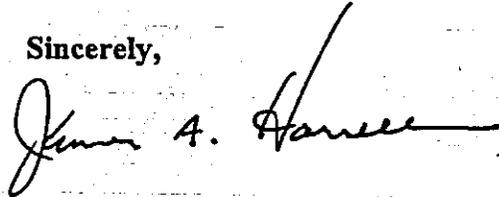
The Virginia Department of Social Services has provided comments and we are responding to your complaint in accordance with 45 CFR Section 98.93(d). Based on the information that we received we find that there is evidence that Virginia was not in compliance with its CCDF Plan regarding reimbursement rates it paid to child care providers. The reimbursement rates to child care providers specified in its Plan were effective March 1, 2000. However, Virginia continued to pay providers based on the reimbursement rates included in its FY 1998-1999 biennial CCDF Plan. Under 45 CFR 98.92(b)(2), the Secretary may impose sanctions and other penalties if the Lead Agency does not correct its violation before the penalty is to be applied or unless it submits a plan for corrective action that is acceptable to the Secretary.

The Virginia Department of Social Services has taken corrective action and has submitted a copy (see enclosure) of its bulletin notifying all of its regional directors, local agency directors, local agency child care coordinators and workers, and regional child care program consultants that beginning June 2001, the Department will provide an increase in its reimbursement rates to providers. In addition, Virginia has requested an amendment to its CCDF Plan for FY 2000-01 to reflect these payment rates for child care providers effective June 1, 2001. This amendment has been approved by the ACF Region 3 office.

Page 2 - Mr. Gene Coffey

If we can be of further assistance in this matter, please contact Moniquin Huggins,
at (202) 690-8490

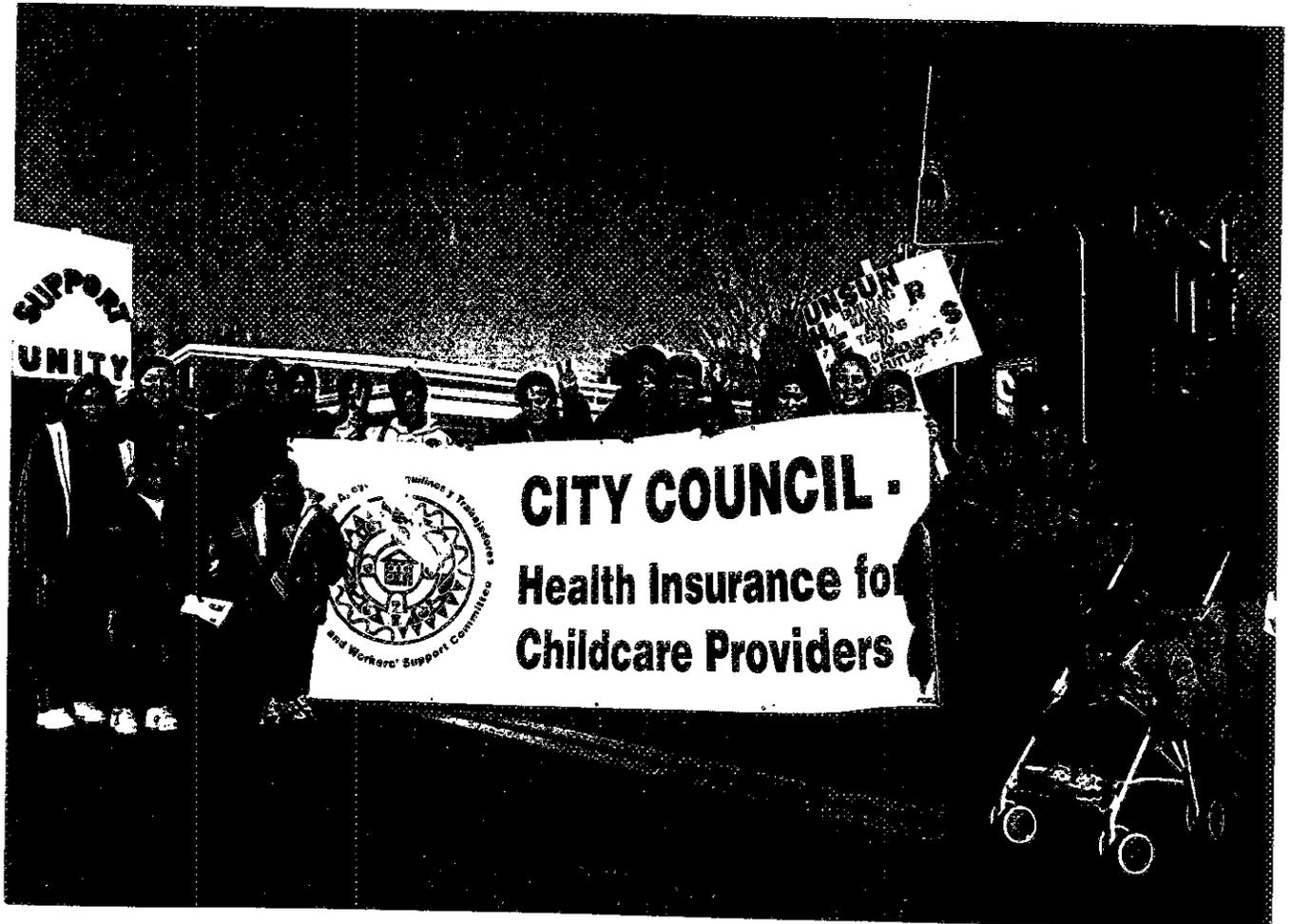
Sincerely,



James A. Harrell
Acting Commissioner on Children,
Youth and Families

Enclosures

Cc: ACF Region 3
Dottie Wells, Virginia Department
Of Social Services
Brenda Bonds, Central Office



Alexandria Seeks Fairer Child-Care Subsidies

By JACQUELINE L. SALMON
Washington Post Staff Writer

Alexandria City Council members are appealing the state's continued practice of paying child-care workers in adjacent Arlington County more than those in Alexandria and are prepared to make up the difference with city funds if the appeal fails.

Under a new formula that is to take effect in Alexandria on July 1, providers in Arlington who care for children in their homes for up to 50 hours a week will receive as much as \$15 more per child, depending on age, than will similar providers in Alexandria.

For example, Alexandria providers stand to receive \$137 a week for a toddler, \$11 less than in Arlington; \$140 a week for an infant, \$5 less than in Arlington, and \$60 a week for after-school care of an older

child, compared with \$75 in the county.

Because child-care providers often watch several children, the disparity becomes significant over time, advocates for equal funding say.

"We live in the same geographic area . . . There should be parity," said Alexandria Mayor Kerry J. Donley (D), noting that his city is demographically similar to Arlington County. "I can't imagine that there is a justifiable reason why Alexandria providers are being paid a lower rate."

A spokeswoman for the Virginia Department of Social Services said that the city's appeal, which the agency was notified of last week, will be considered part of public comment on the plan.

About 200 providers in Alexan-

dria receive subsidies for caring for the children of low-income parents. Nearly 1,100 children are covered by the city-administered program, part of a federal and state effort that subsidizes day care for millions of children nationwide while their parents work, attend school or receive job training.

By federal law, a state is required to conduct local surveys every two years to determine the market rate for child care before setting the amounts it will pay. The rates then go to the federal government for approval.

Alexandria's reimbursement rates have lagged behind those of most neighboring jurisdictions for years. But this time the difference was greater, city officials said, fueling an outcry by providers.

"We want to make conditions bet-

ter for child-care [providers] in the city," said Allie Smith, who for 11 years has been caring for Alexandria children covered by the subsidized program.

Child-care providers brought the new rates to the attention of council members at recent budget hearings.

"All of us were taken aback at how outrageously low it was," said City Council member Joyce Woodson (D), who voted to appeal the new formula. "I was shocked."

Last week, the City Council decided to set aside \$150,000 from its fiscal year 2002 budget of \$349.4 million to cover the difference between Alexandria's and Arlington's rates if its appeal fails.

"We may not need to spend that money, but we're ready to if we have to," said City Council member David G. Speck (D).

1298

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ALEXANDRIA

Gazette Packet



25 cents

ADDRESS SERVICE REQUESTED TO: 1610 KING ST., ALEXANDRIA, VA 22314

Vol. CCXVII, No. 43

Serving Alexandria for over 200 years • A Connection Newspaper

October 26, 2000

Childcare Workers, City Reach Accord

By CARLA BRANCH

Gazette Writer

They have fought for 10 months over prompt payment of invoices, and, finally, last Monday night, childcare workers in Alexandria declared victory.

More than 50 childcare workers and their supporters crowded into the offices of the Tenant and Worker Support Committee on Mt. Vernon Avenue to hear what Assistant City Manager for Operations, Lori Godwin, had to say about resolving the dispute be-

tween family daycare providers and the Alexandria Department of Social Services.

The problems began last January when the city procured a new computer system for paying vendors. Childcare providers, who had previously submitted invoices on the 20th of each month, were paid on or before the fifth of the following month. The new system required providers to submit their invoices on the 30th of the month and many

See ACCORD page 12

Continued from page 1

of them did not receive checks until the 20th of the following month.

In April, Director of Social Services Meg O'Reagan, met with the providers and promised to see that they were paid within five days of submitting properly completed invoices. Godwin became involved two weeks ago after the group, known as UNITY, submitted a petition with more than 100 signatures to City Manager Phillip G. Sunderland, demanding prompt payment of their invoices.

"There were no problems before you changed the system," said Charlotte Dunbar, a childcare provider, at Monday night's meeting. "Since January, checks have almost never arrived on time. Many of us have had to pay late fees on credit cards, rent, car payments and utility bills. Some of us have even been evicted. If we are under this kind of stress, wondering when we are going to

get paid, we can't provide the kind of care for our children that we would like to provide. We need to be paid by the fifth of every month. That's all we want."

Godwin responded. "Two weeks ago, I listened to your concerns and I met with Meg O'Reagan and her staff to try and resolve the problem," she said. "They were not aware of just how bad things had gotten because, apparently the system worked fine for at least one month. I believe that Meg and her staff have come up with a solution and I would like for her to tell you about it."

O'Reagan reviewed the events that have occurred since she met with the group last April. "When we met with you, we tried to explain about the new payment system and we asked you to be patient with us while we were changing things over," she said. "We promised that we would walk your invoices through for the first month, and I believe that everything was fine

during that time."

O'Reagan explained that her department had input 14,000 cases into the new computer system between January and September 30. Those cases included child abuse cases, foster care cases and childcare provider cases. In April, O'Reagan had told the providers that it was impossible to retain the old invoice date of the 20th of the month. However, she announced on Monday night, that, working with the contractor, she had found a way to do just that.

"We are going to switch you back to submitting your invoices on the 20th of each month," O'Reagan told the group. Her announcement was greeted with applause.

O'Reagan also agreed to guarantee, in writing, that checks would be mailed no more than five days after receipt of a properly completed invoice.

"This is an example of what we can do if we stick together," said Leslie Taylor, a childcare provider. *

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OCTOBER 2000

Unity Scores Victory Against City of Alexandria

By Ed Laiscell
Informer Staff Writer

"We did it," shouted members of Unity, an organized group of childcare providers in the city of Alexandria, following a 45 minute meeting with officials from the city. "This is a victory," they continued.

Unity demanded the meeting with the city officials to give them testimony about the hardships they are enduring since the city's Department of Human Services changed the method of payment. Since the city changed the payment method, many of the providers have received eviction notices, disconnection of telephone or electrical service, and paid late rental fees. The providers charge that some of them have received their payments three weeks late.

Everything is expected to change for the providers following a meeting Monday with city officials. Meg O'Regan, Director of DHS, Carol Farrell (Director of the city's

Early Childhood Development Department) and Assistant City Manager Lori Godwin met with the providers to hear their concerns. At the meeting O'Regan announced the city was returning to the old method of paying the providers.

Beginning next month, the providers will present their invoices to the city on the 20th of the month. O'Regan promised that if the invoices are correct, the providers' checks would be in the mail within five days after receipt.

"I thought we had a victory tonight for the childcare providers," said Darnella Shelby, a provider. "This is just the start because we will work hard to have many more victories. We have a lot of issues."

O'Regan cautioned the providers, however, that it is important their invoices be correct. "It is very important that all the information be accurate," she said. "If everything goes as expected, by January we expect payments to you by



Lori Godwin and Carol Farrell listen to childcare providers.

PHOTO BY Ed LAISCELL

the first of every month."

At least 70 people attended Monday evening's session, including members of various unions and the Tenants and Workers Support Committee. Francine Hart, of the Stand for Children organization, noted the situations the providers were enduring made it difficult for them to care for the children.

"When stressed and worried about bills, you can't give the best service to the children," one provider charged. Once O'Regan announced DHS' plan to get payments to the providers by the first of the month, the group caucused and agreed to accept the city's offer.

They demanded that O'Regan put the proposal in writing. She agreed. "We think we've fixed the system," she added. O'Regan also challenged the providers to call as soon as something is wrong. "You need to call us and tell us if there is anything we need to do."

"We have been working on this a long time and we believe we fixed the problem," she concluded.

"We are pleased that we could do this so the childcare workers do not have to be concerned about payments so they can give the best care to the children," said Godwin.

1. Providers of Child Care Get Organized

Alexandria Effort Reflects Growing National Trend

JACQUELINE L. SALMON
Washington Post Staff Writer

"Please budget wisely," warned the letter from officials to dozens of child-care providers in Alexandria. The city was changing its payment system, and the women, paid by the city to care for children of low-income working parents, would get their checks later than usual. For many of the 200 Alexandria women—struggling to make ends meet—that letter, sent in December 1999, spelled financial disaster. With their paychecks arriving late, they would not be able to pay rent, credit-card bills, car payments, utility bills. The women bounced checks. Some got eviction notices.

Then something unusual happened. The women fought back—and won.

After a year of meetings with city officials, a night vigil, a petition and rallies, the women persuaded the city in November to return to the former payment schedule.

But the effort hasn't stopped there, they say. Led by a local community group, the providers are planning their next campaign.

"I think," said Sheryl Bell, an Alexandria child-care provider for 20 years and a leader of the effort, "we've been quiet a little bit too long."

A lot of child-care workers across the country are coming to the same conclusion.

During that years of economic good times welfare reform's billions have left them still at the bottom of the nation's wage scale. Many of the nation's 1.6 million child-care workers are joining unions and organizing lobbying campaigns to demand wage increases, health benefits and paid vacations from private and public employers.

It's not easy. Providers face numerous obstacles in their quest to lift salaries, gain benefits and improve working conditions, say child-care advocates and researchers.

"I think most people would agree we should be concerned about (providers') compensation," said Ron Haskins, a former House GOP staff member who studies child-care and welfare reform at the Brookings Institution. "The question is, who's going to pay for it?"

Child-care advocates say the money needs to come from the government because most parents cannot afford the higher day-care fees needed to pay higher worker salaries. But opinion polls show little public appetite for vast day-care expenditures, and conservatives are bitterly opposed.

"There's no reason to have a policy that delib-



BY ANDREA BRUCE WOODALL—THE WASHINGTON POST

"I think we've been quiet a little bit too long," said Sheryl Bell, with Kody Mack Fryer. Bell has been an Alexandria child-care provider for 20 years and is a leader of a group seeking better conditions.

for kids," said Robert Rector, senior research fellow at the Heritage Foundation.

For labor organizers, the day-care industry also presents special challenges because it is so fragmented—populated mostly by locally owned child-care centers and tens of thousands of family child-care providers who work out of their homes. Also, day-care workers tend to have a strong allegiance to the children they care for, organizers say, making them less likely to take job actions that might hurt their young charges.

Despite the obstacles, two of the nation's largest unions—the Service Employees International Union and the American Federation of State, County and Municipal Employees—are trying to organize child-care workers in several cities.

Denise Dowell, who is negotiating union contracts for about 700 child-care center employees for AFSCME in the Philadelphia area, said she has had to get management involved in the effort.

"The traditional model of organizing, where you just go out and fight, fight, fight and organize workers to get more money, wouldn't work in child care," Dowell said. "The idea from the beginning was that employers would get organized, workers would organize and we would pair up in the struggle to get more public dollars into the system to support better jobs for workers and better care for kids."

The Service Employees International Union, which has signed up hundreds of thousands of low-wage workers in other fields, recently turned to family child-care providers.

It has signed up 5,000 licensed and state-subsidized family providers in the Chicago area and has negotiated faster payments and increases of about \$5 a day in their per-child stipends, said organizer Keith Kelleher. Before that, he said, the daily stipend had barely budged in years.

Rhode Island, they won state-paid health and dental benefits and, last year, persuaded the state to fund a pilot project for 10 paid days each year for vacation, sick or personal time. Organizers say they hope to expand the program in future years.

Labor organizers say the Alexandria providers are the only ones they know of in the Washington area to have a concentrated campaign to improve pay and working conditions. They have gotten help from a local activist group, the Tenants' and Workers' Support Committee.

Bell, a veteran child-care worker who walked around her neighborhood knocking on providers' doors and talking them into coming to meetings, said it was initially difficult to persuade the women, whose livelihood depended on the city, to openly challenge public officials.

"People were scared to go against the city," Bell said. "It took awhile for people to push away that fear."

After months of meetings, Alexandria's Department of Human Services announced in November that it would return to the original payment cycle.

Last week, a dozen of the Alexandria providers met to devise their next move. Like the Rhode Island providers, they recently formed their own group, Unity.

At their meeting, the providers started a list of what else needed to be done.

Metter Penick spoke up. "Why do we have to wait a month to get paid?" she said as heads nodded around the room. "Why can't we get paid every two weeks?"

On the list it went. Someone asked what everyone thought about health insurance.

"We think we don't have it," Bell shot back. The providers say city officials will hear from them again very soon.

City Day Care Workers Get Much Needed Raises

■ Both state and city increase daily rates.

By CARLA BRANCH

Gazette Writer

Family day care providers got two pieces of good news this week—they are getting their first wage rate increase since 1997 from the state of Virginia and may receive an even bigger increase from City Council.

Last year, family day care providers in Alexandria formed an organization called UNITY to create one voice to speak out for the rights of those who are providing care to children whose parents receive subsidized child care through the Department of Social Services.

Then, the main issue was getting paid on time. The group successfully resolved that issue but took on an even bigger fight in February.

"We discovered that the state was not paying family day care providers the wage rates that they had said they would pay in the plan that they are required to submit to the U.S. Department of Health and Human Services," said Gene Coffey, an attorney who is volunteering his time to help the group. Coffey filed a

complaint with HHS, and that agency notified the state of Virginia that there would be an investigation.

Last week, shortly after Virginia officials received that notification from HHS, the state Department of Social Services announced a wage rate increase for family day care providers, effective, July 1. The daily rate for providers who care for infants will increase by \$5, from \$30 to \$35.

"It's unbelievable that we are about to receive a rate increase this July that was supposed to be implemented in March of 2000," said Leslie Taylor, a family day care provider in Alexandria. "The state is in the process of proposing its new plan for 2001. We never saw an increase from the last plan. It's important that day care providers start speaking out about our working conditions. We provide a crucial service to Alexandria residents and yet we have a hard time supporting our own families."

City Council became aware of the low wage rate at the budget public hearing on April 17. Sheryl Bell, a family day care provider spoke about the fact that most family day

care providers are unable to afford health insurance for themselves or their own families.

"I could make more money at McDonalds and get benefits," Bell said at the public hearing. "I keep doing this because I love children."

Councilwoman Joyce Woodson was outraged. "I am appalled that this is all we are paying the people to whom we entrust our children," Woodson said. "We need to do something about this."

And she did. At the request of Woodson, Councilwoman Del Pepper and Councilman Bill Euille, City Council has set aside \$150,000 to bring the wage rates for family day care providers in Alexandria up to the level of that of family day care providers in Arlington. Under the state plan that will take effect in July, Arlington providers will receive \$40 per day for infant care while Alexandrians will receive \$35 per day.

"We believe that Alexandria's rate has been incorrectly calculated by the state," said Mark Jinks at the final budget work session before budget adoption on May 7. "If we

See RAISE page 15

7 Raise Approved for Day Care Workers

Continued from page 7

cannot convince them to recalculate our rate, this money is now available to make the adjustment."

Allie Smith, a member of UNITY, attended the budget work session and was pleased. "I am really glad that City Council is finally recognizing just how important our work is to the children of Alexandria," Smith said. "This extra money will allow me to buy more food for the children. I like to provide them with a full dinner and not just a lunch because some of our children are so poor that you just don't know what will be available to them at home. I like to feed them enough when they are here so that they won't get hungry until they come back in the morning."

"Also, I need health insurance for myself. When I worked for a day care center, I had benefits. Now that I am out on my own, I just don't make enough money to afford health insurance. This will really help," she said.



THE

ALEXANDRIA

Journal

The daily newspaper of Alexandria, Virginia

Vol. 63, No. 275

Tuesday, December 11, 1984

Child-care workers clamor for insurance

By LAUREN DUNN
Journal staff writer

City says more funds needed from state, federal levels

For Allie Smith, 64, not having health insurance is like being stuck in a pool of water and not being able to take a breath.

"Imagine, being in the water, with the waves beating on your back and you can't do anything about it," said Smith, a child-care provider for the city of Alexandria.

More than 150 Alexandria child-care providers are asking the city for health-

care benefits, arguing that they don't make enough money to pay for their own insurance.

Members of Unity, a chapter of the Tenants' and Workers' Support Committee, which advocates giving health insurance benefits to child-care providers who work for the city, gathered Monday night to commemorate International Human Rights Day because "health care is a human right."

"You know you're hurting," Smith said, "but you got to pray and you know even if it hurts too much, you can't go to a doctor."

City officials say it would be too costly to provide benefits for child-care providers without receiving financial assistance from the federal and state government.

The child-care providers, mostly women and minorities, work under inde-

pendent contracts with the city. They work 10- to 13-hour shifts and are paid \$2.65 an hour for each child under their supervision. On average, they watch three to four children, but can watch up to five.

Those who have independent contracts with the city are not provided with health-care coverage and some make less than minimum wage, said Kathleen Henry, the leading organizer for the

committee.

Under the contracts, workers are not guaranteed sick leave, vacation pay, minimum wage or health care.

Child-care workers provide free or inexpensive care for families in low-income government programs, such as welfare-to-work, that are subsidized by the city. Care providers, which give services to nearly 1,000 of the city's low-income children, run programs out of their homes and often care not only for the

Please see **INSURANCE, A7**

Workers seek city's help

INSURANCE from A1

children, but for the mothers, many of whom are inexperienced parents, said Denise Wilkins, Unity's project coordinator and a former child-care provider for the city.

The city's subsidized child-care program is part of the federal Childcare and Development Fund. Each state is given a block grant of funds to pay for the child care of low-income families.

According to Unity, good child-care providers often quit because they need insurance, creating a high turnover rate in the program.

However, under state law, the city is not allowed to provide coverage for independent contractors, said Lori Godwin, Alexandria's assistant city manager.

Though the group asked the city to set aside its own pool of money to specifically provide health care, Godwin said, it could cost more than \$50,000.

She said child-care providers are not the only group who do not receive health care, and that providing benefits for everyone would not be financially feasible for the city.

Godwin said the city continues to look into the issue.

But Darnella Shelby, a child-care provider for the city, said it isn't fair that Alexandria dictates how they should run their child-care programs, but can't provide the workers health-care benefits.

"We're trying to pluck the conscience of the community," she said. "With the low-wages we receive, most of us can't afford to pay for our own [health care]."

Both Smith and Shelby said the group of child-care workers are willing to pay for part of the insurance out of their own pockets, but the city also needs to give its part.

"We want to know why we don't deserve health care," Shelby said. "A lot of providers need it now, and we are going to fight until the city recognizes us."

708

Solicitan ayuda al gobierno de Alexandria

Proveedoras de cuidados de niños claman por el seguro médico

Más de 150 niñeras reclaman beneficios de este tipo



María Alejandra dialogó con La Nación USA.

Lilliam Eguigure/La Nación USA

María Alejandra, proveedora desde hace cuatro años, se lamenta de no contar con un seguro médico, trabaja en la ciudad de Alexandria.

Más de 150 proveedoras de cuidado de niños solicitan beneficios de seguro médico, argumentando que no ganan lo suficiente para pagar su propio seguro.

"Nadie mira el trabajo que hacemos, nadie le da el valor que merece, incluso los pagos no llegan a tiempo, la mayoría de las proveedoras son madres solteras y siempre tenemos que pagar nuestros 'billetes' (cuentas) tarde y con recargo, lo cual no es justo", dijo María Alejandra a La Nación USA.

Asimismo dijo que gracias al apoyo que ha recibido del Comité de Inquilinos y Trabajadores han obtenido algunas prebendas e incluso asesoría legal gratuita por parte de Gene Coffey de la oficina de Servicios Legales del Norte de

Virginia. Miembros del Comité de apoyo de inquilinos y trabajadores, quienes son los defensores de las proveedoras de cuidados de niños indicaron que la ciudad deben de otorgarles los beneficios del seguro médico, ellas trabajan para la ciudad y además el seguro médico es un derecho que le corresponde a cada ser humano.

Según la ciudad las trabajadoras son contratistas independientes que proveen cuidado de niños en sus casas, y reciben un subsidio por parte del Departamento de Servicios Sociales.

"Sería demasiado costoso proveer beneficio de seguro médico a las proveedoras de cuidados de niños, porque no recibimos ninguna asistencia del gobierno federal y estatal", dijo un oficial de la ciudad.

Por su parte Kathleen Henry, del Comité de Apoyo de Inquilinos y Trabajadores dijo que no entendía porque aquellos que tienen contratos inde-

pendientes con la ciudad no les proveen seguro médico y algunos ganan menos del salario mínimo.

"Bajo los contratos, los trabajadores no se les garantiza días de enfermedad, pago de vacaciones, el pago mínimo o cuidado de salud", acotó Henry.

Las trabajadoras de cuidados de niños provee cuidado gratis o cuotas módicas a familias de bajo ingreso y que participan en los programas del gobierno, como trabajo-asistencia social, subsidiado por la ciudad.

La ciudad subsidia el programa como parte de los fondos de desarrollo y cuidado de niños federal. Cada estado conceden fondos para pagar el cuidado de niños de las familias pobres.

"Queremos saber por qué no merecemos tener un seguro médico", dijo María Alejandra, "lo necesitamos y vamos a pelear para que la ciudad nos lo conceda", puntualizó.

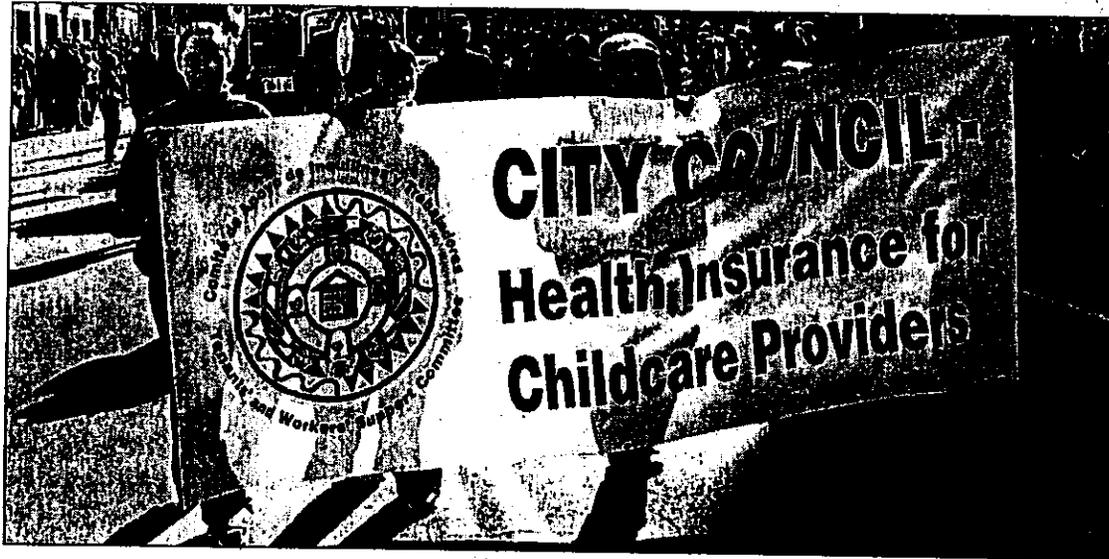
Nueva demanda de niñeras en Alexandria

Lo que le preocupa a la niñera Ximena Valenzuela es de que a pesar del amor que le pone a su trabajo con los más pequeños en la guardería UNIDAD, el dinero que gana no es lo suficiente para pagar un seguro de salud.

Teme que le pueda suceder lo que han experimentado otras colegas quienes han tenido que dejar de ofrecer sus servicios porque no pueden cubrir las necesidades de seguro médico.

“Los concejales de la ciudad deberían reconocer el trabajo que hacemos y apartar dinero de su presupuesto par pagar el costo de dicho seguro”, sugirió Valenzuela mientras participaba en un desfile por las calles de la ciudad de Alexandria. “Yo le ruego a Dios que me de la fuerza suficiente para seguir adelante con esta lucha hasta lograr nuestra que nuestra petición sea aceptada”.

Valenzuela junto a decenas de proveedoras de cuidado de niños y simpatizantes participaron en el desfile con



CORTESIA DE UNIDAD

mensajes que pedían al Concejo de la Ciudad un seguro de salud para ese gremio. Unidad es un capítulo del Comité de Apoyo de Inquilinos y Trabajadores con sede en la área conocido como Chiniqua, al sur de esa ciudad.

Según dieron a conocer las

niñeras, muchas de ellas recipientes de los cupones de alimentos conocidos como welfare, reciben por sus servicios bajos sueldos por parte de la ciudad de Alexandria.

Hace dos años también se manifestaron para exigir que sus

pagos fueran enviados a tiempo.

— Redacción *El Tiempo Latino*



En el aniversario de George Washington Proveedoras de niños marchan exigiendo seguro médico

Las niñeras protestaron en frente de los consejales y reclamaron sus derechos para cubrir los gastos médicos

Liliam Equigure/La NaciónUSA

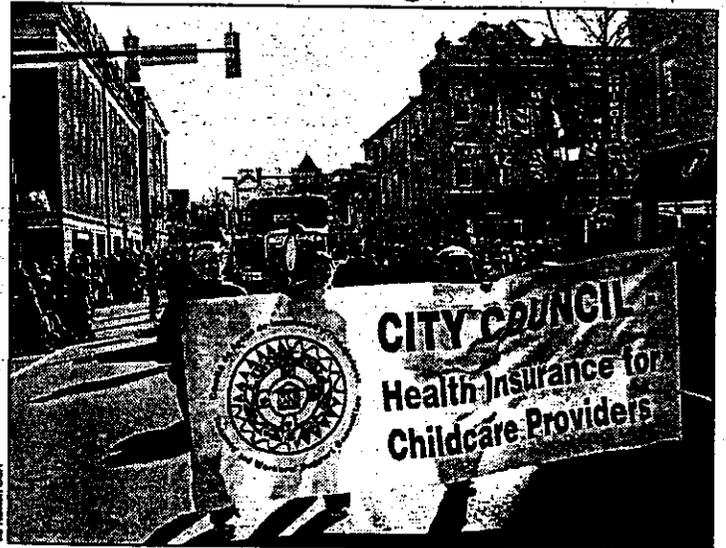
Más de cien proveedoras de cuidado de niños y grupos de apoyo marcharon el pasado 18 de febrero en el desfile del aniversario del primer presidente de los Estados Unidos George Washington, exigiendo a los consejales de la ciudad seguro médico.

El grupo Unidad, es un capítulo del Comité de Apoyo de Inquilinos y Trabajadores, el cual está impulsando a los consejales de la ciudad que realicen una planilla del presupuesto para pagarles a las niñeras un seguro médico.

Las mujeres que realizan esta actividad en su mayoría negras y latinas cuidan niños de trabajadores (as) que están en el programa de asistencia social (Welfare), la ciudad paga bajas tarifas, lo cual es muy difícil para ellas pagar las visitas al médicos y los gastos que esto acarrea.

"Nosotros proveemos un importante servicio a los niños de la ciudad, y no ganamos lo suficiente para pagar un seguro médico," dijo Ximena Valenzuela, líder proveedora de cuidados de niños del grupo Unidad. "Existe un gran número de excelentes empleadas que han dejado su profesión por la falta de un seguro médico. Yo ruego a Dios que me de la fuerza necesaria para seguir adelante con esta lucha".

Grupo de apoyos, organizaciones locales, congregaciones y uniones caminaron junto a las demandantes. Todos abordo de una plataforma azul, agitaron letreros, soplaron trompetillas y



Los manifestantes protestaron el pasado 18 de febrero en Alexandria.

cantaron de manera expresiva demandando seguro médico. Más de veinticinco niños soplaron burbujas y saludaron a la multitud.

También contaron con el apoyo de sindicatos como el Iron Worker Local 5, Painters

District Council 51, Teamsters Local 96, y CWA local 2222, esto generó una respuesta satisfactoria por parte de la multitud, quienes también saludaron y aplaudieron a medida que la flota fue pasando.

Las proveedoras de cuidado de niños de UNIDAD se organizaron hace dos años para protestar por los pagos tardíos por parte de la ciudad. Con sus manifestaciones lograron sus pagos a tiempo.

En Junio del 2001, hicieron que los consejales de la ciudad pagaran la diferencia por sus tarifas entre lo que ellas deberían estar ganando y lo que ellos les estaban pagando.

UNIDAD actualmente está dedicada a una campaña para lograr ganar un seguro médico familiar para las niñeras.

Cualquier información adicional llame al 703-684-5714 o escriba al P.O. Box 2327 Alexandria VA 22301.



Otra imagen de la protesta.

City of Alexandria, Virginia

MEMORANDUM

CITY MANAGER'S OFFICE
ALEXANDRIA, VA
2001 SEP 24 P 3:15

DATE: SEPTEMBER 24, 2001

TO: COUNCILMAN WILLIAM D. EUILLE

THROUGH: ROSE WILLIAMS BOYD, DIRECTOR OF CITIZEN ASSISTANCE

FROM: MEG O'REGAN, DIRECTOR OF HUMAN SERVICES
HENRY HOWARD, DIRECTOR OF PERSONNEL SERVICES

SUBJECT: UNITY CHILD CARE PROVIDERS' BENEFITS (REQUEST NO. 02-95E)

This is in response to your request regarding Unity's proposal for the City to provide their members with health benefits.

The City's Personnel Services Department has researched the Unity child care providers' request to be covered under the City Health Insurance program and find that this request cannot be accommodated. City-provided health benefits are governed by the provisions of the Virginia State Code and the City's health insurance contracts. The criteria for Health insurance programs for officers and employees of local governments is established by Virginia Code Section 2.2-1204. The Unity child care providers are "vendors" not "employees" under the state code and therefore cannot qualify for any City health insurance program. This would also be prohibited by the City's individual insurance contracts.

While the City cannot provide health benefits under the law and health insurance contracts, we have researched what Virginia and some of the other states are doing to provide health coverage for low income earners. A handful of states, including but not limited to, Massachusetts, Rhode Island, and North Carolina, have set aside money from various federal and state sources to fund a Medicaid-like program that provides health insurance for low-income earners.

Unity's letter indicates they are familiar with the Rhode Island program which sets eligibility at an income level of \$1800 from the care of state subsidized children over a six month period. The Rhode Island program is funded through that state's medical assistance program; North Carolina uses federal child care quality enhancement funds; and Massachusetts uses their Fisherman's Fund.

Staff of the Department of Human Services have found no instance of health benefits provided to child care providers by an individual local jurisdiction within a state. It appears the cost and insurance provisions require a much larger pool of potential insured persons than an individual jurisdiction would be able to afford.

In Alexandria, there are approximately 260 individual family child care providers and approximately 300 staff in child care centers at any one time who would want these benefits. No doubt other providers such as the 130 Companion Aides would also want the same benefits, should they be made available to the child care providers.

The Department of Human Services intends to work with Unity to support their efforts to advocate for a State program of health benefits such as those described above. The Compensation and Benefits committee of the Alexandria Early Childhood Commission is exploring options for health benefits and improved compensation for early childhood professionals. In September, Reed Joiner, the City's health insurance consultant, is meeting with the committee to discuss options that might be available for child care providers.

In the meantime until an acceptable approach to health care coverage for child care providers is found, there are some options for coverage of providers and their families. Virginia's child health insurance program called FAMIS (formerly called CMSIP) covers children at or below 200% of the federal poverty level. The state Medicaid program covers adults and children with incomes ranging from 100% to 185% of the federal poverty level. The State of Virginia also has access to federal funds from the Child Care and Development Fund which, we understand, the State Department of Social Services is considering for a compensation/benefits project.

In addition to the state programs, in Alexandria, the State and Local Hospitalization program in DHS can pay the hospital bills of eligible low income persons. The Alexandria Health Department and the Arlandria Health Center also provide several free and low-cost health services for adults and children. A single adult with the average yearly income of a typical family child care provider in Alexandria (\$16,594), would pay 50% of the full fee for the service.

Staff of the Department of Human Services is committed to continuing its work with Unity, the Alexandria Child Care Providers Association, the Early Childhood Commission and individual child care providers to develop better compensation and benefits for family and center-based child care providers who serve the City's children and families. Since DHS staff and Unity are working together on these issues and this memorandum to City Council describes all of our joint efforts to date, staff recommends that a work session with City Council be deferred at this time.

cc: The Honorable Mayor and Members of City Council
Philip Sunderland, City Manager

Rose, August 21, 3:48 p.m.

310



City of Alexandria, Virginia

301 King Street, Suite 2300

Alexandria, Virginia 22314

2001 AUG 21 P 3:21



William D. Euille
Member of Council

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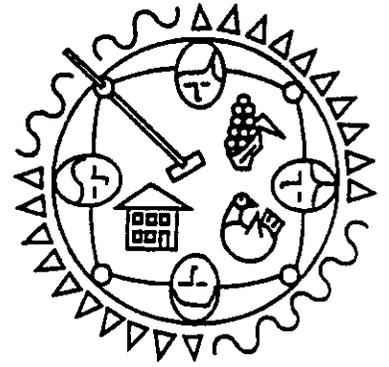
MEMORANDUM

TO: Philip G. Sunderland, City Manager
FROM: Bill Euille *BE*
DATE: August 21, 2001
RE: Unity Child Care Providers' Benefits

Attached is a proposal from the "Unity" group of child care providers. I met with this group on Saturday, August 19 to discuss their issues and requests. I would appreciate the continued cooperation of staff to ensure a positive response to budgeting/initiating new/enhanced benefit programs. Perhaps an early Work Session with Council in September would be an appropriate beginning. Please let me know.

Thank you for your attention to this matter.

cc: The Honorable Mayor and Members of Council



August 18, 2001

Council Member Bill Euille
City Hall Room 2300
301 King Street
Alexandria, Virginia 22314

Dear City Council Member Euille:

What follows is a proposal from Alexandria family child care providers to the City of Alexandria for a health insurance plan for city-reimbursed child care providers. As you may very well be aware, Unity is a group of family child care providers who, with the support of local community groups, have organized themselves. Over the course of the last year and a half, UNITY providers have communicated with city officials as a group with one voice on issues relevant to the providers. Currently, these providers are not offered any health insurance as part of their contracts with the city to provide day care for up to 1,000 of the city's low-income children every day.

The city's subsidized child care program is an element of the federal Child Care and Development Fund program. Under this program, each state is given a block grant of funds by the federal government to pay for the child care of low-income families. In Virginia, the program is administered at the local levels under the supervision of the Virginia Department of Social Services. The Virginia providers enter into a contract, entitled an "Individual Vendor Agreement," with their local social services office in which the provider agrees to provide care to the children of local eligible families in exchange for a payment from the city or county, with the payment set at the rate that the Virginia D.S.S. has established for the particular locality in which the provider provides care. Once the contract has been made, the provider is then placed on a list of providers that is circulated to the eligible families. The parents contact the providers directly.

Unity proposes to have these providers enrolled in the City of Alexandria's health insurance plan. Many, if not most, of the families eligible for subsidized care are in the process of leaving or have just left the welfare rolls and need affordable day care to ensure their independence. In the City of Alexandria's effort to assist these vulnerable families in attaining independence, the city has relied on the availability of child care providers willingness to accept payment at a rate that is frequently below the city's established living wage. The child care providers are furnishing a crucial service to the City of Alexandria by allowing parents to work.

To enroll the providers in the City of Alexandria's health insurance plan is to reward the providers for this service. In terms of an eligibility threshold, Unity proposes that provider eligibility for enrollment in the City of Alexandria's health insurance plan be based on the amount of care provided by each uninsured provider to eligible families over a period of time.

Specifically, Unity proposes that each provider not otherwise enrolled in any employer-sponsored health plan who receives reimbursement from the City of Alexandria in an amount equal to or greater than \$1,800 during any six-month period be eligible for enrollment. At the current rates of reimbursement, \$1,800 is equal to the provision of care to one pre-school age child for fifty hours a week for fourteen weeks (the maximum weekly reimbursement rate is based on a ten-hour day, or fifty-hour week).

Once a provider has established eligibility for coverage, Unity proposes that the provider be eligible for full family coverage under the City of Alexandria's health insurance plan, and that the City of Alexandria pay the full cost for the premiums. Enrollment, however, will be the responsibility of the provider, and the insurance would only become active the month after the provider completes and submits the relevant enrollment forms. Once enrolled, Unity proposes that the provider remain enrolled for a period of twelve months. Continuing eligibility for coverage will be based on a review in the eleventh month of coverage, and the review will be based on the amount of reimbursement received by the provider from the city during the previous twelve months. Unity proposes that the provider receive continuing coverage if s/he has received reimbursement from the city in an amount equal to or greater than \$3,600. The coverage would last for another twelve months.

The importance of granting these providers access to the City of Alexandria's health insurance plan cannot be underestimated. Under the current reimbursement rates, the providers are paid \$2.68 an hour per child for the care of pre-school age children. At this rate of reimbursement, most providers find the costs of private individual health insurance plans prohibitive and have been forced to remain uninsured. Some providers have had no choice but to purchase an individual plan for their families and are forced to pay an exorbitant premium, while others have been fortunate enough to have access to their spouses' employer-sponsored plan. The bottom line is that the vast majority of providers are either uninsured or paying excessive premiums.

By providing family child care providers with health insurance, the City of Alexandria will be taking steps towards improving the quality of child care available in the city. Lack of health insurance is a critical issue to providers that often causes good child care providers to find other means of employment that offer these benefits and creates a high turnover rate amongst the city's pool of licensed, family child care providers. Therefore, by providing health insurance, the city would be ensuring there was a larger pool of experienced providers in the city.

In addition, the quality of care available in the city will also improve due to the direct relationship between a child care provider's health and the care s/he is able to give to a child. When a child care provider is sick, the health of the child is also at risk. Child care providers play an extremely important role in the life of the children they care for. Many times, it is the provider that spends 10-12 hours a day with a child while parents are at work. They are the people responsible for nurturing, feeding, and preparing a child for school and the world beyond. It is detrimental to the development of a child when a provider is no longer a part of their life because the relationship and trust that has been built between provider and child is crucial to their learning.

The situation explained above is truly an unfortunate one. Given the role that these providers are playing in the City of Alexandria's effort to accomplish meaningful welfare reform, it is essential that the providers be afforded benefits that are commensurate with their worth. To assist these providers is to invest in the futures of the City of Alexandria's most vulnerable children. It is Unity's hope that the City of Alexandria will agree to enroll the providers and their families in the City of Alexandria's health insurance plan. Please consider our request.

Sincerely,

✓ Leslie Taylor
Unity Representative
Leslie Taylor

✓ Sheryl Bell
Unity Representative
Sheryl Bell

✓ Ximena Valenzuela
Unity Representative
Ximena Valenzuela B

✓ Willie Mae Rome
Unity Representative
Willie Mae Rome

✓ Lucille Wooding
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✓ Charlotte Dunbar
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✓ *Sheryl Bell-Chaffin*