
Public Hearing

before

ASSEMBLY ADVISORY COUNCIL ON WOMEN

“Accessibility and affordability of child care in New Jersey”

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: October 28, 1996
10:00 a.m.

MEMBERS OF COUNCIL PRESENT:

Assemblywoman Diane Allen, Chairwoman
Assemblywoman Marion Crecco, Vice-Chairwoman
Assemblywoman Rose Marie Heck
Assemblywoman Carol J. Murphy
Assemblywoman Loretta Weinberg
Assemblywoman Shirley K. Turner

ALSO PRESENT:

Norma Svedosh
Office of Legislative Services
Aide, Assembly Advisory Council on Women



Hearing Recorded and Transcribed by
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ASSEMBLYWOMAN DIANE ALLEN (Chairwoman): I'd like to call to order this meeting of the Assembly Advisory Council on Women, first of all, to thank those members of the Council who are here today and especially to thank those of you who are here to observe or to testify.

This year, the Advisory Council is going to be looking at New Jersey's working women. Today's hearing, specifically, is called "New Jersey Working Women: The Child Care Crunch." We feel this is an appropriate title, because the lack of accessible and affordable child care in the State of New Jersey truly has put us in a very critical situation.

Providing families with accessible, affordable, quality child care is, perhaps, one of the most important economic development issues facing New Jersey as we prepare to enter the 21st century. There are those in this State who will say this is just a women's issue. In fact, it is a people's issue. It is a business issue. It is an economic development issue. It is an issue that concerns every single person in the State of New Jersey. It impacts families and employers.

The need for child care crosses all socioeconomic strata. Everybody who works and has children now, or at some point in their lives, needs child care. More women are working today; some because they choose to, others, mostly, because they have to. The number of women in the workforce is expected to continue to increase into the next century. According to 1990 census data, almost 60 percent of women in New Jersey are working.

Although more women are working, the increased incomes of today's families provided by the wages of both parents in many cases simply

are not sufficient to meet child care costs. In fact, the average cost of child care in the State of New Jersey is estimated to be \$6000 a year.

The cost of child care services is an even greater obstacle for single parents and those who are trying to become economically self-sufficient and self-supporting. Working parents must have safe, reliable, and affordable child care so that they can, in fact, go to their jobs. A working mother should have the opportunity to reach professional goals without the hindrance of having to worry about whether or not her child is being well cared for.

So the issues facing child care are very complex and clearly interrelated. There is no one problem that stands alone, and we believe that is one of the reasons why this has not been specifically addressed and, can I say, solved or, at least, moved toward solution adequately in the last few years.

Any issue can be approached from the perspective of many: from the child care giver, the child itself, from the adult, from the employer, from society in general. All of these points of view must be weighed before we come to an adequate solution.

So this meeting, hopefully, will be a discussion about the current aspects of child care programs in the State. I hope that as we listen to that, we all focus on the idea of solutions that can be implemented during this current legislative session. I want us to strive for child care, for a system in New Jersey that offers every one of the children in the State of New Jersey, and every adult in the State of New Jersey with children, quality child care that is affordable and accessible. It is simple. It is common sense, and it's what we need.

I would like to begin calling our first witness to testify, James Smith, Assistant Commissioner of DHS.

ASST. COMMISSIONER JAMES W. SMITH JR.:

Good morning, Madam Chair and members of the Council.

I would like to thank you for having this hearing, and also Commissioner Waldman sends his thanks. Unfortunately, he is testifying at another hearing this morning, but he would like to thank you for your consideration to this most important topic.

The care and education of children from birth on and, in particular, the way this issue affects working women and their families are issues in New Jersey that are important, and they are also important to the nation.

During World War II, the State of New Jersey created the Child Care Committee to address the serious child care needs of women employed in the defense industry. New Jersey began licensing child care centers in 1946. At that time, there were 200 centers for two- to five-year-olds. Today, the Bureau of Licensing in DYFS regulates over 3000 licensed programs for children from birth to age thirteen. There are also over 4000 registered family day care providers.

An ad hoc Assembly Committee held hearings on child care in 1991, but New Jersey and the nation are in such a different place now than just five years earlier. This different place is marked by a number of facts.

There is continued expansion of women in the workforce, including Federal and State work requirements and also welfare recipients. There is an increased awareness of what employers and parents in the workforce need to work productively and competitively in a global economy.

I would just like to get into, for a few minutes, what our role at the Department of Human Services is. The Department of Human Services, including the Divisions of Youth and Family Services and Family Development, works cooperatively with the Departments of Community Affairs, Education, Health and Senior Services, and Labor to address child care issues.

DHS and the Department of Education established an Early Care and Education Committee in 1995 in order to meet the early care and education needs of the children and the Departments that we serve. This Committee is exploring the areas of certification, program requirements, facility usage, and ways that we can, certainly, work together.

The Department of Labor has joined the Department of Human Services in the support of Worthy Wage Day each year in order to focus on the conditions of low compensation in many early childhood programs. DHS also works with DCA's Division on Women and the Department of Health and Senior Services on related child care issues.

The Department of Human Services and the other four Departments continue to support major child care initiatives called -- one of those initiatives is called Sows the Seeds. By next summer, New Jersey will achieve the results of a four-year process and have its first-ever plan for professional development in child care. This is going to be related to the Sows the Seeds Project.

The Department regularly welcomes the advice and recommendations of the New Jersey Child Care Advisory Council. The Council's 39 volunteer members represent the child care and child advocacy

community. Some of those individuals will be testifying before you today. These links between government and the community make it possible to develop appropriate regulations when they are needed and to meet the needs as they arise.

This past year, the Department examined the entire subsidized child care system not only because of welfare reform, but also because we need to maximize our resources and to find ways of serving as many low-income families as possible. We share your concerns. An examination of the child care system needed to be done whether or not welfare reform was in front of us or not.

We also want to support child care services by helping to expand the infrastructure. In January, the Department presented a proposed redesign to the community. Since then, we have held over 30 public meetings. We have talked to nearly 1000 people, and we have received written input from over 130 persons including responses from providers and parents. The following are some of the proposed changes in the redesign of the subsidized child care system:

A request for proposals will be issued next month in order to contract with one agency in each county for a range of child care services. These include voucher management for all income-eligible families, child care resources and referral services, waiting list management, family day care registration, small grants management, and employment opportunities in child care for Work First participants. This type of structure will give the community, as well as moms, dads, and children, a focal point in each

community. It will also give us a better administrative structure to administer child care services in each of our 21 counties.

A revised entry and exit schedule for families eligible for child care subsidies will be established and a reasonable schedule of parent copayment fees will be used.

Transitional child care, which is commonly known as TCC, will be expanded to two years. As you know, in our welfare system right now we have a one-year extension for child care when someone comes off of welfare for working purposes. We are going to expand that for two years. You may have heard the Governor and Commissioner Waldman speak of that last week in their unveiling of the Work First New Jersey Program.

We will also take into consideration efforts to expand child care capacity. We will include the exploration and implementation of cooperative ventures with public schools, Head Start, corporations and small businesses, and community agencies.

We will be working with the Head Start community in a collaboration effort that we have with the Federal government and also the local leaders of the Head Start community.

Where do we need to be? The Department, along with members of the Child Care Advisory Council, will meet on November 6 at the Eagleton Institute of Politics to continue the search for answers to several key questions. How can Federal, State, local, and parent dollars serve the most children possible? Do we want to offer limited subsidies to a lot of families or larger subsidies to fewer families? How can existing programs prepare for future expansion, increased competition, and greater demands for service? How can

New Jersey expand, improve, and make more systematic its current cooperative efforts to provide early care and education? This will increase and also improve our dialogue that we have with the community, and we look forward to our upcoming meetings.

We're also interested in informing the public about available child care resources. For example, in 1995, over 430,000 New Jersey families filed for the Federal earned income tax credit. They received over \$500 million in refunds. The EIC worked this way in 1995:

A family earning less than \$24,396 with one child was eligible to receive \$2,094 back from the Federal government;

A family earning less than \$26,673 with more than one child was eligible to receive \$3,110.

Since 1982, DHS has maintained a record of employer-supported child care centers. When DYFS began this record, there were seven centers, mostly in hospitals. Today, there are over one hundred fifty-two employer-supported child care centers throughout the State. Other corporations support a range of child care services, including provider and board training, and child care resource and referral centers.

All child care provided by employers is not necessarily center based. There are some employers that provide a menu of services where individuals can take a choice of certain benefits and services. Child care may be one of those. I would also like to go through this as to say that child care is not just center based. There are other services that are out there, family day care being one of those examples.

Currently, the Department of Human Services is preparing to administer the next phase of child care funding. The Child Care and Development Fund is part of the new Federal Personal Responsibility Act passed in August. New Jersey anticipates a first-year grant of approximately \$72 million. That will cover vouchers, consumer information services, administrations. We expect to receive the Federal regulations of this law early in 1997.

It is important to understand that the new Federal block grant isn't so much a pot of money as it is a pie chart with separate categories for spending. For example, there is a certain proportion of that money that must be spent on families coming off of welfare. There is also a certain part of that money that must be spent for -- no more that can be spent for administration and quality efforts.

In conclusion, once again I would just like to thank the Council for its time. I would also like to introduce to you today Dr. Edna Ranck, who coordinates some of our child care activities at the Department. Also, Dr. Ranck provided to you a lot of the information that you have in front of you -- a lot of the paper that you have. She also coordinates our activities for the Child Care Advisory Council.

Madam Chair, we are available for questions at this time.

ASSEMBLYWOMAN ALLEN: First, I would like to say how much I appreciate both of you coming and providing us with this information and also to say that, clearly, your Department is moving ahead in so many very exciting ways. We look forward to working with you on all of the points that you brought up.

I also was interested in your first comment about the Task Force in the Assembly about six years ago. They did a lot of work. They held many hearings, came up with some wonderful ideas. Very few or, I guess, in fact, perhaps none of them were actually implemented. Now, times have changed. So we can't just go back to where we were then. We need now to move ahead and find out where we are today. Clearly, there is a great change as to where the money is coming from and how we need to put it back into the system for the children.

I guess the only real question that I would have for you is: You spoke about do we make a decision between looking at low-income families and those with the most need? Do we make a decision to spread what moneys we have throughout the whole system? I suppose there are people who feel one way or the other.

What exactly would you say your recommendation would be as to how we approach the dollars that are available on the State level, not looking at other dollars and not looking at the welfare issue, because, as I mentioned in my letter to everybody, that is not something that we are looking at today. That is something that we intend to take up at another meeting. It is clearly a very important part of the child care issue, but not one that we feel we can cover today.

ASSISTANT COMMISSIONER SMITH: We've really heard it from both sides, and it makes this a real difficult issue. When you look at the potential here-- When you look at the welfare side and, then, the working-poor side, because on the working-poor side if folks do not have the

supports they may end up on the welfare side-- But if you don't support the supports on the welfare side, they may never make it to the working poor.

What we're trying to do is to look at all the pots of money that are available and, also, working with the other Departments to make sure that we maximize every dollar that we get. For example, we need to look at ways of possibly stretching our dollars.

Dr. Ranck and I have had several meetings outside of, really, State government, private sector, and also some ways of looking at dollars to almost reinvest those dollars, to leverage those moneys. We're exploring that on, I have to say, a small scale right now.

Also, looking at a better use of the new Federal dollars that are coming in as to how to stretch those dollars -- looking at the voucher aspect of that -- looking at vouchers, but also maintaining a commitment to the centers and family day care organizations that we have so that we have the infrastructure that is so needed to provide the services. So we have to keep the infrastructure strong, and we have to keep the children moving through to get, also, quality care.

We have not had any discussions, to my knowledge, that would reduce the quality of care that we provide in New Jersey. New Jersey has a good reputation across the country for the provision of quality care. That is not necessarily based here as to a Department of Human Services effort, but individuals in the community hammer that point home to us at all times. We try to keep that first thing in our minds in terms of the quality of our care.

It is interesting as to what some of the things other states are doing or not doing, and we're looking at some of those things. You may be interested

to know that at, maybe, future hearings as to some of the things other states are doing.

Dr. Ranck may want to comment on some of those things also.

EDNA R. RANCK, Ed.D.: I think one of the big things that is an opportunity for you as a Council is to look at child care and early education across the board. We're working with the Department of Education at this point to look at what they're doing, because we're all serving children who are within a certain age group and, certainly, in many cases, within a socioeconomic group. So looking at it in a much larger way than, perhaps, we have in the past is going to be a real advantage to the State.

ASSEMBLYWOMAN ALLEN: I note that there have been other states that have tied these two together effectively and other states that have done this reinvestment, the leveraging. So there are many cases out there that we can look at. We don't have to reinvent anything when it comes to many of these issues that we're talking about.

My sense is that we're a little bit behind the curve, in fact, that many other states have made some really wonderful steps over the last five years that we could make. I'm hoping that we'll be able to do that. I look forward to hearing from you in the future about which states are the ones that you're looking at and which programs, because that would be helpful to us as well.

ASSISTANT COMMISSIONER SMITH: Thank you.

ASSEMBLYWOMAN MURPHY: Madam Chair.

ASSEMBLYWOMAN ALLEN: Yes.

ASSEMBLYWOMAN MURPHY: If I may-- My question, frankly, is directed at Dr. Ranck. When I first knew you, Dr. Ranck, you were doing a great deal with home care -- people in their homes caring for their children--

DR. RANCK: Family day care.

ASSEMBLYWOMAN MURPHY: --and other children as a way of supplementing their income and providing companionship for all the children, and often making the child care closer to the mother on many levels. I wondered if that is something that still continues? Is licensing part of where we are now? Can you speak to me about that?

DR. RANCK: Thank you, Assemblywoman Murphy. We do go back a bit into the child care--

The family day care aspect of child care is care provided in a provider's home for five or fewer children. They can include her own children; although, she can take the full five.

Since I worked in Morris County doing this in Children's Services of Morris County, the State has pulled this into the forefront, and we now have legislation which passed in the late '80s that will offer a provider the opportunity to be a registered provider. To do that, she goes through training. There is screening. There are opportunities and incentives for her to do that. This is one of the areas that many parents with very young children, infants and toddlers, prefer simply because of the small group and the nature of the more interpersonal-- However, the care of infants and toddlers, which is kind of another subcategory that we could talk about, is indeed across the board in terms of centers and family day care.

I think New Jersey has a strong voice from the family day care community. There are two professional organizations that keep us advised of all that is going on and there is a very strong national aspect of this, too.

ASSEMBLYWOMAN MURPHY: Thank you very much, Dr. Ranck.

DR. RANCK: You're welcome.

ASSEMBLYWOMAN ALLEN: Assemblywoman Heck.

ASSEMBLYWOMAN HECK: I know that so much good work is being done and very important to the entire subject matter is the fact that there are different ways of dealing with the problem.

I know that I have four daughters, two of whom have chosen to stay home and are able to do so, and they share with other parents the time of caring for a child so they can do other things. Another has flextime, so that when she is going to work her husband is home with the child, and still another chose to stay home and add to her dollars by taking in two other children. That is working out beautifully. It is like an extended family. My only concern is that they really think that she is their mother. (laughter) That concerns me a little bit in case they move away, because she has had them since infancy, and it's a very close relationship.

I was wondering, if you are promoting any flextime, if you can give us some examples of the corporations that have in-house? I know that Hackensack Hospital has an in-house arrangement that is absolutely magnificent. They have the Little Red School House, etc. I was wondering how many more of these in the larger corporations are being nurtured out there.

DR. RANCK: Right now, we have 152 corporations and businesses that have on-site or near-site child care centers that they support. There are programs in hospitals, corporations, colleges, universities. I'm probably leaving out some. I think there are people here who may be able to address that. In fact, I know there are people here today who operate centers that are supported in part by the State.

ASSEMBLYWOMAN HECK: Are you doing some outreach as far as the various programs are concerned? Is that a program in progress?

DR. RANCK: Back in the '80s we had a very active Task Force that was out in the field quite frequently to meet with corporations, but as times have changed and the feeling that corporations are a little bit more knowledgeable -- which may or may not be accurate in some cases -- we've kind of let that go into the private sector, but it is certainly something that we keep abreast of and try to track. It may be something whose time has come back again.

ASSEMBLYWOMAN HECK: Do you publicize the availability of some groundwork that you might share with the corporate world?

DR. RANCK: To some extent, but we could probably do a great deal more.

ASSEMBLYWOMAN HECK: Thank you.

Thank you, Madam Chair.

DR. RANCK: Could I just add to that, because I-- One of the reasons we don't do that as the Task Force anymore is that 10 years ago, the State of New Jersey opted to become very involved in child care resource referral and set up a system by which each county has an agency that serves it

in terms of offering parents information, providers, employers, the media, the public, local and county governments. So that system has grown and has expanded to some extent, and we think we have counted on them to do a great deal of outreach within their particular geographical area.

ASSEMBLYWOMAN HECK: Madam Chair.

Do you get some feedback as to the success of that particular recommendation?

DR. RANCK: They report regularly.

ASSEMBLYWOMAN HECK: They do. May we have a copy of that material?

DR. RANCK: I can certainly get it.

ASSEMBLYWOMAN HECK: Thank you.

ASSEMBLYWOMAN ALLEN: Vice-Chairwoman Crecco.

ASSEMBLYWOMAN CRECCO: Yes. I wanted to ask you, insofar as the earned income tax credit for those families earning a certain amount of dollars, if they receive a little over \$3000 for two youngsters, would you suggest, since the bottom line of what we're really talking about is families, children, and what is most beneficial to these people -- particularly the children -- if the mother takes care of her child at home in lieu of leaving her and going into business -- leaving the child -- do you suggest that, perhaps, we could also give them that amount of money for staying at home? When you think of the income tax and everything else, it may come out to the same amount, and the children will still have the benefit of the nurturing mother.

DR. RANCK: Another idea whose time has come back.

ASSISTANT COMMISSIONER SMITH: We really are not out there to say yes or no to child care. Just those who come forward with a particular need, we try to meet that as best as possible. Once again, those are the individual decisions of the moms and dads out there.

One of the things we do in this is to give people the best information that we can, and once again, that can be done through our child care resource and referral centers -- provide the best information possible. Also, once again, we want to try to have one place in each county with our single entity which will go to RFP, so that people really have a structured office to go to, to get information so they can be the best informed individuals possible when they make those decisions whether to work, not to work, where the best choices are for child care.

Some individuals choose the center-based over the family day care, some are just vice versa. Once again, some would prefer to have the child care on-site at their place of business and others would prefer to have it closer to their home for emergency purposes.

It runs the gamut, Assemblywoman.

ASSEMBLYWOMAN CRECCO: Through you, Madam Chairwoman.

Is that office open now within each county for this information?

ASSISTANT COMMISSIONER SMITH: We will be announcing the RFP in November, and then, we hope to have implementation of the single entities in April. They will be up and running in April. At the present time, we still have offices for the child care resource and referral centers. They're available in each county right now.

ASSEMBLYWOMAN CRECCO: Thank you.

ASSEMBLYWOMAN ALLEN: Thank you.

Assemblywoman Weinberg.

ASSEMBLYWOMAN WEINBERG: Thank you.

I have a question from your testimony in which you talked about there is or there is going to be a revised entry and exit schedule for families eligible for child care subsidies and a reasonable schedule of parent copayment fees. Is that just being studied now? Is it something you're ready to release, and if so, how does it compare with the fees that are being charged right now?

ASSISTANT COMMISSIONER SMITH: The fees will be very close to what we have. We're going to look at using the Federal poverty level instead of the State median income.

ASSEMBLYWOMAN WEINBERG: How will the Federal poverty level versus the State median income change the child care picture?

ASSISTANT COMMISSIONER SMITH: Okay. We can get that out for you. Also, we're looking at going at 200 percent of the Federal poverty level and not using the State median income for several reasons. More programs are using the Federal poverty level index than State median incomes. Also, that particular poverty level will go up each year, so it doesn't remain the same. It goes up. It gives a better ability for our families to come within those levels.

Dr. Ranck has those figures.

DR. RANCK: Because we chose to look at percentages of the Federal Poverty Index, it means that it can move. One of the reasons for choosing it is that index is shifted each year by the Federal government. Also,

Head Start, for instance, operates on that system and so do a number of other subsidized programs.

As an example, a family of three, which is kind of typical of income-subsidized families, would exit the system at \$32,450. If we were to go back to the 75 percent of the New Jersey median income, it is \$32,758. So we've kept it pretty much at the same level. I always have to really pay attention to that, because those figures can be tricky, but that is 250 percent of Federal poverty compared to 75 percent of State median income for 1989, which is what we had been using.

ASSEMBLYWOMAN WEINBERG: So it's only about a \$300--
If I may, Madam Chairperson--

What about the reasonable schedule of parent copayments?

ASSISTANT COMMISSIONER SMITH: We put on the table for discussion purposes earlier in the year our fee schedule. That would have had payments really for first, second, third, and fourth child. We'll have no payment for the third and fourth child. We will recommend moving the fee scale up \$1 for every one--

ASSEMBLYWOMAN WEINBERG: \$1, what, \$1 a week?

ASSISTANT COMMISSIONER SMITH: Well, yes. Whatever you pay, just increasing that \$1 now. Also, looking at the second child, the second child will pay 75 percent of whatever the first child was paying. That is, once again, based on a fee schedule. We can go through that with you if you would like.

ASSEMBLYWOMAN WEINBERG: If I may-- Right now, are recipients charged for the second child?

ASSISTANT COMMISSIONER SMITH: Yes.

ASSEMBLYWOMAN WEINBERG: What is the charge now?

ASSISTANT COMMISSIONER SMITH: It's 50 percent for the second child.

ASSEMBLYWOMAN WEINBERG: So the second child will go up 25 percent then, and there will be an increase of \$1 per week--

ASSISTANT COMMISSIONER SMITH: For every one, and the third and fourth child would not be charged. Once again, in terms of some other states -- what some other states are doing is that some states have lowered their poverty level piece and also increased their fees substantially. We're trying to stay away from that and move to a system that we think people can continue to move in to get their child care. We do not want to do some of things that other states are doing right now.

ASSEMBLYWOMAN WEINBERG: I have one more question, if I may. I guess it's the Federal regulation 70 percent and 30 percent, 70 percent coming off of welfare and 30 percent who are currently among low-income workers: What is the percentage we have now? Do you have any idea of that?

ASSISTANT COMMISSIONER SMITH: I don't have that. We can get that for you, certainly, for the next hearing in terms of the welfare and welfare-to-work type of approach.

What we're trying to do in this redesign is to, at least, maintain our commitment on the working-poor side, so that we can have as much service tomorrow as we are providing today. But you have to also look at-- We have to look at where the money is coming from at this point. If the

Federal government, who provides a good chunk of our money -- if they're moving in a direction that says, "You have to do it in this way," we have to move in that area or we're penalized.

Originally, when we went into the redesign, folks were talking about block grants, but in my speech I mentioned it's not necessarily a block grant. It looks more like a pie chart, because you have your 70 percent and 30 percent. You also have the administration costs that you cannot exceed and you can't spend below a certain amount -- 4 percent below -- for equality. So we have to stick in those areas. Also, the regulations for those particular areas are not in regulation yet in the Federal government, so we really don't know how they're going to play out until we have those from the Federal government.

I had the opportunity back at the beginning of September to go to a conference in Washington. One of the things we were asking the Federal government then was to not necessarily put everything in black and white as to what those regulations should be because we, as a State, would like flexibility and really all states do their child care differently. So we would like the ability, from what we're hearing from our public meetings, to kind of tailor our needs to the money that is coming in with the new block grant. We don't want to have to be put into little niches every place along the line by the Federal government.

ASSEMBLYWOMAN WEINBERG: I have a real concern that we don't create a revolving door here as we take people off of welfare and enable them to get reasonable child care and then take the working poor off of child care and put them into welfare. That is why I am curious to see how that will

affect what we're doing right now, how this stipulation of 70/30 will affect the kind of subsidized child care that you are providing, in addition to \$1 per week -- might mean a lot to somebody -- as well as a 25 percent increase for a second child, which you're planning to implement right now, I assume. So whether that will be driving people off of welfare--

That is one concern. But, primarily, I have a concern-- It is not only the economics of this, and I know that you all, as everybody here, shares those concerns, but it is the quality of the child care and how we are going to keep that at some quality level. I mean, I can't think of anything more important for us today than how we start our children off. If we're going to start them off in less-than-quality day care, then all the economics really doesn't mean anything.

So you add that into the revolving-door idea, and I'm really concerned about the road we're going down and how we can keep it at as high a level as is possible in the State of New Jersey.

ASSISTANT COMMISSIONER SMITH: Madam Chair, if I could respond?

ASSEMBLYWOMAN ALLEN: Yes.

ASSISTANT COMMISSIONER SMITH: One of the things, Assemblywoman, we wrestle-- We're going to wrestle with this together, I'm sure, over the next few months. One of the reasons we went to the two-year transitional child care is, once again, to reduce that load on the working-poor side, also looking at some of the things that the other states are doing or not doing. We really have to look at this in a planful, thoughtful way. You just can't jump in with one policy and get into a skirmish on another side here.

Also, when we look to other areas of State government, such as the Department of Education, and see what they're doing, as you know, in terms of their long-range plans to see how best we tie in and do business with them-- It's not something we're going to solve overnight. We certainly appreciate your questioning and your concern.

ASSEMBLYWOMAN WEINBERG: We have a list of bills--
I'm sorry.

ASSEMBLYWOMAN ALLEN: I was just going to say that, clearly, this is an evolving process at this point, and it's something that we hope to work closely on with you in helping to, perhaps, shape where you end up and where we all, hopefully, end up on this. I think, at this point, to get into that is a little premature.

ASSEMBLYWOMAN WEINBERG: I just want to comment we have -- a quick look at-- There are, oh, I don't know, half a dozen or seven bills all with bipartisan support from both sides of the aisle which call for various credits for child care: corporate credits, individual credits. If you can, I would appreciate also you looking at these bills and seeing what, perhaps, we should be really lobbying for in terms of trying to help to encourage employers to provide on-site day care as part of this whole scheme.

ASSEMBLYWOMAN ALLEN: And we will be having a number of employers who do it here, as well as others, and we'll be able to ask questions of them, as well.

ASSEMBLYWOMAN WEINBERG: Thank you.

ASSEMBLYWOMAN ALLEN: Assemblywoman Heck, did you want to jump in?

ASSEMBLYWOMAN HECK: I'll wait until Shirley speaks.

ASSEMBLYWOMAN TURNER: Thank you.

Thank you, Madam Chair.

Affordable, quality day care/child care is something that I have been particularly concerned about over a great number of years. I guess I'm even more concerned right now in view of the fact that we do not have adequate, quality, affordable child care at this moment in time. In fact, we know that there is a shortage, particularly, in terms of infant care.

Now, as we look at welfare reform and mothers will be required to go back to work after 12 weeks, I'm just wondering: Where are we going to come up with these quality and affordable day care, child care centers to take care of infants in particular here in Mercer County?

I know over the years that has been a real area of acute shortage. I guess it is going to become increasingly so, and I would just like to know what arrangements or plans are in the works to provide additional day care slots and centers for the additional children who will require day care, particularly infant care?

ASSISTANT COMMISSIONER SMITH: Well, we're looking at this right now, and we're starting to grow those figures as we speak, so that when welfare reform comes in, it's not like you have several thousand people hitting the system on, let's say, July 1st. So we are starting to grow those numbers as we speak.

We have to look at things such as-- We'll be doing a request for proposals shortly to look at potential expansion. This will be on a limited basis right now but a potential expansion of slots in the community. We're also

looking at utilizing a voucher system a little bit more than what we have done in the past. Once again, give moms and dads more choice as to where they would like to place their children.

There are openings in child care centers. It's not that every child care slot in the State is taken up. There are openings. It is a matter of paying for it and making sure that individuals who need it do get in. So, once again, as we look to our voucher and our entrance and exit, we have to make sure with our vouchers that we get the vouchers to the people who need them and who qualify and that the policies and programs we establish take into consideration those people who require it the most and who need it the most, also, for not just center-based care, looking at that for, as I mentioned, the request for proposals, but also looking at family day care and making sure that we can expand family day care.

Also one of the areas that we don't speak about a lot is before- and after-school programing. You know, folks, sometimes we look at from birth up to maybe three or four years of age, but those children who are also in first grade on up until the age of twelve or thirteen also require some assistance at times from outside sources.

So we have to also look at growing the system that way, once again, working with the Department of Education, looking at the utilization of schools that maybe close at 3:00 and not open-- How do you move the voucher system to-- If you're going to open a school or a community program -- Boy's and Girl's Club -- how to use your dollars, your State and Federal dollars, to grow those types of programs and to put more emphasis on those programs.

Assemblywoman, you raise a good point. I just don't have all the answers as to the plan that we'll have, but we're going to need it from a number of sources. At this point, I can just tell you those types of things we're looking at, but I don't have the A, B, C plan to give you today on that.

ASSEMBLYWOMAN TURNER: I know with my own daughter, who was in search of infant child care, she just came up with absolutely nothing, and she wasn't looking for subsidized child care.

But most day care centers will not take children unless they are potty trained or they're at least a year old or so. So I am just very concerned about where these facilities are that will be there to accommodate these women with these young children.

ASSEMBLYWOMAN ALLEN: Assemblywoman, I hope that some of the people that we have to testify today will be able to speak directly to that.

We'll go to Assemblywoman Heck and then to--

ASSEMBLYWOMAN HECK: Why isn't this going on? Does someone else have their light on? (referring to microphone)

ASSEMBLYWOMAN WEINBERG: Okay. I just turned my off.

ASSEMBLYWOMAN HECK: Thank you.

Jim, a number of the points raised are wonderful, and having worked with these areas before, particularly with church groups and the Lutheran church group-- Even though I am a Roman Catholic, I work with the Lutheran church group because they are very concerned, and have been for years, about this particular situation. I have met with a lot of young mothers

who have been assisted by them who said that they want the tools, but they also want the independence, the independence of choice.

I think that is very important to look at, that there are church groups and community groups already in place that we should access and use as a well-rounded program. I think to recognize them is important.

You have to forgive me if this is something I don't know about, but is there any subsidy involved here for what I would call the promotion of granny care, you know, grandparents taking care of children or even a senior's group, enlisting their aid where you would have that kind of an ongoing program? Because seniors are living much longer and are much healthier and, even though they're retired, like to stay involved.

I was wondering if we are promoting any movement to having them reach out to the children who need care, because a lot of families move out of State, out of the country, and they miss their own grandchildren, and yet, the involvement with other kids in a supervised setting might be advantageous for us to begin that kind of solicitation. Is anything being done in that area? Even grandparents with children, they need a couple of dollars to help subsidize the care of their grandchildren. Is anything being done in that area?

ASSISTANT COMMISSIONER SMITH: The intergenerational care is an item that you'll probably hear more about today. Dr. Ranck can give us more on that.

ASSEMBLYWOMAN HECK: Oh, I like that, I may do that.

ASSEMBLYWOMAN WEINBERG: You better be careful, you're going to have to stay home and do it. (laughter)

ASSEMBLYWOMAN HECK: I do it already, dear.

DR. RANCK: I am glad you mentioned the religious community aspect of this because they are, across the board, regardless of what the religion may be, one of the major supporters of child care and early education and have been for years.

The obvious thing, of course, is their space. They have these buildings that are there, but they also have people who care a great deal. They have the willingness to support and be helpful in that respect.

The intergenerational piece of your question is being addressed by the New Jersey Intergenerational Network. The Chairperson of that is going to be testifying later.

ASSEMBLYWOMAN HECK: Who is that?

DR. RANCK: Mr. Philip Benson.

Informally, child care centers have often reached out to RSVP and other senior citizen groups and brought them together because it's a nice thing to do. But we now see that this is a real resource to tap into. I think that organization along with the child care resource and referral agencies are really looking at that.

The piece about subsidy, one of our ways of solving the problem of parent choice, when we began with the voucher system five years ago, was to offer parents the opportunity to choose their own provider, whether it be a relative or a friend. There are some requirements for home visits and such, but they are not as developed as the older licensing with the regulations for family day care. But it does offer that opportunity for families to use themselves, which is--

ASSEMBLYWOMAN ALLEN: Assemblywoman, I would like to just add to that.

When I was on the board of an organization called Medord Lees (phonetic spelling), which is a retirement community in Burlington County, a Quaker community, I instituted what is now being called intergenerational care. I didn't know what its name was, but we had a lot of people who were over 65 and had so much to give, and we had a lot of young workers who had children. We put them all together, and it has been a wonderfully positive program that has worked very well.

What we started originally wasn't perfect and certainly has changed over the years. I agree with you. I think there is a wonderful way and hopefully something that we can also help legislatively.

ASSEMBLYWOMAN HECK: Good.

ASSEMBLYWOMAN ALLEN: Assemblywoman Weinberg.

ASSEMBLYWOMAN WEINBERG: Thank you.

I did just a little bit of research in terms of my own county, in Bergen County, and Bergen County just lost almost \$244,000 in Federal social service block grants in the Personal Responsibility Act as it's called. Among those cuts is almost \$47,000 -- the Bergen County Community Action Program -- for extended child/day care hours.

In talking to the Community Action Program, what they said they were going to do is they are going to cut their day care hours in half, because it is a sizeable cut they're getting, and they are first going to target those families who are already on welfare -- cut those day care hours -- which will inhibit their abilities to get jobs or whatever educational programs they're in

now. Then, they're hoping that the other half, the children of the working poor that they're helping, will be able to maintain the program.

But I think we're going to have to look at the whole, overall picture of what is happening. The Family Life Center, the counseling for abused children, which I know is one of Rose's favorite programs along with many of the rest of us in Bergen County, got a cut of about \$93,000. So, in turn, where they were counseling kids free, they are now going to start billing Medicaid. So we're going to pay on the other end of this. We're getting the cut, and then we're going to pay.

My only point is that it is so interrelated to what is happening in all of the other areas that you have a tremendous job cut out for you -- as if you need me to tell you that -- but it is really a very, understatement, worrisome issue -- understated. As I said, I think we have to look at the whole checkerboard of what is taking place here.

ASSISTANT COMMISSIONER SMITH: Through you, Madam Chair, if I could respond to the social service block grant reductions--

Those reductions actually went into effect in October of 1995. Commissioner Waldman said that he did not want to do a retroactive cut. We got notice of those particular cuts in May of 1996. They were retroactive to October of 1995, over \$12 million to the State of New Jersey, a good portion of those in the area of child care.

Commissioner Waldman really ate that \$12 million in our budget. Some things did not get the attention because of that, because child care is a big issue. We could not eat that \$12 million again this year. What we did was we went through a public process, the county Human Service Advisory

Councils, as well as the Department, and engaged in a public process to reduce budgets by over \$12 million.

Assemblywoman, you make a good point as to using the dollars effectively and seeing how best to use our money. One of the things we're looking at is we've extended the child care slots to the first of the year, so there were no child care slots that took effect on October 1st.

We have also since put together a working group. I call it the SWAT team. Dr. Ranck is part of that team. She has her riot gear with her, too. Looking at the money that the Federal government -- the new money that the Federal government is giving us, looking at the types of individuals you mentioned, if there is someone who is welfare, we can move that social service block grant slot, possibly, over to a welfare voucher.

So the 500 or so slots that we may have looked at for reduction for the social service block grant cut, if we can move those moneys, we will reduce, certainly, the impact. We, hopefully, will not be any place close to the reduction of 500 slots in the State.

Once again, it is a thoughtful, planful process that you have to go through, and once again, we appreciate your concern on this.

ASSEMBLYWOMAN WEINBERG: Thank you.

ASSEMBLYWOMAN ALLEN: Thank you very much for coming to testify.

ASSISTANT COMMISSIONER SMITH: Thank you.

ASSEMBLYWOMAN ALLEN: I would like next to invite a concerned parent to speak. We have a couple of them. In fact, one of the reasons that we're spending this first meeting of the year on the child care

crunch is because of a parent contacting my office and talking about the fact that she is in danger of losing her job because of her problem with child care. It is a great concern of all of ours, because we know this is not the only person in the State who is having this problem. We know that it is happening every day in many parts.

So I would first like to call -- of the parents -- Michelle Willows.

MICHELLE WILLOWS: Good morning.

ASSEMBLYWOMAN ALLEN: Good morning.

MS. WILLOWS: My name is Michelle Willows. I am 19 years old and live in Riverside. I have three children: a three-month-old boy and twin girls who are a year and a half.

I have a part-time job that pays only \$7 an hour, and I only work two to three weeks out of the month. I am in danger of losing my job unless I find a babysitter.

I have contacted several organizations regarding several aspects of child care. I have tried going to regular day care where I would pay the full price. KinderCare had given me a price of \$410 a week for all three children. That includes a discount. The YMCA wanted \$187 per child, per week. This price only includes watching the children. I would supply the activities and the food for them. Some agencies wouldn't even take them because of their age.

I have tried subsidized day care, which is based on my income. Most of them don't have enough room for all three, or they don't teach your children. I have called welfare programs, like the Burlington County Community Action Program and the Family Development Program, also

known as REACH. These programs are supposed to help low-income and working-poor families.

When I called BCCAP they told me I was ineligible because I don't work every single week out of the month. I either have to be a student, a working student, or work so many hours every week to qualify. I guess I am supposed to work during the day, go to school at night, and spend time with my children on the weekends. I don't believe that is the right way. I want to spend as much time as I can watching my children learn and grow.

The Family Development Program told me I was ineligible because I do not receive a money grant from the State. Am I supposed to quit my job and go on welfare just so I can be sure that my children will be taken care of during the day? With all the welfare reform shouldn't it be helping people like me, people who want to work, want their children to learn and be safe, and be able to put a roof over their heads and food on the table without depending on the State to do it for them?

In 1991, 26 percent of a person's income went to child care. Just imagine what it is today. Think about how expensive renting and mortgaging a house is today. For a typical three-bedroom house, the monthly payment is, at the least, \$650. I don't even make that much in two months to cover all the bills, the rent, and day care, but the State believes that if a family of five brings home \$700 a month that they are living in luxury.

The really upsetting part is that the State goes by gross, so it doesn't really matter what you bring home. I used to think that \$7 an hour was good money, but with three children and having to pay a babysitter, I'm working very hard to pay a babysitter.

When I asked the welfare workers for help, they couldn't come up with any more answers; although, when I took my mother to local welfare, they were nice enough to give me several numbers to try and are willing to keep trying to find me a babysitter so that I won't lose my job.

I'm not here to help myself. I just want everyone to know that the welfare system should start helping those who want and need the help, not the ones who sit there and say, "Hey, I can get a free ride." If you ever asked them what they are doing and they answer, "We have done all we can, or we have done the best for you," ask them about the 40 percent of mothers who are unemployed because of day care problems.

I am not a typical teen mother. I may seem young to all of you, but I choose to be independent. I finished school, even went to college for a little while, and would love to go back some day. I worked while I was pregnant, and I still work to help support my children without my parents or the State.

You could say, "Why don't you go back home?" Well, moving back home isn't the answer. My mother is disabled and can no longer help with babysitting, and she can no longer work. Living in a one-bedroom apartment with six people and only one income would be worse.

I just want people who are in the same predicament as me to know that if you speak up eventually someone will listen, and I pray that they do now.

ASSEMBLYWOMAN ALLEN: Thank you very much for coming and telling us what is going on in your life.

What is happening with your children right now?

MS. WILLOWS: Right now, they're with a friend. I haven't really known her that long, but she-- I met her through another friend, and she is taking care of them while I'm here.

ASSEMBLYWOMAN ALLEN: Do you feel secure in having her watch your children?

MS. WILLOWS: Yes. She has other children, and she has watched them once before because my mom is really, really sick and I needed someone really fast so I didn't lose my job.

ASSEMBLYWOMAN ALLEN: If you are able to keep your children with this particular person, will you be able to maintain your job and still go on trying to build your life?

MS. WILLOWS: I would probably have to get a second job, because I can't afford it.

ASSEMBLYWOMAN ALLEN: So at this point you really are on the line of becoming unemployed?

MS. WILLOWS: Yes.

ASSEMBLYWOMAN ALLEN: Well, we're all here to try to solve these sorts of problems. I don't think we have a solution for you at this moment, but, clearly, that is where we want to go.

Are there any questions?

Yes.

ASSEMBLYWOMAN CRECCO: I would like to ask you: Where is the father?

MS. WILLOWS: He is at home.

ASSEMBLYWOMAN CRECCO: Pardon me?

MS. WILLOWS: We live together.

ASSEMBLYWOMAN CRECCO: Oh. Does he contribute?

MS. WILLOWS: Yes, but even with his income it is still not enough.

ASSEMBLYWOMAN CRECCO: Thank you.

ASSEMBLYWOMAN ALLEN: Are there other questions? (no response)

Thank you very much.

MS. WILLOWS: Thank you.

ASSEMBLYWOMAN ALLEN: Virginia Smith, another concerned parent.

VIRGINIA SMITH: Good morning.

Chairwoman Allen, and distinguished members of the Council, thank you for the opportunity to speak on the issue of New Jersey Working Women: The Child Care Crunch.

I am a single mother of four children, ages three, twins who are six, and a seven-year-old. Until recently I was a working woman. I come before you today to ask that you, as policy makers, make an investment in the future of our great nation.

Of all the resources found in America, its greatest resource is its children. They are the next generation. The scientists, politicians, teachers, doctors, lawyers, and clergymen of tomorrow are playing in sandboxes today. The direction, values, and education we give our children today will enable them to lead our country tomorrow, then keep it great tomorrow. To that end,

I would like to propose some possible answers to the questions of where we are and where we need to go with regard to day care.

Where are we? Children are being left home alone for hours because their parents cannot afford to pay child care and still meet the other financial obligations that they have. There are not enough affordable day care facilities.

The Federal income tax child care deduction is too low. For middle-income families, the maximum deduction is \$960 a year, which is 20 percent of the total \$4800 package. That amount is an average payment for one child per month. The State does not offer a child care tax deduction. New Jersey should set the example by instituting such a deduction.

Children are being left in unsafe environments and/or with inadequately trained people because of the lack of affordable alternatives. Child care subsidies to middle-income families are inadequate or unavailable. Families are placed on long waiting lists, and when money does become available, it is often for a temporary period.

Employers are insensitive or ignorant to the needs of affordable child care. There is no centralized agency, for example, Federal, to enforce child support orders. Absentee parents are not being held accountable. This forces women onto welfare. It also, in effect, decreases the income level of working women. In divorce, the standard of living for men, for the most part, remains constant, while women and children are sometimes forced to live below the poverty level.

Where do we need to go? Society as a whole -- parents, government, business, the religious community, civic leaders, teachers, and citizens -- need to make a commitment to our children.

The corporations need to support day care. Employers should offer child care reimbursement/subsidies as an optional part of a total benefit package. Employers, where possible, should provide on-site day care facilities that charge on a sliding scale based on income. Employers should provide scholarship funds for those families whose income is insufficient to pay for child care.

We need a commitment from our religious community. They need to donate space in churches and synagogues to be used for child care and staff these centers with trained volunteers from the congregation, for example, senior citizens, teens, and welfare recipients. We need to encourage our congregations to fund scholarship programs for needy families.

Civic leaders can conduct fund-raising drives to provide child care scholarships for needy families. For example, the Girl Scouts' cookie sale helps fund scout troops.

The government can create tax incentives in the form of rebates or credits to those employers who address child care needs. We need to create a State tax rebate for child care. We need to allocate more money to fund child care, and we need to prioritize creating a centralized child support enforcement agency.

Parents should know that government exists by the people, for the people, and of the people and that children are people, too. Children have the same rights under the Constitution that are afforded adults, yet they have no

voice, no vote, and no economic power. Adults must speak up to protect the rights of children. We need to write letters to our policy makers, government officials, explaining the need for safe, affordable day care.

We need to become informed on how our elected officials vote on family issues and hold them accountable. We need to become informed on candidates positions in regard to child care and vote accordingly. Above all, we need to register to vote and vote based on the issues.

We need to form parent support groups and trade services and take turns taking care of each other's children. Instead of receiving money, we would receive reciprocal care for our children.

I would like to thank you very much for taking the time to hear my thoughts on this issue. I would like to close by impressing upon you the urgency of this matter.

We need to act immediately to ensure the well-being of our children, to ensure that not one more mother has to leave employment because of the lack of affordable day care, to ensure that the next generation is as strong as past generations, and to ensure a prosperous America.

If I could take one more minute to tell you my personal story-- I would like to show you a picture of my children. (holds up photograph) These are my four children. I think they're beautiful. I want them to have the best possible care that we can give them. I showed you this picture to let you know that this is not a matter of statistics, and it is not a matter of studies. It is a matter of real people, real children, real working mothers, and our lives are affected by the decisions that you and the rest of our government officials will make.

I have had to leave my employment because of the lack of affordable day care. My two-year-old son was molested in a home that was not supervised or licensed by the State. He was in that home because I couldn't afford to put him anywhere else.

No mother should have to make the choice between providing for her family and taking care of her child. Children should not be left home alone, five, six, seven years old, all day long, while their parents go out so that they can pay the mortgage and put food on the table. These are real issues that need real answers and they need them now, not in five years when it's too late. We need to talk about it now.

Again, thank you for your time.

ASSEMBLYWOMAN ALLEN: Ms. Smith, you are very eloquent. I thank you very much for your testimony. I would very much appreciate a copy of your testimony so that we can share it with the members of the Council up here.

A recent survey of all of the women in New Jersey came up with very similar concerns to your. Yes, they are statistics, and, yes, yours is an individual story. But, as you and I know, each one of those statistics is an individual story. I believe all of them would echo much of what you said.

You also came across with a lot of very good ideas, some of which have already been implemented in other states, and surely, they are things that we will be looking at.

MS. SMITH: Thank you.

ASSEMBLYWOMAN ALLEN: Are there any other questions?
Yes.

ASSEMBLYWOMAN CRECCO: Ms. Smith, your children are seven, so one is in school?

MS. SMITH: I have twins who are six and a seven-year-old. They are in first and second grade, yes. They are in school. I have a three-year-old who is need of full-time care.

One of the problems is that when children go to school it creates a whole new set of day care issues in that the school district will not bus outside the district to a child care center that may be affordable.

For example, I could probably get into the YWCA's child care program, but I don't have a way of getting them from the school district, which is approximately a half an hour away from where they go to school, to the aftercare program there.

So when they're young, it is one issue. When you have a mixture of different age groups, it creates different issues. I think that we need to find alternatives in terms of after-school and before-school programs within those schools so that children at any age will have a nurturing and safe environment to grow up in.

ASSEMBLYWOMAN CRECCO: Another issue that we certainly must address is transportation from school to the day care centers. I know some schools do have that. They may be parochial schools, the ones I'm aware of anyhow. So that is an issue that will be addressed.

With the children who do not go to school, if you had a choice with the youngsters who didn't go to school and you had a tax credit sufficient to what you would be getting if you didn't have to pay all of these taxes, would you prefer that before the -- as infants, keeping them at home with you?

MS. SMITH: I personally would not. I get a great deal of satisfaction out of working. I feel I have a real contribution to make. I love my children and certainly enjoy being a mother, but there are other aspects of my personality that I would find stifling to be at home all day long. So, for me, if I had to make a choice -- which I have had to make -- my children come first. But if I could do both, I certainly would prefer to do both.

ASSEMBLYWOMAN CRECCO: For infants also?

MS. SMITH: I'm sorry.

ASSEMBLYWOMAN CRECCO: For an infant also? I'm just curious.

MS. SMITH: When I had my children I went back to work six weeks after they were born, including my twins who weighed, at that time, six pounds.

So the work ethic to me is something that is very strong. It was instilled in me. I would not feel comfortable only being a full-time parent, because, as I said, there are other aspects of my personality that I wouldn't feel fulfilled in.

Having had to make a choice between the two, certainly my children are my priority and their needs come first. But I don't see why I should have to make that choice. I think I and other women are a conglomerate of different aspects. We're people, we're mothers, we have a lot to offer. Why should we have to choose? A man doesn't have to choose between being a father and a lawyer. Why should a woman have to choose between being a mother and anything else she wants to be?

ASSEMBLYWOMAN CRECCO: Yes. Thank you. I wasn't directing it at that. I was just curious. Thank you.

MS. SMITH: You're welcome.

ASSEMBLYWOMAN ALLEN: Yes, Assemblywoman.

ASSEMBLYWOMAN WEINBERG: Just a comment, and maybe the Department of Human Services' folks could hear this too. In the community in which I live, in Teaneck, there is a Working Parents Association which has gotten together, and they provide after-school care and before-school care in the school. So the transportation component is not necessary-- They are a nonprofit association that was formed by working parents who have this problem.

When my children were younger and at home, there were more problems once they went to school than when I could obtain full-day day care because of the transportation problem. But there are some communities that are doing things about that. I just mention that to you. I could get you more information about it, and it certainly helps with the school age--

Although this doesn't pertain to you, I would also like to get in one other plug about another program. It's located in Englewood, another town I represent, at the Methodist church, i.e., what you said about religious institutions becoming involved. It's called the West Side Infant Day Care Center. It provides day care for high school students.

I think I sent you information -- I sent the Chairperson information on that. In order to keep these young women in school and allow them to get their education, and because of transportation problems, they have to pick up the mother and the baby in the morning, take the baby to day care,

and then, take the mother to school. They have a 98 percent graduation rate and over 50 young women on the waiting list.

So much of this-- I know we have very complex problems, and as my colleague to the left said, "I know that throwing money doesn't solve all problems," but it sure would help this problem.

MS. SMITH: It sure would.

ASSEMBLYWOMAN WEINBERG: Thank you.

MS. SMITH: I would just like to address that, if I could, for a minute. I have been working toward trying to find a parent--

ASSEMBLYWOMAN WEINBERG: I'm sorry. Excuse me a minute. She was not being serious when she said that to me. It was just sort of a sarcastic-- She does believe that there are many problems that money does solve. I'm sorry.

MS. SMITH: I've been working trying to form a parents group in Camden County, which is the county I live in, to address the needs of people like myself where we can trade services instead of money. It is very difficult or I have found it very difficult to have parents come together to do something like that, but we'll continue to work on it.

If I could just take one more second and address something that was said earlier about the way we classify the poor and the kinds of systems that we use to allocate moneys. My experience has always been where I have been a working person -- a middle-income working person -- and found it very frustrating that there are a lot of programs that exist for lower income people, which they need and I support whole heartedly, but there are also people in the middle who get cut out.

The higher income people certainly have the means to pay child care. The lower income people have subsidies. I have always been in this nebulous zone where I can't afford to pay for child care but am not poor enough to qualify for the programs and not rich enough. So I think that--

There was a series of articles in *The Philadelphia Inquirer* about the disappearing middle class, and I think this speaks directly to that in that we need to address not only the aspect of our society that is at the poverty level or below, but those people, like myself, who make an adequate -- what you would consider to be an adequate income, but it's still not enough to pay for the needs of child care and address the needs of living as well.

To that end, when we go to allocate funds, I would like to impress upon the Departments of Health and Human Resources that we keep some moneys to fund those programs that help middle-income families.

Thank you very much.

ASSEMBLYWOMAN ALLEN: Good point. Just a moment, Assemblywoman Murphy has a question.

ASSEMBLYWOMAN MURPHY: Thank you.

Ms. Smith, I agree with you 100 percent. I have a daughter who is a brand-new mother and looking forward to going back to work. Because of the same constraints you spoke about, she cannot afford to stay at home. She cannot afford to hire someone to look after the child. She cannot afford not to go to work. There is a whole range of things going on at the same time.

I will tell you, in our area, and it's probably not a help, but there are those after-school centers which do provide bus service to the schools to pick the children up. I am sure that they charge for that. They have small

buses. They do that because the schools often are noncooperative in that arena. But it does speak to the necessity for continuing the conversations, if you will, and the influencing between the school system and the day care centers, because if they are not partners in this, it is the child and the parents who suffer.

So I thank you very much for coming in today.

MS. SMITH: Thank you. That is my whole point in that we all need to be partners in raising our children: the government, the religious community, the parents, the school districts. We all need to come together and stop being adversarial and looking at from different viewpoints and put the children first so that their needs are addressed.

ASSEMBLYWOMAN MURPHY: The turf issues are no longer of value at all, the children are.

MS. SMITH: Thank you very much.

ASSEMBLYWOMAN ALLEN: Thank you.

Next, I would like to call Philip Benson of the New Jersey Child Care Advisory Council.

I believe, members of the Council, he is not on your list. He is an add to your list.

PHILIP BENSON: Good morning.

I am Phil Benson. I am the Chairperson of the New Jersey Child Care Advisory Council. On behalf of our 39 members of the Council, I want to express my appreciation to Assemblywoman Allen and the members of the Assembly Advisory Council on Women for holding public hearings on child care issues.

With me this morning are some members of the Council. They are sitting back there, and you'll be hearing from them later.

The Council was established by the Legislature in 1984 to advise the Departments of Human Services and Community Affairs on child care issues, policies, and programs. The Council also works closely with the Departments of Education, Health and Senior Services, and Labor.

We are proud that New Jersey has been in the forefront among states with a policy of encouraging quality services for all families, those who can afford the best programs, as well as those who desperately need assistance in providing their children with developmentally appropriate child care and education.

The Council is composed of representatives from 21 professional organizations and 18 members who are appointed by the Directors of the Division of Youth and Family Services and the Division on Women. These members have actively educated our Federal legislators about the child care needs of low-income parents. Those efforts have resulted in Title IV child care of the Personal Responsibility and Work Opportunity Act, the legislation that includes welfare reform.

We know that Federal child care funding is assured for direct services both for low-income working parents and for thousands of welfare moms who will enter the workforce in the years ahead.

Low-income parents are just as concerned about the early care and education of their children as corporate executives. Their children, like all children, are entitled to good quality in programs and high-quality early educational experiences.

The Council strongly recommends that New Jersey follow the lead of the Federal government and commit the financial resources needed to qualify for all the Federal child care funding that will be available in the coming years. Such a commitment will enable New Jersey to plan intelligently for the development of a strong network of child care programs and services as Federal funding increases.

The Child Care Advisory Council sees a window of opportunity in which to develop a truly child-friendly network of early care and education programs.

Now is the time to help to reduce the current waiting lists of low-income families who want the best possible care for their children at an affordable price. It is also time to improve the management of those programs that may have been underfunded and ineffectively managed.

The Council members offer their expertise, their experience, and their assistance to the Advisory Council on Women as it makes its plans for the future of child care in New Jersey.

Something that doesn't appear in my prepared statements is I am impressed with the quality of questions that this Council has asked. I am also impressed with the number of people who have made substantial testimony before mine so that the issues that are before you are really clear, yet complex. You understand them, and that is an important revelation to me, that you really do understand the issues that are before you. It's not going to be an easy set of problems to solve, but together the Council, the people in government, and the legislators -- we should be able to solve those problems, at least get a grip on some of those problems.

Once again, I thank you for the opportunity to testify. If there are any questions, I'll be happy to answer them.

ASSEMBLYWOMAN ALLEN: Are there any questions from the Council? (no response)

We know that, as you mentioned, a number of people here representing different groups that are part of your group will also be speaking. So we look forward to hearing from them.

We thank you for your kind comments about our questions. If only we had all the answers. Thank you very much.

I would like to call Jeff Stoller from New Jersey BIA.

JEFFREY STOLLER: Good morning, Assemblywoman and Council members. Thank you very much for the chance to come and share some of our thoughts from the employer's perspective.

I have a written statement that I have shared with the Council. What I thought I would do in the interest of time is simply touch on some of the ideas that we've gotten back in the past week. When we heard the hearing was being held, I had the chance to reach out to a number of our staff members and also members of our Association -- the employers who have been involved with the day care issue for a number of years -- and tried to get some feedback for you in terms of who is involved in day care and why more employers aren't involved in addressing the issue as well.

As I mentioned, BIA has been involved in this issue for quite some time, for all of the reasons you heard earlier. The whole shape of our future workforce is changing, and it certainly is going to be true that the issue of child care is going to grow in importance, it is not going to shrink in importance

because working parents, male and female, are going to be trying ever harder to balance their work lives and their private lives.

We have also been involved-- You heard mention of Worthy Wage Day. Once a year, if you're interested, you can come down to the Kean Child Care Center and see Labor Commissioner Calderone and I trying to sit in the little two-year-old seats reading stories, because it's a chance for us to visit the day care center there and meet with the children, obviously, but also to meet directly with the day care providers and hear the tough job that they have trying to balance the delivery of quality day care with keeping that affordable. That is going to be an issue for years to come in terms of striking that balance.

Obviously, child care is a positive benefit. We certainly encourage member companies who can afford to offer it to do so. But when we looked at the numbers, we saw something on the order of only 5 percent licensed day care centers now are enjoyed the support of either a partial or a full subsidy by employers.

We went to them and asked, "Why isn't more happening on this? It seems like it would be a pretty attractive benefit for companies to offer." As you can see from my statement, it fell into about three different areas -- three factors that seem to be obstacles for more happening.

One, obviously, is the cost. Certainly, when we're talking about on-site day care centers, only the largest corporations can afford to put together a full-time program there. Again, that misses a large number of the employees of the State of New Jersey since well over half of the companies -- the small business-establishments in the State -- well over 100,000, employ five

people or less. So we are missing a whole chunk, a major chunk, of the workforce if we are only targeting a reference on companies large enough to have on-site facilities.

We can then ask, “Well, what about the off-site facilities, all those other options? What about things that small- and mid-sized companies could be doing?” There the issue wasn’t cost in every case, but saying, “Even if we could afford it, we’re not sure what is available to us. We have a ragtag network of information about finding out what is in the community.”

Some companies do a good job. They know what is available. Even those that do, though, said, “Often when we do find out what is available within a short drive of our facility, we find that they are booked up or, if there are spaces available, we’re not really sure how to assess the quality. We are very concerned about making good referrals if, in fact, we are going to use an off-site facility.”

That leads into what, I think, is really the issue. It’s one that I don’t know has been mentioned yet today, but it is clearly an obstacle to greater employer participation, and that is, the whole question of potential legal liability.

Many of the companies in this State, even with some of the reforms we’ve made in the tort area, and so forth, are finding themselves the target of all sorts of different kinds of lawsuits. The last thing they want to do is open the door to the possibility that some child in their own facility, or even a child in a facility that they have helped subsidize for the employees, is going to somehow come back to them, even if they have no connection, if the child

is injured or the child is abused. That is a very real fear that is going to have to be addressed as part of any solution there.

I'll just tell a brief story to show you we're in an environment-- I met last week with a company that is really one of the good guys. This is a company that you would want in any of your districts. This is a company that has innovative human resource practices. They are in a growing field. They are using new technology. They are hiring. This is a good company. They're good actors. They're not people in trouble for environmental issues, and yet, they are being hit with lawsuits constantly.

The last one was someone who drove past a vacant piece of their property -- not even near their facility -- at night, speeding on their motorcycle, wiped out, landed on the ground, and because they landed on this land that was owned by the company, they were sued as part of this person's claim.

Now, again, something like that will, ultimately, probably be decided without holding the company accountable, but small companies even to get to that point would have to spend a lot defending themselves. So when we talk about something-- We've all heard the horror stories that have been raised from time to time at day care centers. That is something that they are very concerned about and, quite frankly, is a major disincentive for doing more.

In terms of some of the proposals, the staff, prior to this hearing, was good enough to provide us with a listing of some of the proposals put in this session. They seem to break down into two categories. Some we're putting forward -- tax incentives for the corporate business tax side, targeted

on employers -- others we're looking at -- income tax set asides and the like for the employee.

The feedback I have from the businesses that I was able to speak to, of those two options, they really tended to favor going in the direction of looking at what the employee tax incentives might be able to do in terms of a real impact. The feeling was that, again, for the reasons we mentioned before, even if you gave some kind of a corporate tax incentive, it probably wouldn't match or be competitive with the liability costs or the costs of the having your own on-site facility.

There are also many companies, for various reasons, who don't pay that much corporate business tax. So even if you had the most generous tax set aside, I think you would be very disappointed in how many companies, especially in that small- and mid-sized range, that you would really be reaching in an effective way.

Even if-- I think Maureen Lopes, our former VP, said once, that even if you had a 50 percent tax break, for some companies -- in fact, many more than you would expect -- even that wouldn't amount to significant dollars that would change with policy and help too many employees.

Finally, just from the Association's perspective, we have supported changes to the corporate business tax in the past, but, again, we tend to see that as the best vehicle for addressing not these kinds of issues with the benefit side, but we really think that you only have a limited amount of what you can do to cut back the revenue there. Whether it's the telecommunications tax, other kinds of job creation, economic development, infrastructure, investment

incentives, that is really the best vehicle for getting a response from the employers there.

Again, that leads us to what they did think probably would mesh with what I think we heard several times this morning: the idea that if this could be something that would be a deduction the employee could take as part of a cafeteria plan-- If we could have employers that are offering a choice, "We can't give you everything, but if you could choose like cafeteria style in your employee benefit packaging," during a certain phase in your career, when you're a parent, you might elect, "Well, we're going to forgo certain benefits, but we would like to elect the child care option there."

Our understanding is that those kinds of costs might already enjoy Federal tax exemption, but there is a question our tax people raised as to whether the State would still tax that kind of a payroll deduction. That might be another area you would want to investigate, because that could be real money.

Again, it would be tied to the employee in whatever situation they would be. It wouldn't matter whether they were necessarily working for a small company or one of the large companies that could do more. It really would follow the parent.

Again, the question that that leads us to, inevitably, of course, for the Council and the Legislature at large, is that would be a very popular employee tax credit. You just have to really know what the potential revenue impact-- It would be significant, I believe, in terms of your other budgetary questions.

So, again, I simply would conclude by saying that the two suggestions coming back from our businesses, in terms of the work you're beginning today, is to take a look at the possibility of doing more in terms of public education to employers, educating them, obviously, about the cost, but also the benefits of doing these programs.

Also, just letting them know about the resources in their area. They simply may not have gone to the right churches or the right network of contacts to get information there. They may also be very appreciative if there is some kind of guidelines from the various facilities that could give some kind of an outline of best practices -- what other companies have done that have been successful -- and, quite frankly, a consumer guide of such. The employers are consumers, as well, in this regard, determining what to look for, what kind of questions to ask before they move ahead and say, "Okay, here is a facility that we would reimburse you for."

So these are some of the questions, I think, that may be provided by other witnesses here today, but, certainly, if we could package it somehow, we would be glad to try to get that information out to a wider business audience.

Finally, again, just to reemphasize the point on the tax side, that we really believe that in terms of reaching the most number of people, having the greatest impact, and really maybe changing the prevalence of this kind of a benefit that you look at what would be involved in terms of a tax deduction or incentive tied to the employee in the context of the cafeteria plan.

That is our testimony. We thank you for the chance to comment today.

ASSEMBLYWOMAN ALLEN: Thank you very much, Mr. Stoller.

The idea of a consumer guide, I think, is an excellent one. It really amazes me that there isn't something out there. I know there are smaller groups that have smaller guides, and perhaps you have not hooked into those things and some of your people have not. I am not sure if there is anything along the State level. I believe that there are some things available even now on the State level, but I can't guarantee you that it covers everything.

It is certainly something, though, that all of those businesses that are part of your organization should have. There is no question about it. We'll see if we can work with you to make sure that those things do get to you so you can pass them out.

Your other recommendations, I think, are most interesting, in fact, in some cases, are things that we're already looking at. So I do appreciate those, as well.

MR. STOLLER: Very good. Thank you so much.

ASSEMBLYWOMAN ALLEN: Are there questions from any Council members?

Yes, Assemblywoman Weinberg.

ASSEMBLYWOMAN WEINBERG: You know, actually, Mr. Stoller, with all due respect, your testimony proves to me how much education we have to do in the business and industry area.

If, in fact, after looking at the child care area what you came up with was an idea that you should get a directory and that employees should either give up their health benefits or some other -- their vacation time -- in

exchange for day care, maybe we should look at-- You know, there is a whole other area, like the productivity of your workforces, the well-being of our family-friendly society, and business' responsibility to help along in that area--

So I would respectfully suggest that maybe the employers do a survey of their own employees about what would help them to be a more productive workforce in today's society.

MR. STOLLER: Well, I would respond this way. I think there are, clearly, companies that are very aware of that. I think they are very aware in where it has become a compelling, urgent issue. Again, we have different kinds of workforces in different companies. Some have older workforces now where this is not the overriding issue that it is in other kinds of industries or companies where they have a younger workforce that is at that stage of life and they are working parents or they're in the lower wage jobs where the pressures are extra great.

So I don't think it's possible to just sweepingly say they're either all very well-informed and interested or they're all apathetic and ignorant. I'm just saying that it is a mix. I'm saying that there are probably a lot of companies who have a sincere interest, who know it's a problem, it's an issue. They have made, maybe, some tentative efforts to call around or to see what is available in their local municipality through their Human Resource Manager. But I think it is a real hodgepodge thing.

It may be, as the Chairwoman just pointed out, that there are directories, booklets, things that could move that process forward that already exist. We're just, as I said--

Some companies have done it. They have identified it. In fact, they could probably be giving lectures to others, and I would say that would be part of it, too. That the best practices of some of the companies you'll be hearing from are things we can incorporate into that.

But I'm just telling you, I'm thinking more along the lines of the small- and mid-sized companies who probably feel they don't even want to get into that area, it's more than they could ever handle. "We won't even think about it. We're not big, and we can't do it." I'm just saying, let's get more information out there.

ASSEMBLYWOMAN WEINBERG: I'm not arguing with your suggestion that we get more information out there. What I am questioning is that Business and Industry has come here to tell us that the two suggestions they have for day care is allow employees to give up one of their other benefits in exchange for getting something toward day care and a directory.

I just think that there is more from the employer-- I sit on other Committees, as other people do. We hear from Business and Industry regularly when it comes to other kinds of tax breaks which help our economy in New Jersey, but I would just think that there is some more informed opinion that we could get from Business and Industry about, perhaps, the responsibility to help in this area. Many companies already do. Certainly, we know some of larger corporations who do provide wonderful, excellent day care and have better employees for it.

So that is the only question I'm raising to you. I'm not arguing the necessity for a directory. I think we already put one out in Bergen County.

ASSEMBLYWOMAN ALLEN: Assemblywoman, we do, actually, have two companies who will testify next who do exactly the sorts of things you're talking about.

ASSEMBLYWOMAN WEINBERG: Great. I would just like to see the spokespeople for Business and Industry do a little bit more in-depth study of what this real problem means to families in the State of New Jersey and how they can help, maybe, in more creative ways to solve it, other than asking employees to give up a benefit. That's all.

Thank you.

MR. STOLLER: My parting shot is that a cafeteria-style benefit plan is not a conspiracy against employees to make them cough up something. I won't even get into that, because--

ASSEMBLYWOMAN MURPHY: Madam Chair, if you don't mind--

ASSEMBLYWOMAN HECK: She's the expert.

ASSEMBLYWOMAN MURPHY: --I would like to say something. It was my legislation.

ASSEMBLYWOMAN ALLEN: Assemblywoman Murphy would like to comment on that.

ASSEMBLYWOMAN MURPHY: Jeff, thank you for speaking on behalf of the cafeteria plan. I have fought for a long time to make people understand that--

ASSEMBLYWOMAN HECK: As a Freeholder.

ASSEMBLYWOMAN MURPHY: --as a Freeholder here in the State and with the unions in Morris County. So I am kind of amazed that

people don't seem to understand the bonus of the cafeteria plan. It doesn't take anything away from people, rather it allows people to make decisions about their own lives within the framework of their job and outside of the Federal tax implantation, if you will.

It was my understanding, having done this legislation, a couple of times down here-- Maybe this is why it is not on the books yet, it doesn't seem to have reached any kind of clarification. But it is certainly a bonus for many families who need this kind of care, both for their young children and for elderly people within their home, or extraordinarily expensive health care that is not within the normal range for them.

So I have asked Christina to check again for us, to find out what pieces were not put together, that need to be redone.

Thank you for the heads up. I promise you, I will work very hard to make that come to be, because it is one more tool for families to use in their struggle to take care of themselves, their families, and the extended families that they all have today.

Rose Heck worked with me very hard on that, so we will continue that fight.

ASSEMBLYWOMAN HECK: We believe in preserving the quality of life without damaging that unit. This is a very good asset.

Also, being a former local Chamber President, I empathize with the small-business owner's problems. We, in our little community of Hasbrouck Heights, have tried to work with flextime, flex place. I work in a newspaper business where I have employees who work from their home via the computer, and they only have to come in maybe for an hour or two a week.

Most of their work is done in their own home with their child being there at their side.

So we in the small-business area, where we have 10 or 11 people, are trying to make it more convenient for those people -- the developmentally disabled, the disabled, and young mothers -- to stay at home and work within the small-business community. Not everyone has that advantage as a newspaper does, but we're trying to kind of network to improve all of our situations.

ASSEMBLYWOMAN ALLEN: Thank you.

Assemblywoman Turner.

ASSEMBLYWOMAN TURNER: I would just like to add that I think most companies/employers have found that when they're more family friendly they find that they have not only happier employees, more productive employees, but more loyal employees, and employees tend to gravitate toward those companies that have the sensitivity and companies that are responsive to their family needs.

I think, as an organization, it would be helpful if you could encourage your membership to offer more options, particularly now that we see such a high percentage of women in the workplace. We know that women's primary responsibility now is child care.

So if you could offer options such as more flextime, job sharing, comp time in lieu of overtime-- Also, I find it interesting that in State government -- now in the Federal government -- we're talking about allowing welfare mothers up to 12 weeks to stay home with their newborns, but anyone else -- a working mother who is not on welfare -- they're forced to go right back

into the job market or find somewhere to put their young child. I don't know why we can't encourage more parental leave type programs with paid leave.

MR. STOLLER: Well, we're already up to 24 weeks in this State with the double count between the-- I'm telling you, any employee in this State who isn't taking advantage of the interaction between the Federal and the State leave laws right now-- Our understanding is, in a pregnancy scenario, they could conceivably have up to 24 weeks of job protection and there is the issue of do the health benefits get paid throughout. So I would say, at this point, that is the least of your worries -- if it's just someone who doesn't understand that that is how the law is being enforced right now.

On your initial question, I agree. I just think that part of whatever public education effort we get out there certainly the advantages, the productivity, the positive side -- the benefit side, as well as the cost side is part of the message we should get out there and let companies know what it is that it is going to involve for them and know both sides of this kind of a benefit.

ASSEMBLYWOMAN ALLEN: Yes.

ASSEMBLYWOMAN WEINBERG: Mr. Stoller, you just heard from both sides of this dias on some very creative ideas from Assemblywoman Heck and from Assemblywoman Turner. That is really the kind of thing that I was talking about that we would hope Business and Industry would seriously take a look at and help educate the employers in the State of New Jersey.

ASSEMBLYWOMAN HECK: Through the Chair.

ASSEMBLYWOMAN ALLEN: Yes.

ASSEMBLYWOMAN HECK: And also look at staggered hours some day, please, because of transportation time, etc. Because, to me, that is important.

MR. STOLLER: As I said, this is the first we were invited to even look at this issue, so--

ASSEMBLYWOMAN WEINBERG: Well, I'm sure you're going home with--

MR. STOLLER: So we're here, and we're interested. I can tell you, I'm certainly going to be looking forward to the follow-up by this Council. You tell us what kind of information or feedback you're interested in, in more detail, and I am sure our people will be glad to continue giving you more reaction.

ASSEMBLYWOMAN WEINBERG: Okay. I'm sure you're going home with a whole lot of suggestions from here, going back to your office.

MR. STOLLER: Yes, absolutely.

ASSEMBLYWOMAN WEINBERG: Thank you very much.

MR. STOLLER: Okay.

ASSEMBLYWOMAN ALLEN: Mr. Stoller, again, thank you very much for coming.

As I mentioned, there are a number of corporations that will be testifying now and speaking about the quality day care that they have put into effect and how wonderfully it has brought their companies up in many respects.

Thank you.

MR. STOLLER: Very good. Thanks so much.

ASSEMBLYWOMAN ALLEN: So saying, let's move on to Susan Hoffman and Paul Boudroux (phonetic spelling) from AlliedSignal.

S U S A N H O F F M A N: Paul had to leave.

Good afternoon. I think it's good afternoon now.

My name is Susan Hoffman. I would very much like to thank, first of all, Assemblywoman Diane Allen for inviting us to have this opportunity to speak before you today. I would also like to say hello to Assemblywoman Murphy from our area.

It is good to see you again, too.

ASSEMBLYWOMAN MURPHY: Nice to see you here, too.

MS. HOFFMAN: My name is Susan Hoffman. I am the Director of Diversity and Human Resource Services for AlliedSignal.

Some of you may not be very familiar with AlliedSignal. We represent about 2 percent of our company's workforce in the State of New Jersey. We have a little over 3000 employees here in the State. We are a manufacturer's manufacturer of aerospace chemicals and engineered materials and automotive parts. We are a Fortune 50 company, so I represent a fairly large company for this presentation.

As I said, I am delighted to be here. Part of my responsibility with AlliedSignal was to build a child development center at our corporate facility in Morristown, New Jersey. We accomplished that about 20 months ago. It is a little atypical for a company like ours, because we are a manufacturer's manufacturer. We are not a pharmaceutical company. We're not a consumer products company.

So what really drove us to do this -- and it wasn't an easy process-- I would like to take you back to about the mid-1980s real quick. We surveyed our population. We said to our population, "Would you be interested in having some type of child care at our headquarter site?" They really were not interested at that time. They were not interested in bringing their children to the work site.

But, as the 1980s progressed, and into the 1990s, we saw that not only did -- through employee surveys -- our demographics change, but the interest of our employees started to change, too. They said to us that, yes, they were interested at this point. It wasn't, still, an easy process, because, then, we had to deal with the corporate culture, and we had to deal with a lot of other barriers along the way of building a child development center.

So what we did was, as part of our business case, we took a look at employee satisfaction, we took a look at attracting and retaining a premier workforce -- because we have a vision and a mission statement that says that we will be one of the world's premier distinctive and successful companies -- and, in maintaining a competitive edge, we took a look at that.

But we also wanted to make sure that we were meeting the needs of our changing workforce, because we were seeing our workforce, now, become more of a dual income. We saw more women entering our workforce, and we also saw that we had more of our baby boomers having children at this point in time, too, and more than one child.

So as we went forward to our senior leadership, we had a change in our CEO at that time-- We went and presented a case to our CEO and our senior leadership for an on-site center. We were turned away the first time,

because it was a green-site facility. We have 150 acres, 18 buildings on the site, and it was a lot of money.

He came back and he said to us, "Well, if you can build another case to us and you can do it in an existing building, we'll consider it." Six weeks later, we came back to him as part of a team. We did it in an existing building. The good news was it was a win/win for all, because we not only upgraded the existing working facilities for our people -- because it was in an older building -- but then we also were able to accommodate some of the needs of our working parents.

So where are we today? Twenty months ago, we opened an on-site facility, the first one. We use it as a prototype and a model for our company. It has the capacity of 90 children -- full-time 76 children. We are at 74 children right now. We consider that full. We take children in from six weeks of age to six years. We graduated our first kindergarten class this year, with a certified kindergarten of 2 children. Next year, we will graduate 5 children. The year after that, we will graduate 14, because as our children age--

We have backup care for our children of school age for snow days. We have Summer Fun and Winter Fun Programs for them. We have a staff of 27 teachers, full- and part-time. We have a full-time nurse. We have several development programs of what we call Enrichment Programs. We have Kid's Fitness. We have computer programs starting for our toddlers. We have a Swim Program at Drew University, which is local. We have a Music Enrichment Program for our children. We have two healthy meals a day and snack time. It's a wonderful place for our children and for our employees to be.

The one thing that we did is -- we did accomplish this year -- we are also certified under the NAEYC, the National Association for Education of Young Children. So that is the quality mark for us and the benchmark for child care.

So the bottom line is, why did we do it? Well, we wanted our employees to become focused. We want them to be productive. We wanted to attract and retain those quality employees. What we did right before we opened the center is we surveyed our parents.

If you open your packets, you can see some productivity studies that we did. The one productivity study is, you will see, that we have, in the first year since opening the center with our employees, accomplished an 89 percent improvement in lost work time: whether that is absenteeism, coming in late, leaving early from work. So that is absolutely wonderful.

Well, why did we do this? We did this as part of our business case, so that when we started to look at other areas around the country for our corporation, we would be able to say that this had a definite impact on the bottom line for our company in lost work time.

But the other thing that we're very sensitive to is the balance of work and family. When you take a look at the number of reasons why people left, you start to see that because their children were sick, they were taking their vacation time. We know that if employees can't spend good, quality time in vacation time with the children, they become frustrated. They become burned out. So the purpose for us doing this was not only to attract and retain the best employees, but it was also to help our employees achieve some type of balance in their lives.

Do we have on-site centers for all of our locations? No, we do not. Is it expensive? It does cost money to the corporation to have on-site centers. What do we do for those locations where we don't have on-site centers? We offer alternatives.

Through the American Business Collaboration for Dependent Care -- and I haven't heard anyone mentioned that so far today -- of which we are a member, and there are many companies small and large in the State of New Jersey that are members, they offer programs through corporate dollars, which we support, for programs such as before- and after-school care but also emergency backup care.

So if you choose not to use an on-site center, for whatever that reason may be, but your child care breaks down, you can avail yourself to this other service of emergency backup care. Our company is one of the companies that helps sponsor that in the State of New Jersey.

Right now, we are testing it, and it will be coming live very shortly for our employees to sign up. So they will have a safety net, if you will, for quality child care for their children.

Where do we go from here, because on-site child care is certainly not the only answer, but quality child care, to us, is. So that an employee has the peace of mind during the course of the day, when they're at work, to know that their child is being well cared for. But we also want to be flexible, so as an employer, we do offer all types of flexible programs.

We offer the 4/40 week, 9/80 week. We did that because of trip reduction, as well. They complimented one another. But we also offer flexible work time, and we offer a phase-back return from a maternity leave of absence.

We offer dependent care spending accounts to our employees where they can shelter up to \$5000 on the Federal tax for child care--

ASSEMBLYWOMAN HECK: Cafeteria point.

MS. HOFFMAN: --like many other companies do. They can offer these programs to their employees.

We're really proud of what we have done at our corporate headquarters. We hope to replicate this. We hope that we will be able to meet the needs of employees in other locations. As I talk, we're doing another survey in the State of Arizona taking a look at where we have an employee population in excess of 10,000 employees, as well.

There are some pretty interesting things, though, that we have seen other states do, but the one thing that I would like to recommend that you might be able to work with us on is providing more resources -- dollars and know-how -- for centers to obtain the NAEYC accreditation. So that that proves to be-- It would encourage centers to become more -- what's the word I want to use -- provide a higher standard of care for children.

The reason why we say that is, because we're recommending centers to our employees for their children, and we want to make sure that those centers that we do recommend are of the highest quality and standard. So that as a company we're not concerned that we're recommending centers that don't have that quality level.

I do know that in the State of North Carolina they have a certain level that they rate their centers at. Then, some private companies do support, to a greater extent, a higher level of accreditation for a center and, then, less as you go down.

Well, I thank you very much for giving me this opportunity to speak today. I would be happy to entertain any questions you may have.

ASSEMBLYWOMAN ALLEN: I want to tell you how much we thank you for coming and telling us what a good company can do. We know that there are other good companies, as well, in the State of New Jersey that are able to do this sort of thing. Apart from the fact that all of us in this room want to apply for a job at AlliedSignal-- (laughter)

I guess, one point you made that, I think, is important to emphasize is that you did it because it was good for business.

MS. HOFFMAN: Yes.

ASSEMBLYWOMAN ALLEN: I think that was something that Assemblywoman Weinberg brought up earlier and that is important to say, that it is good for business and large businesses can afford to do this sort of thing, or at least some can. Small businesses are an entirely different situation and need to be looked in a different way.

But what you're saying here, I think, really makes a lot of sense. I wonder whether the program that you have put together would be available for other corporations?

MS. HOFFMAN: First, let us say that we used other companies, when we were building our center, as a resource to us. Some of those companies, I don't see their names on the list, but there are other fine companies in the State of New Jersey that we have benchmarked. We also benchmarked outside of the State of New Jersey, as well, throughout the United States.

At the same, while we were building our center, there were many lessons learned for us, and we share them now. We openly share them. I would say we average about two to three tours per month of other companies that are looking at on-site centers. As centers go, our center is not that large. You have centers for companies here in the State of New Jersey that hold up to close 200 children. Our center can hold a maximum of about 100 children at one time. With our Summer Fun, of course, it is higher, because we have school-age children and our ratios change.

ASSEMBLYWOMAN ALLEN: Of those two to three companies that come through in a month, are most from New Jersey, and do any of them then -- so far, I understand you haven't been in business for that long -- moved ahead and begun to implement after visiting your center?

MS. HOFFMAN: There are some from the State of New Jersey that have come through. The one that has come through most recently and is a customer of ours, as well, is the Boeing Aircraft Company. They have just broke ground for their first center, and that is in Seattle. So that is not in the State of New Jersey, but nonetheless, we have had several that come through to take a look at building a modern or a mid-sized child development center. We call it a development center, not a child care center.

ASSEMBLYWOMAN ALLEN: Thank you.

Yes, Assemblywoman Murphy.

ASSEMBLYWOMAN MURPHY: Thanks an awful lot for being here. I am delighted to say that it is a primary and wonderful facility you have at Allied.

Also, in Morris County -- and it's because we have strong corporate development there -- American Home Products, a couple of years ago, opened a development center that was equally a wonderful facility for its children.

MS. HOFFMAN: Yes.

ASSEMBLYWOMAN MURPHY: Yet, we have large corporations that have not yet become that involved in this process.

I think it is a wonderful thing and I am hoping that you will continue your good mission of encouraging corporations to allow their employees to be the best they can be. I think you're right, you have gotten wonderful employees, and you will retain them because you offer them that kind of comfort with their whole family situation. I think it is important.

I'm delighted that you have the Dependent Care Program at play in the company. I think it makes a big difference for people, too.

Again, I'm very pleased you were here today.

MS. HOFFMAN: Thank you.

ASSEMBLYWOMAN ALLEN: Assemblywoman Heck.

ASSEMBLYWOMAN HECK: I just wanted to ask you what you're doing in the Teterboro plant?

MS. HOFFMAN: In our Teterboro facility-- That was one of the primary reasons why we did the emergency backup care.

ASSEMBLYWOMAN HECK: Oh, good.

MS. HOFFMAN: We just did a very large distribution to our employees at that location for emergency backup.

The facility there, the way it is set up right now and based on some surveys that we have at this point, it doesn't appear that we would be building an on-site child development center at that facility at this time. Based on employee demographics and on survey data--

ASSEMBLYWOMAN HECK: You're not still downgrading there, are you?

MS. HOFFMAN: Not to my knowledge.

ASSEMBLYWOMAN HECK: Okay.

MS. HOFFMAN: That is not in my area.

But what we did find out was that employees were interested in having some support system for emergency backup care. That was one of our primary reasons that we have it available in Eatontown, Elizabeth, Teterboro, and Parsippany to our employees.

ASSEMBLYWOMAN HECK: Thank you.

ASSEMBLYWOMAN ALLEN: Assemblywoman Crecco.

ASSEMBLYWOMAN CRECCO: I, too, want to congratulate you on a magnificent job. Certainly, productivity has to be greater and the attendance, certainly, must be higher. I appreciate that because when my children were very small I would have loved to have had something like that. I never wanted to leave them that far. Having this openness when they can walk in at any time and feel secure that their children are being taken care, it's just marvelous.

I missed something, I'm not quite sure. Do the parents pay a fee?

MS. HOFFMAN: Oh, yes. Our parents pay a competitive fee. In your packets, you will see that there is a tuition for infants, toddlers,

preschoolers, and kindergartners. Preschoolers and kindergartners are the same price.

We have a sibling discount of 10 percent for siblings. Then, we have a sliding scale so that employees that earn a lower income will pay less on the tuition.

ASSEMBLYWOMAN CRECCO: Thank you. Thank you very much.

MS. HOFFMAN: You're welcome.

ASSEMBLYWOMAN ALLEN: Assemblywoman Weinberg.

ASSEMBLYWOMAN WEINBERG: What is your position in the company? What is your title?

ASSEMBLYWOMAN HECK: President. (laughter) No, she sounds as if she should be. (laughter)

ASSEMBLYWOMAN WEINBERG: I was about to nominate her, if you would like to join me in the vote on this? (laughter)

MS. HOFFMAN: I am the corporation's Director of Diversity and Human Resource Services. I have responsibility for EEO, affirmative action, diversity, work/life programs, and our on-site-- We have an on-site fitness center, as well as the child development center which I have responsibility for, as well.

ASSEMBLYWOMAN WEINBERG: Well, I have to join all of my sisters up here in commending you. In terms of you being able to provide us with really hard statistics on what this meant to your bottom line, though, is actually good for your company to provide this kind of service. So they apparently were not overly concerned with some of the things that were raised

before, the threat of lawsuits and all of that sort of thing. You have more than made up, apparently, in terms of your increased productivity and your employee retention by providing this service.

Just one other question, which is the reason I asked for your title: This kind of came out of-- The idea to go and sell this to the CEO of the company came out of your office, came from groups of employees? How did it come about actually?

MS. HOFFMAN: I am the mother of a 17-year-old son.

ASSEMBLYWOMAN WEINBERG: Nothing like experience to help, I know that.

MS. HOFFMAN: I went through several nannies, and I went through several care givers during the course of returning back to work when he was a year old. I've always had an interest in this area, and when the opportunity became available to ask someone to champion or lead this initiative, I said that this would be a wonderful opportunity for a change in my career.

I will tell you, it is the most rewarding experience that I've had, one of the most, working in a corporation, seeing the difference that you can make in people's lives.

I did put in your packets three testimonies, or three or four, from some of our employees. As many dads as moms drop their children off and pick them up every day. This truly was a team effort, I will say.

I will say, that we do have a Parent Board. So every month we meet as a Parent Committee; that's how we continually improve the process and the quality of care at our center.

ASSEMBLYWOMAN WEINBERG: Thank you.

MS. HOFFMAN: Thank you.

ASSEMBLYWOMAN ALLEN: Thank you very much.

MS. HOFFMAN: You're welcome.

ASSEMBLYWOMAN ALLEN: I would like to call Lisa Forrester, CEO and Executive Director of Harmony Schools.

While she is coming up here, I want to assure all of you who are here that we will get to you. We're going to try to be concise in our questions and ask you to be as concise in your answers so that we make sure we can get through everybody.

Thank you.

LISA FORRESTER: I believe it is good afternoon. (laughter)

I am Lisa Forrester. I am the President of the New Jersey Child Care Association, which is a professional trade organization representing 160 owners and managers of licensed child care centers in New Jersey.

Additionally, I am the Executive Director and founder of a company called The Harmony Schools, Inc. I have five child care centers which are located in Mercer and Middlesex Counties. Two of them have employer support, which is one of the reasons, I believe, I was asked to share some input with you today.

Child care is like a quilt. Parents are able to choose from among relative care, family child care, hiring an au pair who lives in the home, hiring a nanny who comes to the home every day, or enrolling their child in a licensed child care center.

It is not easy to determine what, if any, the need for additional care is in New Jersey, because of all of the options I just listed, only one of those options is fully regulated and that is licensed child care. However, the majority of children in our State under the age of five are not being cared for in licensed child care centers.

What I can tell you, as President of NJCCA, is that many licensed child care centers are not fully enrolled at this time. Center directors give me several reasons why they feel all slots are not full. In some cases, it is market saturation.

In some cases, parents are, out of necessity, shopping for price without regard for quality, and sometimes children who were once cared for in local child care centers are now cared for in wonderful centers like you just heard described at places like AlliedSignal. That is not to say that that is not a wonderful option for people, but it's just a reality. Licensed child care in our State is highly regulated which is a good thing, but, consequently, it can be more expensive than most other options with the exception of nanny care.

How can the State help, which is the question you have asked us to help you deliberate over. The State currently subsidizes several child care centers for the children of State employees. I have operated one of those centers for nine years, which is under the auspices of the Department of Human Services. It is located down the road a piece in Capital Place One at Lafayette and Warren Streets.

In this particular case, I believe the State subsidy was much needed, because there are thousands of State employees who come to work

every day in Trenton and there was very little and still is very little regulated care in downtown Trenton, that is, for these parents.

In urban areas, entrepreneurs are not likely to open child care centers without support because they perceive the risk to be too great. Many parents, even parents who use our centers, really need to be encouraged to bring their child to work with them in Center City. You all know that it's a great place to be, and it's a safe place to be, but it's a marketing issue. We really need to sell that to people. It is not as easy as you would think.

Situations like this for employer subsidy are most appropriate because of the circumstances involved. In all other cases, I believe that the State and the private sector best serve families -- and you've heard this over and over this morning -- when they put the dollars into parent's hands so that they can make their own choices about child care.

When corporations open their own centers, they are benefitting a small audience. They're doing a great job, but it's serving strictly their employees' needs. It sometimes does hurt the infrastructure of child care that has developed over the last 25 years in this State, which are predominately mom-and-pop child care centers -- small businesses.

As I stated earlier, it is nearly impossible to calculate whether additional child care is needed when you can't pinpoint specifically who is offering the child care and in what quantity, and that is because of the things we've mentioned all along: the family child care, which is optional -- you can volunteer to register homes -- nanny care, there is no way to put a finger on it, au pairs -- once again, how do we know how many there are and how many children are being cared for in those modes of care.

What most parents and providers would agree upon is that heightened quality is needed. Most child care centers are supported solely on parent tuition. After salaries, rent, utilities, insurances, supplies and equipment, maintenance, food, benefits, etc., there is very little left for crucial staff training and the kinds of benefits that those of us who are small businesses would aspire to offer our very valuable teachers.

Stable, trained staff are the key to quality environments for children. While parents value child care, there is a limit to what they can pay. When tuition goes too high, they often seek more affordable, unregulated alternatives. When centers aren't full, it makes it difficult for the center to make ends meet, because you must still meet regulations in order to operate.

So, in other words, if we have a licensed capacity and we have three-year-olds that are in a 1-to-10 ratio, if you only have six children in that three-year-old class, you still have the same staffing issues and facility issues that you do if you have a full coterie of ten children. So that is what I mean when I say it makes it difficult to make ends meet.

The Federal moneys that came to the states in the form of the child care and development block grant was a first step in giving lower income families access to child care that they couldn't afford without help before. It also helped centers because it boosted our enrollment. Parents were able to receive voucher money to select the child care of their choice. Many of us in the licensed child care community would encourage corporations to do this as well.

I thank you for this opportunity to give input, and I would be happy to address any questions that you might have.

ASSEMBLYWOMAN ALLEN: We would certainly appreciate a copy of your testimony so that we pass that out up here.

MS. FORRESTER: Yes.

ASSEMBLYWOMAN ALLEN: Are there any questions? (no response)

Thank you very much.

MS. FORRESTER: Thank you.

ASSEMBLYWOMAN ALLEN: Carolann Besler.

C A R O L A N N B E S L E R: Good afternoon. Thank you for the opportunity to address this body.

My name is Carolann Besler. I also hold an executive position with the New Jersey Child Care Association that Lisa just spoke about. I am also the past President of the New Jersey Association for the Education of Young Children which sponsors that national credential that we heard about earlier, that involves the quality of child care centers. I am also a member of the Child Care Advisory Council, but more importantly, I am also an owner and the Executive Director of five child care centers -- four in Mercer County and one in Monmouth County. The centers that I run are all accredited or in the self-study program to assure the highest quality for children in this State.

In the 15 years that I have been in business, I have seen many trends and changes that have taken place in child care. However, this is the first time in the 15 years of business that there are no waiting lists of children in any of the centers that I operate. In fact, one of the centers that had between 100 and 200 children every year on a waiting list for the past 10 years

does not have a waiting list this year and is functioning at about 60 percent capacity. This is a State-operated child care center, or State-subsidized child care center in the State for employees of the State of New Jersey.

In preparing for this testimony, I called around to several of my colleagues in the State to see if my experience was of the norm or what their experiences were. I can say that in each area of the State that I called -- and I tried to call at least one colleague in each county -- that they are experiencing the same situation that I am experiencing, except for one child care center in Essex County that still had a waiting list for infant care.

I have heard what the parents here today have said about affordability and transportation problems and some of the other problems that plague parents, and as a small-business owner I would like to say that I would love to keep the prices down. I would love to provide transportation, computer programming, dance programs, everything else that parents want, and keep the high quality of care and the ability to serve the needs of our clients in the individual manner that they need. However, all of this costs money to the small-business owner, not only are there tangible costs of equipment, specialized training -- as Lisa said, staffing -- staffing eats up about 80 percent of a child care center's budget, but the cost associated with running a small business in this State in terms of taxes, insurance, and the regulations that Lisa spoke about.

I believe the declining enrollments in child care centers have several contributing reasons. One is that we've done such a good job in educating county and municipal officials in this State about the unique needs of child care, that zoning requirements have relaxed a little bit, making it easier

for people to open up child care facilities. This, along with the advertised need that we need more child care in the State of New Jersey, has been very attractive to what I call the child care superstores, the big, well-known national name companies that are coming into the State that are opening up facilities for 100 or more children.

The economy and downsizing of corporations in New Jersey has also forced families to rethink their need for both parents to be working. We're seeing families with young children not as anxious to find work for the laid off parent, especially if they have children in the home in need of child care services. They want to give more time to their families, and it may not be economically feasible for that one parent to go back out to work and pay their child care bill.

We're also seeing new mothers or fathers not returning to work as soon as they were after the birth of their babies due to the Family Leave Act that we heard about earlier from one of our other speakers. When they do return, they often return part-time, or they are in the flex work schedule program, so, therefore, the need for their child care is not as great as it was.

In South Jersey, the reason I received from many of my colleagues for declining enrollments still continues to be the availability and the affordability of the family day care providers in this State. Because there is not mandatory licensing or regulation in New Jersey for family day care, one person can take care of several children in their home and offer this service at a substantial savings to parents. Licensed child care fees continue to grow each year because of new and more regulation, while unlicensed child care fees are governed mainly by supply and demand.

Also in South Jersey, there seems to be more and more public schools offering three- and four-year-old programs as part of the school curriculum. Again, these programs are exempt from licensing and can usually offer programs at a much lower price.

In larger metropolitan areas, we see safety as a factor. The consumer is no longer afraid of the people working in the child care centers as not being safe because of the great education program we've done with the program as to licensing issues. But they are fearful of strangers, other children's parents, even other children, and acts of violence in the workplace. This seems to be more prevalent in centers housed at the workplace.

I would conclude that at this time the future worries in child care do not necessarily include just the availability of child care. I think we would do well to look at the issue of affordability and how we can get more money into the hands of the working poor and the middle-class people in this State so that they can continue to buy child care of their choice in this State.

Thank you.

ASSEMBLYWOMAN ALLEN: Very good. Thank you.

Any questions? (no response)

Do we have copies of your testimony up here?

MS. BESLER: Sure.

ASSEMBLYWOMAN ALLEN: Thank you.

I'd like to call Gail Rosewater -- is she here? -- Director of the Bergen County Office for Children. (no response)

MANI ARIS ETTY: Gail Rosewater could not be here today, so I'm giving the testimony for her.

ASSEMBLYWOMAN ALLEN: Thank you.

MS. ARISETTY: Good afternoon. My name is Mani Arisetty, and this is by Gail Rosewater, Director of Bergen County Office for Children.

“As a child care resource and referral agency, the Bergen County Office for Children is charged with the responsibility of assisting parents in locating quality child care that they can afford. Each year we assist between 3000 and 5000 working families, many of which are finding this task near impossible.

“The majority of families are forced to place their children in substandard care, with overworked and underpaid caregivers or, worse yet, they will be left alone because no care is available during the hours it is needed.

“Today there are five out of ten preschool children with mothers in the workforce. By the year 2000, it is expected that seven out of ten mothers of preschoolers will be working. This is more than a trend; this is the future.

“Availability: The task of opening a child care center is enormous. In Bergen County, it is estimated that it takes between one and two years and \$10,000 to \$30,000 to open a center. An increase in assistance, both technical and financial, is needed in order to enable more quality programs to be opened.

“I ask the Legislature to identify funds for grants increasing the supply of child care, especially for infants and toddlers, school age, after hours, and sick child care. I also ask for additional bonus funds to be made available for those programs who become accredited for meeting quality standards. I ask the Legislature to encourage municipalities to alleviate roadblocks to opening

programs by being more supportive and welcoming of child care centers and family day care homes.”

ASSEMBLYWOMAN ALLEN: Can I just interrupt for a moment. I appreciate your willingness to read this, but the truth is, we’re going to be able to read it ourselves, and since Gail isn’t here, I’m not going to take up your time by making you sit there and read it.

I appreciate your giving us this testimony and the background information, and if we have questions of Gail, can we contact her?

MS. ARISETTY: Yes, you can.

ASSEMBLYWOMAN ALLEN: Thank you very much.

MS. ARISETTY: Thank you.

ASSEMBLYWOMAN ALLEN: I’d like to call Bear Atwood, President of NOW New Jersey.

B E A R A T W O O D: Good morning. Oh, I guess it’s afternoon.

Thanks for holding these hearings. As the President of NOW, when I talk to women about the issues that are most difficult in their lives, when I talk to women who are working outside the home and have children, the issue of child care is what is always at the top of the list as what causes the most stress in their lives and causes the most financial difficulty in their lives.

I am a working mother. I have an eight-year-old son. He’s in third grade, and I was late this morning because he is sick today, so we had to scramble to make some alternate child care arrangements for me.

I went back to work when my son was eight weeks old, and then moved to New Jersey five years ago. I moved here, actually, five years ago today, planning to take the bar exam at the end of February, and so I looked

for child care. The earliest child care slot I was able to find was starting the day after the bar exam. So I studied for the bar with my son at home with me.

I don't think that the picture is as rosy as a woman was just testifying. I made some calls in Monmouth County, where I live, and most of the places where I called do have waiting periods for children in the three to four range, and all of them, if they take infants, had long waiting periods for infant care. My very best friend has a baby due in April. She called the child care center that is associated with her place of employment the day she found out she was pregnant, and the first slot was in October. So she will not have child care even past what the 12-week Family Leave Act would allow her to take.

Child care is a serious issue. And then the issue, once you get past the availability and the affordability, is that of quality. There is nothing more difficult for any parent, women and men, than going to work worrying about whether or not their children are being cared for in a place that is safe, and being cared for in a place that is productive for them to be, that is developmentally appropriate, that is not simply watching television, that is not simply playing with inappropriate toys.

You asked us to offer some suggestions, so beyond all the things you've heard today about the issues that the people on welfare and the working poor face, and the lower middle income face, I want to talk about some more universal things.

Once you get past the infant stage, the next most difficult stage for child care is when your children start kindergarten or when you have a child in school and another child still in full-time day care. The issues get very

complex and difficult. I stayed home the year my son was in kindergarten because my town didn't have an after-school program and offered kindergarten that lasted two-and-a-half hours a day.

We were new to town. I thought it was important for him to make friends and get to know people, so I wanted him to be in the public school, but it simply wasn't feasible. The logistics were so horrendous to find child care that we chose to not have my income that year. It was a difficult choice for us, as we had just bought a house. It was a difficult personal decision for me because I like working. It was the decision I was literally forced to make.

So one of the solutions that I would ask you to consider is, as a State, to provide encouragement to our communities and public schools to offer full-time kindergarten for our students. I think it's educationally good for students, and I think that it would be a great benefit to working parents in our State.

And then, even when children are in school full-time, when they are in first grade and they go to full-day school, they still are only there -- my son is there from 8:00 to 2:45. Again, we need to have before-school and after-school care. In my town, we do have after-school care. It's wonderful. It's provided by Ocean/Monmouth County After-School Care Programs. It's affordable, but it is not a universal thing. It's very rare to have it, and we chose to buy a house in a town that had it.

We also need to look at the issue of summer programs for parents, because the camps that are available in New Jersey run for eight weeks, but summer -- summer vacation is usually 10 weeks. That leaves parents, usually, with a week at the beginning and at the end with no child care.

And the camp programs are the most expensive child care that there is. We spent about \$300 a week this summer on child care for one child. They do give some discounts for additional children in the family, but it's simply an insurmountable amount of money to pay for summer child care.

So beyond the eloquent things you heard about the needs for the working poor in New Jersey -- and I'll certainly be back to give you my thoughts about the issues of child care for women on welfare -- I think we have to remember that it is an incredibly difficult issue for all women who work outside of the home and, honestly, for all parents who work outside of the home, because more and more men are actively involved in the issues of child care and in the transportation and all of that. So I think we need to concentrate some of our efforts on programs that will allow parents to deal with the school-age children in a way that is best for their children and allows them to continue working.

Thank you.

ASSEMBLYWOMAN ALLEN: Thank you very much. You mentioned that your son is sick today. What happens when a child is ill? Are there child care providers that still will take care of them? Are there alternate child care providers for children that are sick? How do we deal with that in New Jersey now?

MS. ATWOOD: Well, some child care centers have what they call a sick room so that children can still come if they are sick. The reality is, is that what most people do is call in sick themselves to work. For most working parents, one or the other parent calls in sick and uses one of their work sick days to stay home with a sick child. So there really are limited options,

particularly once your child is school age, too young -- my eight year old is, of course, too young to stay home by himself all day, but there is no alternate arrangement we can make, except that I have a good friend who graciously stepped in today.

ASSEMBLYWOMAN ALLEN: Other questions from the panel?
Yes?

ASSEMBLYWOMAN WEINBERG: Just a comment: Holy Name Hospital in Teaneck has what they call a Sniffles Club, where they will take care, for a daily fee, I believe, a sick child who can't go to day care. They provide that as an alternate day care. You reminded me of when my daughter was small and came down with the chicken pox at the same time as a neighbor child. They had been playing together and they both got it at approximately the same time. Each of us mothers took a week off. We were lucky that they had the same illness. So we each took one week from work and stayed with both children the other week. So sometimes you find ways around these things, but sometimes you can't. I was able to take a week off to stay home with two kids with chicken pox.

But there are other places like Holy Name who are going into some pretty inventive and creative ideas, but they all cost money.

MS. ATWOOD: I think we really need to look at those kinds of creative solutions, because particularly for women who are working in nonprofessional jobs-- Women who are working in professional jobs have more leeway to take some time off with sick children, but to someone who is working at a McDonald's job or an hourly wage job, if they miss two or three days, even by saying themselves are sick, that may be the end of their job. And

so they often either send their children to school when they really are too sick to go or put their actual jobs at risk to take care of the children. That causes me great concern.

Thank you.

ASSEMBLYWOMAN ALLEN: Any other questions? (no response)

Thank you very much, Bear.

Is Linda Bowker here?

BARBARA HORL: (speaking from audience) She is not. I am here in her place, so I can give you some very brief comments, Assemblywoman.

ASSEMBLYWOMAN ALLEN: You'll be able to pass up her testimony, as well, to us?

MS. HORL: Yes.

ASSEMBLYWOMAN ALLEN: Thank you.

MS. HORL: I know, by this time-- My name is Barbara Horl, and I'm very happy to be here in place of Linda, who got sick this morning, and we want you to know--

ASSEMBLYWOMAN WEINBERG: Who is taking care of her?

MS. HORL: I don't know. (laughter) But I've done the chicken pox thing, so I'm glad it's not me.

The Division on Women appreciates the opportunity to testify on the child care crunch. You have heard a lot of statistics, so there is no need for me to repeat any of those. We just are very, very glad that you are looking at

this important topic, and we just want to tell you that for the past 20 years, the Division on Women has recognized how critical child care is as an issue.

In 1982, long before I was there, they created a task force on employer supported child care, and worked for the next 13 years in collaboration with State government and the private sector to create this kind of child care across the State. The task force and the Division on Women were instrumental in creating the Child Care Advisory Council under public law in 1983.

The Division on Women sits as a member of this collaborative organization, called the Child Care Advisory Council, which you heard described to you this morning, so, again, I will not repeat that.

We just want to say that we recognize the increasing need for women to work and the accompanying need for child care. Families whose income falls in the lowest bracket can get a subsidy for child care, and families in high-income brackets can afford to send their children to the best programs. But as you've heard today, for the majority of parents whose income falls between these two economic areas, quality affordable child care may not be a reality at all.

We support the growth of child care in New Jersey as both a benefit and a necessity to families, women, and children. Child care recognizes and we recognize that who cares for children and how it is done is of utmost importance. One thing that hasn't been discussed a whole lot, but that I just want to comment about, is the program, New Jersey Sows the Seeds for Growth of the Child Care Advisory Council, has begun its work in earnest this

summer and is in the process of bringing the input of its 10 goal committees' members into a cohesive plan for professional development.

In response to your call for information today, the Division on Women conducted an informal, random survey last week of private child care programs around the State. This survey revealed that many programs are available, but affordability and quality are major factors.

It appears that when child care is needed, many parents simply choose what is affordable. They turn to care from housekeepers, extended families, and in some cases from unlicensed and unregistered providers.

The highest expenditure in preschool programs is salaries, and to ensure quality, administrators must hire well-trained, educated teachers who are committed to the care and educational potential of the young child. Keeping such care givers is a very big challenge faced by these administrators.

At an average of between \$500 and \$800 a month per child, depending on the private nursery, the cost of child care can be prohibitive for single parents, middle-income parents, or families with several children. So it is this affordability factor that contributes to the growth of an underground child care system that exists, and this system impacts on the continued viability of many child care centers.

We know that you have received a lot of information here today, and we just want to thank you for having had this opportunity to testify and add our perspective. We stand ready to assist you in your efforts, and we hope that you will call upon us.

Thank you.

ASSEMBLYWOMAN ALLEN: Thank you very much.

I would like to call Mary Mikkelfen, New Jersey League of Women Voters.

And again, my thanks to everybody who has been waiting so long. We really appreciate it. Your testimony is very important to us, so I do thank you for waiting.

MARY M. MIKKELSEN: Thank you, Madame Chair. My name is Mary Mikkelsen, a slight spelling error.

ASSEMBLYWOMAN ALLEN: Oops. So sorry.

MS. MIKKELSEN: I have several affiliations with the child care community in New Jersey. I am the child care specialist for the League of Women Voters of New Jersey and represent the League on the New Jersey Child Care Advisory Council, where I chair its Research Committee. More than a year ago I developed a paper -- a profile of subsidized child care in New Jersey, with the able assistance of George Kobil, from the Division of Youth and Family Services. That paper describes the subsidized system as it looked then, before the passage of the current welfare reform legislation.

I structured my testimony around the question you have asked, "Where are we and where should we go?" Where are we? First, historic Federal welfare legislation has been passed with the result in an increased demand for subsidized child care. We do not have a precise estimate of this demand, year by year, because we do not know how all the details of the legislation will interact: work requirements, exemptions, and the provision that a mother with a child under six is not required to participate in work-related activity if child care is not available.

Now I understand that this is not a hearing on welfare, but these welfare clients will very quickly become low-income employed individuals in New Jersey.

Child care, a form of private education, as you know by now, is expensive primarily because it is labor intensive. The most recent fee survey completed by the Division of Youth and Family Services was in March 1993. At that time, median fees -- median fees -- statewide in licensed child care centers were, per week, \$125 for infants, \$100 for toddlers, and \$90 for preschoolers, or over \$5000 annually. Fees vary significantly depending on the age of the child and the area of the State, and regulated infant care may approximate \$7000 to \$10,000 annually, in some areas of the State.

There is no consensus, nationally or in this State, on how child care should be financed. At the annual convention of the National Association for the Education of Young Children in 1995, three national experts offered three different recommendations. One suggested that the Federal payroll tax be increased to finance child care. Another recommended that the states will and should be playing the primary role in this function in the future. Finally, a third -- a major researcher -- thought that parents could and should pay more.

At the time Federal welfare legislation was passed in August 1996, there was not enough subsidized child care for low-income employed families who met the employment and eligibility requirements of the child care programs then in existence. Under these regulations, family income had to be less than 75 percent of the 1989 state median income to qualify for a child care subsidy. Using 1990 census data, over 40,000 children in New Jersey

under the age of six -- so this doesn't even include school-age child care -- qualify for subsidized child care targeted for low-income, employed families. Of course, not all eligible families will utilize or demand subsidized child care.

We have a subsidized child care program in New Jersey which implements both a voucher system and a system of contracts directly to child care centers. Since 1995, there have actually been cuts of both State and Federal funds to the State contracted system.

Although many of the above comments relate to the system of subsidized child care, most child care, as you have heard, is paid for entirely by parent fees. It is a form of private education. In the near future, it is unlikely that any family earning above 200 percent of the poverty level -- that's \$30,300 for a family of four in 1996 -- or, at most, 250 percent of the poverty level -- up to almost \$38,000 for a family of four -- will receive any government assistance in paying for child care.

Now, I would be the first in line to raise these standards to middle income, but it's hard to see where the money will be.

Although child care is expensive, salaries and wages for caregivers and early childhood professionals are low. It is unlikely that State government can have a significant impact on this condition. Wages, in any work environment, are one of the least regulated employment practices. Minimum wage laws create wage floors, and wage and hour laws regulate overtime. Most employees in child care are employed by small, private employers, almost half of whom are for profit. It is difficult to imagine a workable public policy which could significantly affect the low wages many caregivers receive unless there is

a willingness to seriously reconsider child/staff ratios. This is unlikely given the adverse impact such a change would have on the quality of child care.

Where do we go from here? My general response is that we must move quickly from rhetoric to reality. Child care is a topic rich in rhetoric but poor in public resources, given the real needs. I ask you as politicians to promise only that which you can deliver and to use your influence and political capital wisely and in a bipartisan effort to support programs which really will make a difference.

First, set goals for subsidized child care and incrementally work to meet them. For example, if it is our will and it becomes State policy to subsidize, on a sliding scale fee, all families who demand it, who make less than 250 percent of the poverty level, gradually but consistently -- because it never could be done in one or two fiscal years -- increase annual appropriations to make such a policy a reality.

Second, create a practice, preferably a line item in the State budget, which consolidates all major funding for child care and commits the State to spend the money needed to draw down all the Federal dollars. Some have referred to this initiative as a State child care block grant.

Third, work to improve the quality of child care. When there is a rapid increase in the supply of a service or product, there are often concomitant quality control problems. Child care, as a public and private service, does not deviate from this reality.

With respect to quality initiatives which can make a difference, I suggest the following -- I'm only going to reference the first, in the interests of time:

Full funding for family day care registration. Family day care is the care of five or fewer children in one's own home. In New Jersey, family day care is subject not to mandated licensing but to voluntary registration. In these times of deregulation, we actually have more family day care providers who want to be registered than State funding supports. Approximately \$600 the State gives to local family day care registration agencies to register a family day care home, \$300 for renewal.

None of the suggestions in this quality section is exorbitantly expensive, but I believe these are initiatives that can make a difference.

Fourth, maintain a system of subsidized child care which provides both for vouchers directly to parents and for State contracts with State child care centers in low-income areas. In order for low-income areas to have neighborhood institutions which serve their children and families, there must be public subsidies directly to these institutions.

Fifth, be realistic about informal care. This is approved care. This is care by neighbors and relatives. It is a different category of care than family day care registration. I think it's usually two children from the same family and it requires a life safety inspection, but there are no training requirements for the informal day care provider. This is your grandmother care, your neighbor care, and it's provided for in New Jersey. Continue to require a physically safe environment for approved homes through the life safety inspection, which we have, but offer supportive services, such as a warm line to caregivers of income-eligible children.

Sixth, ensure that the reimbursement rate for subsidized child care is adequate. One standard would be the competitive payment of staff if a

center served only subsidized clients. This is the most important action the State can take with regard to the wages of child care givers. That's the reimbursement rate it pays for subsidized child care.

Seventh, work to integrate Head Start, solely a federally funded program, into the child care system which serves low-income employed parents.

Eighth, if, with anticipated changes in the funding of public education in New Jersey, additional education dollars are spent for preschool education in the special needs districts, evaluate how these programs relate to the total system of child care and early education in New Jersey and the needs of preschool children and their families. In other words, let's bring the early education and the child care system together as much as possible.

Ninth -- and I worked in DYFS for three or four years as a employer supported child care specialist -- be realistic about the role of employers and business in child care and early education. Many young parents work for small employers whose resources for benefits are scarce. Those few employers -- and they are exemplary, and I do applaud them, and I am so grateful for them -- who do provide on-site child care typically subsidize the costs of the facility -- the start up costs, the capital costs -- and parent fees may be somewhat less because of this. But these same employers are vitally concerned about the quality of child care offered in their on-site facilities, especially with respect to staff qualifications and retention, and parent fees must pay for this. Sometimes, low-income employees cannot afford their employer's on-site center, unless they have public vouchers. I was delighted to hear of the Allied's experience today, where they have a sliding scale fee for

their parents. In addition, tax incentives for greater employer activity related to family-friendly practices are rarely effective. I suggest that one's political capital be used in other endeavors, and I'll be happy to comment on that later.

Business can realistically fund some of the modest quality initiatives suggested earlier, and I'd love to see a New Jersey business collaboration on a State level like we have the American business collaboration on the national level.

Tenth, don't ask the child care system to address all the social problems of children. Critically examine our system of family law to ensure that payment for child care services is adequately covered and enforced should there be a separation or divorce. This is especially important in a State where fathers' rights groups are so strong.

Eleventh, create a computer system to implement the new child care system which works for the administrative efficiency of the community agencies implementing the publicly subsidized child care programs. The reporting requirements with the new welfare legislation for child care, for welfare, for child support are very demanding, and it's going to be a real challenge in this State for all these systems to create computer systems which serve them. I'd love to know which department in this State, no matter what it does, has the best computer system and the process it used to get that system.

And twelfth, fund, however modestly, a research position on child care and public policy. With full recognition of the reality that it costs money to collect information, we need information and knowledge on which to base

sound public policy and, most importantly, to guide the allocation of scarce resources.

Thank you.

ASSEMBLYWOMAN ALLEN: You followed the directions beautifully. Thank you so much.

Before you leave, I want to ask if there are any questions, up here at this point?

Yes?

ASSEMBLYWOMAN WEINBERG: Well, I have two questions, one maybe Mr. Smith can answer if he comes back into the room. But, since there are so many really specific suggestions in the testimony, could we forward this specific testimony to Mr. Smith and get the comments on-- (laughter)

I guess you're ahead of me.

MS. MIKKELSEN: Right.

ASSEMBLYWOMAN WEINBERG: And second, what I really want to make, and maybe the doctor can answer the question: In terms of family day care registration, you said it was \$600 for the initial registration--

MS. MIKKELSEN: About, and about \$300 for--

ASSEMBLYWOMAN WEINBERG: --and about \$300 for renewal, on a yearly basis?

MS. MIKKELSEN: --for renewal, which comes every three years.

ASSEMBLYWOMAN WEINBERG: Every three years, okay. Do we know what the waiting list is for people to get registered?

DR. RANCK: (speaking from audience) --with the agency, who do the sponsoring would have that. I don't have it in the aggregate.

HEARING REPORTER: Madame Chair, could you ask her to come to the microphone?

ASSEMBLYWOMAN ALLEN: Would you come up to the microphone, please.

DR. RANCK: Oh, I'm sorry. (witness complies)

ASSEMBLYWOMAN ALLEN: Thank you.

DR. RANCK: You're welcome. I don't have it in the aggregate. I believe that would be sponsoring organizations that have the responsibility for registering the family day care homes will have that, and we can get that collected.

ASSEMBLYWOMAN WEINBERG: Can you? Okay, thank you.

MS. MIKKELSEN: I'd just like to say, for several years I served on the board of one of the sponsoring agencies, and to try to come-- You couldn't afford to register all who wanted to be registered, and to try to come up with a policy to decide which should be registered first was a very difficult decision. This is just one of the quality steps that could really make a difference in this State.

ASSEMBLYWOMAN WEINBERG: Do we have any idea what an actual -- if we're charging the family day care \$600--

DR. RANCK: No.

ASSEMBLYWOMAN WEINBERG: That's the cost to the State?

DR. RANCK: Right.

ASSEMBLYWOMAN WEINBERG: Okay.

DR. RANCK: That's what the State pays the local family day care registering agency for all it must do to register a family day care provider.

ASSEMBLYWOMAN WEINBERG: I got it now. Okay. Do we charge the family day care provider?

MS. MIKKELSEN: I think about \$25.

DR. RANCK: It's a very modest fee, but there is a fee. It stays with the agency. And the rationale for that policy is that income for family day care providers tends to be about \$13,000 a year, so we don't want to create a barrier to entry.

ASSEMBLYWOMAN WEINBERG: Okay.

ASSEMBLYWOMAN ALLEN: Thank you very much.

I'd like to call Dianne Keel Atkins, from Hoffman-La Roche.

D I A N N E K E E L A T K I N S: They're sending a kit, I understand. There are these big humongous kits they're sending, so I don't have that with me.

ASSEMBLYWOMAN ALLEN: They're sending them to us?

MS. ATKINS: Yes, I think to your office.

ASSEMBLYWOMAN ALLEN: Wonderful. We look forward to it.

MS. ATKINS: They're rather large, so I think they are going to FedEx that to you. I don't have any with me, unfortunately.

Good afternoon. First, I'd like to thank Assemblywoman Diane Allen and the New Jersey Assembly Advisory Council on Women for inviting me here today and commend all of you for taking on this New Jersey child care challenge, because that's what it really is.

I'm going to be very brief. Hoffman-La Roche has been involved in the child care business since 1977. We were the first corporation in the

State of New Jersey to sponsor an on-site child care center, and one of the corporations to sponsor the oldest women's group, called the Concerned Women of Roche, which addresses issues that impact on work and family responsibilities.

The child care center has changed from initially being a child care center to a total family environment. Grandfathers, grandmothers use the services -- aunts, uncles -- as long as you're an employee of the company and you have a child in your care, including an employee who has a child -- a foster care child.

The center services 133 students year-round, as well as in two buildings -- we just built a newer building in 1990 -- we provide full-time care, part-time care, after-school care, summer care, and because we have a wide variety of employees who use the services and a wide variety of cultures, those employees coming from abroad prefer care under three hours and care under five hours, so we have what's called a CU-3 and a CU-5 program.

We have all the basic elements as Allied had stated to the curriculum, as well as swimming, gymnastics, dance lessons, computer education. We provide lunch and two snacks a day.

But we also provide a prenatal and postnatal care program for the women in the corporation. We provide a baby kit. We also provide a fatherhood series for the fathers in the program.

We also have an international resource and referral system. Any employee, anywhere in the world that needs child care -- it may not be in the United States, in Nutley -- it may be in another country. We use the U.S.

embassies, and we also use international child care networks to help those employees.

I must say, it's a large model that came from 1977: 43 children, one program, full-time, to what I just described to you. So it's grown and come a long, long way.

We also provide and understand a shortage and are sensitive to the shortage of child care, so we also provide sponsorship of start-up costs for several local community-based initiatives. This is for child care.

We also experimented with a pilot program. Just as others were speaking about churches, we have developed a partnership with the Congress of National Black Churches to support and fund projects in local communities that affect black families. These may be health care projects, child care projects. They include after-school programs, drug education and prevention programs, parent information booklets for children's hospitals, AIDS projects, and many others, too numerous to mention.

The importance of this is that we see the demographics are changing in terms of who is coming to work and what they need. The population-- You're talking about a younger generation that is saying, "I value the family as much as I value work, and I will contribute my all and all to my work, but I also want support for contributing my all and all to the family." So the total mission of Hoffman-La Roche's program is to minimize disruptions between work and family responsibilities. And by the way, that's been the mission statement for the past 12 years; it has not changed.

Let me say something about the existing employer sponsored and supported systems in New Jersey. The U.S. Department of Labor says we

should be able to afford 10 percent of our family income for child care, given other expenses. If we have two children in child care, given all of our other expenses, we need to make or earn at least \$100,000. Obviously, the need to find affordable child care for dual-career and single-parent families is a dream come true. It may be loving friends or relatives, or it may be unprofessional, unreliable, unsafe, and a costly endeavor.

These negative factors influence working parents in the workplace via stress, absenteeism, and tardiness. This dilemma drives the need for more qualitative, safe, affordable, and reliable child care. The number of employer sponsored and supported child care programs has increased from 38, 10 years ago, to 149 as of March '96. As of this date, employer sponsored or supported child care programs are operated by the following types of employers: 59 hospitals, 6 private colleges, 20 State and county colleges, 50 private businesses, 11 government agencies, and 3 public schools.

The highest number of employer sponsored or supported child care centers are in Essex County, which is 17. And the lowest number is in Burlington County, one, and there are none in Salem and Sussex County.

Of the 149 employer sponsored programs -- and supported programs -- the maximum number of children serviced throughout the State of New Jersey is 12,979 children, or approximately 13,000 child care slots are supported by 149 employers.

New Jersey's child care challenge is to match the quality, quantity, safety, availability, with given geographic locations and affordability to the needs of the working woman. In the workplace, child care arrangements have been housed under the work/family umbrella, so that the child care centers, the

resource and referral services, noontime seminars, community sponsorship of local child care initiatives, part-time work, job sharing, compressed work scheduling, and telecommuting all impact on a woman's ability to work.

In essence, all or some of these initiatives are being used in small, mid-sized, and multinational companies because it just makes good business sense. In our own company, according to our latest studies, it showed that 78 percent of the users of the child care services -- performance had improved because of that availability.

Our experience with working women in child care has signaled some challenges that need to be addressed, and one has already been mentioned. In order for any work environment to produce quality goods and services, stability of the workforce is a necessity. A business environment wants to minimize, as much as possible, disruptions between work and family responsibilities. One of the major family conditions that we experience which impact on working women is the arrangement and quality of care for mildly ill children. According to the *Work and Family News Brief* research and our own research, at the onset of illness most parents want to stay at home with their child, but by the third day of a cold, parents want to return to work. Unfortunately parents -- women -- cannot find suitable, affordable, accessible mildly ill child care.

These types of services are in limited supply in New Jersey, and due to these unexpected child care situations, parents come to work late, leave early, call in sick, or take vacation days. All of these factors have an impact on the work environment and a cost impact to the employer. When we

researched alternatives for mildly ill children, we found there is a limitation of resources within New Jersey that hampers the reliability of the worker.

The work environment is changing. Women may have to work six months in another county or six months in another state. We can access and find child care, but it's difficult to find services for mildly ill children. We now have women coming into New Jersey from California, Chicago, bringing their children with them because they have limitations of child care in their own state, and because they are going to be away for six months, they want to have the child with them.

There is limited services for mildly ill children, including hospital-based child wellness programs, especially a single parent who may be on short-term assignment. That child is in jeopardy because if that child becomes ill, she is on short-term assignment, now we've got to find a mechanism by which we can care for her mildly ill child.

Resources for mildly ill children is a dilemma which should be addressed by many forces; government, private sector, and nonprofit representatives need to establish forums, think tanks, to develop practical initiatives to address this crucial area and develop policies and programs for the future on the local level.

In the long term, such partnerships or collaborations would have the ability to develop services of quality and affordability for the employer and the employee.

I have one more point that I want to talk about in terms of level of quality. Speaking of partnerships and collaborations, as you know, American businesses are shifting. We're talking about more cost containments;

we're talking about workforce reductions; we're talking about mergers within the business environment. Regardless of the type of initiatives that you develop, corporations are going to be more selective about what they fund because of these factors -- these business factors. It is important that in that funding process for child care initiatives in the future, we need to see more clearly defined goals defining participant roles, planning, funding, the communication tools that are going to be needed and used, and clearly defined evaluations, because we want to see the motivating factors for the partnership should be shared responsibility and pooled resources. We want to meet a greater variety of needs, provide more services to more individuals, and address women in the work, and also address the bottom-line business concerns.

So there is an issue of equality of the partnership that must be addressed -- the longevity of the partnership, the reliability of the partnership. So these are the factors, regardless of the initiatives that are done on the local level, the county level, the State level that we are going to be very selective about, because now our dollars are shorter.

As a result of these motivating factors, and as a result of the kinds of partnerships, you'll see better programs. There will be stability in the programs for the families that are being served, and you'll see enhanced community relations and, naturally, lower costs.

Government can continue to emphasize partnership development and collaborations; however, greater emphasis may need to be placed on the process to ensure longevity and quality initiatives for all parties concerned.

Questions?

ASSEMBLYWOMAN ALLEN: Let me first say, thank you, not just to you, but also to your company, who, obviously, has been a leader in this and continues to be, and we thank you very much for coming and sharing that with us.

Any questions here? (no response)

I know I'm going to have lots that I'm going to want to talk with you about later, so I won't take up the time now, but I will look forward to that.

MS. ATKINS: Okay.

ASSEMBLYWOMAN ALLEN: Do we have a copy of your testimony?

MS. ATKINS: We're going to be sending it. That's part of this kit.

ASSEMBLYWOMAN ALLEN: That's part of the kit. We look forward to it, because you raised some very good points. Thank you.

I'd like to call Beverly Ranton.

B E V E R L Y R A N T O N: Good afternoon. Thank you, Madame Chairwoman and members of the Committee, for inviting me to speak today. I'm here representing the New Jersey Association of Child Care Resource and Referral Associations. (*sic*)

Our member organizations are committed to the belief that all children deserve access to quality, affordable child care to maintain family integrity and stability. That child care must be safe, nurturing, and developmentally appropriate to ensure that each child is given the opportunity

to maximize his or her potential for growth and development to be all that he or she can be.

To achieve that mission, New Jersey CCR&R, as we commonly call our child resource and referral centers, serve as the community-based hub of access to a broad range of services that must be orchestrated in concert collaboratively within our communities.

Our basic services include: parent education and empowering parents to be knowledgeable consumers of child care; providing parents with referrals to all available child care options; linking parents with needs essential to the ability to maintain family integrity -- those are a very large number of services that we link parents with; supporting the child care provider community to ensure that quality, affordable child care is available in our communities through training, technical assistance, and resource development based upon identified needs; and finally, creating partnerships within our communities to support children and families.

Our membership is open to private nonprofit or public agencies whose main purpose is the direct provision or coordination of CCR&R services to the general public.

Many of our CCR&R services also work very closely with employers and assist them in knowing what options are available to employers regarding dependent care grants, cafeteria programs, on-site child care, and actually will help employers assess the needs of their employees.

Our customers are State and local governments, United Ways, foundations, parents, associations, child care providers, policy makers,

planners, social service systems, businesses, communities, colleges, and training organizations.

Just to give you an idea of the scope of our services, we actually surveyed our member agencies to get some up-to-date statistics. There are two counties missing from the statistics that I am giving you, so these are somewhat skewed, but based on Fiscal Years '95 and '96, our member agencies responded to 41,450 requests for consultation and referral services from families. Based upon the choice of those parents, once they have been educated about the options that were available to them, we made 15,988 referrals to child care centers; 33,730 referrals to family child care providers -- and we only refer to regulated family day care homes; 2643 referrals were made to school-age child care programs; 148 referrals were made to Head Start programs; 248 were made to nursery schools; 520 to placement agencies, which are the typical nanny placement agencies; and 746 were made to summer camp programs. We also provided technical assistance to 24,836 callers.

As administrators of the New Jersey Cares for Kids Certificate Program, New Jersey's voucher subsidy program, as of September of this year we have 3350 families and 528 children (*sic*) on the waiting list for child care subsidy services.

In many areas of our State, as you have heard from many people today, families experience difficulty in finding care for infants, toddlers, and school-age children. Child care fees across the State range from as high as \$250 per week for licensed center based care and \$200 per week for family day care.

At a time when more families will be required to participate in work activities to meet Federal welfare reform participation rates, New Jersey has experienced reductions in Federal social service block grant funding, as well as a reduction in State matching funds. These reductions have resulted in a loss of subsidized child care slots, as well as training and technical assistance grants, which support the provision of quality child care services. And the funds that were primarily lost across the State basically provided funds not only to child care center staff, but also to registered family day care homes through provider network programs.

In “Women’s Voices: Solutions for a New Economy,” a report commissioned by the Center for Policy Alternatives, 67 percent of New Jersey respondents believed that more should be done to expand the availability of good, affordable child care. The report also indicates that 47 percent of the women surveyed look to businesses to do more to help employees by offering child care benefits, and 80 percent favor tax incentives to encourage businesses to provide child care benefits.

Working women and their families need the support of our legislators to ensure increased access to quality affordable care.

Once again, I thank you for allowing me this opportunity. I have included a graphic description of the services of our member agencies, as well as a list of our member agencies, and we look forward to joining with you to help you assess where we need to go in child care.

ASSEMBLYWOMAN ALLEN: Thank you very much.

MS. RANTON: Thank you.

ASSEMBLYWOMAN ALLEN: Any questions? (no response)

MS. RANTON: Thank you.

ASSEMBLYWOMAN ALLEN: We'll be in touch.

I'd like to call Amelia Kressler.

A M E L I A K R E S S L E R: Thank you very much, Madame Chairperson. I'm speaking on behalf of Women's Agenda of New Jersey today. What I wanted to do was just bring the Committee up to date on some very recent reports that are out, one of which you just heard referenced, in fact. We are very fortunate that these reports are out, because they give a picture of the need for, the interest in, and support for child care.

Let me first start with the Center for Policy Alternatives report, "Financing the Future: Innovations in Child Care Financing." There are about four pages of recommendations of public policy agenda items in this report. I won't review them for you. I did make one copy available. The Committee certainly can order additional copies if you would like copies of the original report. That, I feel, is a very useful report.

The second report that was just referenced was "Women's Voices: Solutions for a New Economy." That was a national public opinion survey of women. It was just completed at the end of August and is just being made available, in fact, in this area. We're very fortunate, because the State of New Jersey is one of four states that were sampled in that study, and there are some interesting details in that study regarding child care. Again, the full report is available in the packet, and additional copies could be secured, as well.

Another report that I find very interesting because I think it shows what our commissions on women are doing-- The first one is, the Commission on Women in Atlantic County has just very recently released a county-by-

county study that gives us some very interesting comparative data on women, particularly working women. This report is available, as well, from the Atlantic County Commission on Women.

Another report that was just released this week, in fact, and shows the kind of work that's being done in our counties, an example. The Gloucester County United Way has released a very comprehensive report on the needs in the County of Gloucester, and one of those needs referenced in this report at length is child care, substantial detail on child care in Gloucester County, and I'm sure that a comparable report is available in other counties, as well, from agencies.

And lastly, let me mention, the Commission on Women in Gloucester County has released a report that, in fact, answers some of the very questions that were asked earlier today, because this is a guide for parents and employers and gives a very comprehensive overview of child care in its various components and also lists resources within the county. Again, this report is available in multiple copies, if the Committee would like that report, as well.

This is just a very, very brief thumbnail sketch of very recent reports that were released, and some State based, some county based, that gives you an indication that there is tremendous interest in the issue of child care, and there is a lot of support out there for a comprehensive program for child care and that there clearly is a need.

Thank you.

ASSEMBLYWOMAN ALLEN: Any questions?

We will get copies of those to everybody.

ASSEMBLYWOMAN MURPHY: We do have some of those already.

ASSEMBLYWOMAN ALLEN: Yes.

I thank you very much, Amelia. I know specifically some of the answers on some of them. We have passed out very specific information to the members up here, and we will make sure that they have all of them, because you are absolutely right, that's a wonderful starting place for all of us.

Thank you very much for taking your time.

MS. KRESSLER: Thank you very much.

ASSEMBLYWOMAN ALLEN: Phyllis Folk.

Amelia mentioned that there is a lot going on down in Gloucester County.

PHYLLIS FOLK: Good afternoon. I'm from Gloucester County, the Gloucester County Child Care Coalition. I'll try to be brief.

In Gloucester County, there are 65 licensed child care centers representing just over 3000 slots. There are also 155 licensed child care family homes that are licensed by the State of New Jersey. They provide-- They receive technical assistance and training.

Unlike in the counties in the north, we have about 418 children on our waiting lists. In Gloucester County, we have just received about three different cuts. One cut was from about \$880,000, which was a countywide reduction, as a result of State cuts. We also received 75 percent cuts in our matching funds over the next two years, and our Federal child care food programs have been cut.

We're hoping that this Council will take into consideration the needs of families in smaller counties.

I won't take your time. I'll leave of copy of this for you.

ASSEMBLYWOMAN ALLEN: We appreciate it. Thank you very much.

Mary Innocendi, (phonetic spelling) Director of the Department of Transportation Tots. (no response)

Sister Donna Minster, Director of Camden County Division of Children.

SISTER DONNA MINSTER: Good afternoon. Thank you for this opportunity to address the Assembly. I'm so glad that women are asking the question, finally.

I am the Chairperson of the Policy Development Board, an advisory board to the Division of Youth and Family Services, concerning the State-contracted/based child care centers.

For over 20 years, social service block grant State-contracted community-based child care centers have provided services for low-income, working parents. When contracted centers began in '76, there were 16,825 funded slots, and now, after years of chipping away at a system that works for families, statewide there are only 12,000. Besides yearlong, all-day child care, centers provide other services such as parent education and resources, information and referral.

Historically, the contract system has helped to assure quality and has provided financial stability to these nonprofit providers struggling to make community child care viable for low-income, working parents. Contracted

child care programs have guaranteed the State: access to services for DYFS clients and welfare reform participants; have generated parent fees; local match money; drawn down Federal at-risk child care dollars; and have provided community stability through employment.

Direct service contracts have the potential to expand the supply of child care in low-income neighborhoods where it is desperately needed but where the ability of parents to pay the full cost for child care is most in doubt. Contracts give providers the added assurance they often need to assume the risks and make the investments implicit in operating child care programs in such neighborhoods, helping to ensure an adequate supply of good quality child care that is affordable and accessible to many low-income parents.

The State-contracted child care centers are under siege. Every one of their funding sources is being attacked. In July '95, statewide, this system lost 500 child care slots. In April '96, with the reduction of Federal SSBG moneys, the Department of Human Services issued guidelines for further reductions to these centers, again estimating another 500-slot reduction. As if this were not enough to cope with, the Department of Human Services has spearheaded an initiative of contract reform, cutting the State match of \$2.3 million, eliminating over 400 more child care slots over the next two years, while these very centers currently have a waiting list of over 11,000 children. And it is projected that Work First New Jersey will generate 20,000 CWEP job placements that translates into the need for a minimum of 20,000 additional child care slots.

Federal funding under SSBG for these community based child care programs has dropped from \$22 million in 1984 to less than \$9 million today.

To date, State funds have replaced Federal dollars. New Federal funding is guaranteed under Title VI of the new welfare law, which requires a State match. New Jersey has an opportunity to maximize Federal dollars, preserve its base of State subsidized center base care, and offer quality to parents transitioning off of welfare.

This infrastructure of contracted child care centers must become the foundation for an enhanced child care system under Federal and State welfare reform. A mechanism must be developed to allow for use of funding from a new child care block grant for continuation and maintenance of this direct contract process.

The Policy Development Board recognizes and applauds New Jersey's commitment to early care and education thus far. The new welfare reform gives New Jersey a new opportunity to take the next step to establish a coordinated system of quality child care for children in low-income, working families and in families on welfare who will be thrust into the work force in the next six years.

Thank you.

ASSEMBLYWOMAN ALLEN: Any questions from the Committee? (no response)

Do you have copies that you will be able to give us?

SISTER MINSTER: Yes, I do.

ASSEMBLYWOMAN ALLEN: Thank you very much.

SISTER MINSTER: Thank you.

ASSEMBLYWOMAN ALLEN: Is there anyone here who has not been called to testify who would like to? (no response)

In that case, I want to thank everybody for coming. I especially appreciate those folks who have stayed to listen to all the testimony, as we have. I think that will be greatly informative for all of us as we move ahead on this.

Any comments from anyone on the Committee?

ASSEMBLYWOMAN HECK: Thank you for having the hearing, Madame Chair.

ASSEMBLYWOMAN CRECCO: Yes, thank you. Very good.

ASSEMBLYWOMAN ALLEN: Then I would like very much to end this hearing. We will reconvene at another time to talk about the welfare issue and see if we can put it all together. Thank you.

(HEARING CONCLUDED)