



Public Housing Child Care Demonstration Program

Program Assessment: First Round

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EXECUTIVE SUMMARY

The Public Housing Child Care Demonstration Program ("Demonstration") was created under Section 117 of the Housing and Community Development Act of 1987 to determine whether the availability of accessible child care enables parents in public housing to obtain or retain jobs, or to enroll in education and training that might lead to employment. This report summarizes the findings of a study of 57 child care programs funded in the first round of the Demonstration.

GENERAL FINDINGS:

The overall findings of the study indicate that, according to program sponsors, the Demonstration provided important benefits, both by enabling public housing residents to seek education, training or employment, and by delivering day care services accessible to these residents. Although child care is but one factor leading to employment and self-reliance, the study showed that the availability of reliable and affordable child care seemed to provide a stimulus and connection to the work world for parents in public housing. Once started, the clear need and strong interest by residents and sponsoring agencies have resulted in the continuation of most programs after the Demonstration grants ended.

SPECIFIC FINDINGS:

Program Status. Fifty-one of the 57 grants resulted in the opening of child care programs. Three programs never opened and three first round grant recipients are still planning to open in 1992. Seven of the programs that opened have since closed, with 44 continuing to operate. Most of these have been operating independent of the Demonstration funds since early to mid-1990.

Sponsors. Local, nonprofit organizations with previous experience in operating child care programs were the largest group of program sponsors. Five public housing resident organizations and five American Indian groups opened programs.

Facilities. Typically, residential units or community centers within public housing developments were remodeled for use as child care centers; in some cases, child care was provided in homes.

Use of Funds. Most sponsoring agencies used grant funds primarily for renovation, equipment and supplies, and secondarily for staffing.

Start-up Activities. While most programs did not report difficulties in staffing or enrollment, about one-half of the sponsors did encounter problems in renovating the needed space, with resulting delays in opening.

Attendance. Overall, sponsors reported high attendance in the child care programs. In over half of the programs, attendance averaged 90 percent or more of capacity. Sponsors reported that a great majority of the families with children in their child care programs live in public housing. The remaining children are from low-income families from the surrounding community.

Staffing. Nearly half of the staff hired by program sponsors lived in public housing. Thus the programs provided direct employment opportunities as well as child care services.

Effects on Employability. Over 90 percent of the sponsors reported the programs had a positive impact on increasing employment opportunities, and over 80 percent indicated the programs lessened dependence on public assistance. Most sponsors described these effects as "significant".

Continuation of Programs. Thirty-nine of the first round grantees who opened programs have concluded their Demonstration contracts and have been able to develop other funding sources to continue their programs.

1990 Interagency Agreement. This report covers the activities of the FY 1989 grantees. Further actions to support the purpose of the Demonstration have subsequently been undertaken by the Department. Under an Interagency Agreement with the Department of Health and Human Services (HHS), the Department transferred funds to HHS for a modified Head Start program that provides full-day child care for infants, toddlers, and pre-school and older children who need before and after school care. This program provides both a solid educational and cultural foundation for children and the opportunity for parents to work, attend school, or complete training that will lead to employment.

BACKGROUND

Section 117 of the Housing and Community Development Act of 1987 (P.L. 100-242) created the Public Housing Child Care Demonstration Program ("Demonstration"), which provides grants to nonprofit organizations to establish child care programs in public housing developments. The primary objective of the Demonstration is to determine whether the availability of accessible child care will enable parents or guardians of children in public housing to obtain or retain jobs, or to enroll in training that might lead to employment.

The Department of Housing and Urban Development (HUD) published a Notice of Funds Availability on August 17, 1988 to implement the 1987 legislation. In the round covered by this report (March-September 1989), 57 grants for a total of nearly \$5 million were made to 55 nonprofit organizations.¹ All grants were for a one-year period, although some no-cost time extensions were approved. Grantees were expected to continue operation of the child care facilities after termination of the grants, using funds from other sources.

The Act requires the Secretary to "prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program." This report provides information on the status of the first round of grantees in the Demonstration. The report provides basic information on the number of child care programs that were funded, the types of programs that were operated, the number of families for whom services were provided, the types of obstacles the grantees found in developing their programs, whether the programs continued after the grant ended, and the views of public housing residents whose children were enrolled in the programs. The report also examines the effects of these child care programs on training and employment of parents and guardians.

Telephone discussions were conducted with 54 of 57 recipients of the first round grants. Three of the agencies that opened programs, but subsequently closed them, could not be contacted. To obtain the views and experience of parents whose children were enrolled in the programs, focus groups were conducted with parents at nine sites. The focus groups typically involved six to nine residents for 1-1/2 to 2 hours, in which the professional facilitator used a topic guide to obtain information. Case studies were prepared for the nine sites to provide insights into typical programs.

¹A second round in 1990 awarded an additional 55 grants, also totalling nearly \$5 million.

GRANT AND PROGRAM STATUS

Fifty-seven grants were awarded to 55 grantee agencies in the first round of the program. (Two agencies each sponsored two child care programs.) The grants totaled \$4,997,811 and ranged in amount from \$21,703 to \$99,883, with an average grant of \$87,681.

Fifty-one of the 57 grants actually resulted in the opening of child care programs. (Table 1). Three programs never opened and three first round grant recipients are still planning to open in 1992. Of the 51 programs that opened, seven have since closed, with 44 continuing to operate. Most of these have been operating independent of HUD funds since early to mid-1990. Overall, this can be regarded as a significant accomplishment, given that the programs were all newly established, that the entire population served is low-income, and that nearly all forms of state and local funding for child care have been cut back drastically during the years these programs have been in operation.

Table 1
Status of Programs Established
by First Round Grants

Total grants awarded	57
Programs never opened	3
Programs still planning to open	3
Total programs opened	51
Programs closed during or after HUD grant year	7
Programs still operating	44

SPONSOR CHARACTERISTICS

Local, nonprofit organizations with previous experience in operating child care programs were the largest group of program sponsors. (Table 2). Typically, when the Public Housing Agency (PHA) or Indian Housing Agency (IHA) learned of the demonstration program, it turned to agencies which already had working relationships with the PHA or IHA or were known in the community for their experience in child care to help develop and manage the child care programs. Frequently, these community agencies also provided Head Start child care programs at other locations within the communities.

TABLE 2

First Round Sponsors and Awards

<u>Type of Sponsor</u>	<u>No. Grants</u>	<u>Programs Continuing To Operate</u>
Local, nonprofit agencies	46	37*
American Indian Tribal Council or other organization	5	2
Resident Management Corporations or Resident Councils	5	4
Private school	1	1
Total	57	44

*Three additional programs are still planning to open in 1992.

American Indian Tribal Councils or other American Indian organizations received five grant awards. Two of the American Indian programs have had high enrollment and strong parent support and are still operating. Three have closed. In one case, there were two reasons reported for closure: (1) the agency received one of the smallest grants (\$21,703) and had insufficient financing, and (2) the program did not meet the needs of the population served (a significant portion of the parents worked evening hours only, while the program was open only during the day). In a second case, the inexperience of staff in developing a child care program and in meeting state regulations appear to have been the major factors in closure. The third agency could not be contacted.

Three Resident Management Corporations (RMCs) and two Resident Councils were awarded grants in the first round. All five opened the programs as planned. The three RMC programs and one Resident Council program are still offering child care services at some level, not all at maximum capacity. While one Residential Council closed, an additional RMC has assumed the responsibility for a child care program located on its public housing premises, following a year of operation by a nonprofit agency which received a first round grant.

One program is sponsored by a private school, using the HUD grant as well as state vouchers for child care and nutrition.

FACILITIES USED BY CHILD CARE PROGRAMS

In the first round of the Demonstration, program guidelines required the child care facilities to be located in the public housing developments. As a result of legislative changes in November, 1988, the rule was amended to allow programs to be located in or near public housing developments. All of the first round programs except one located in public housing facilities. That exception was a location on the campus of a nearby college which serves the American Indian population. Most of the programs used existing public housing units provided by the PHA and remodeled them to meet licensing requirements.

In a few cases, rooms that had been designated as community centers in the public housing developments were converted to child care use with the agreement of tenant organizations. In one case, agreement among the housing authority, sponsor, and resident organization about the dual use of community space could not be reached, and the child care program was never opened. In another case, the program was eventually moved from its initial location because the joint use of space proved unsatisfactory.

Locating the facility in the public housing development became an issue for the sponsor in one city. Many parents worked in the city's downtown and wanted the child care center near their places of employment, rather than in the housing development, which is on the outskirts of the city. This center has since closed because enrollment was low.

PROGRAM CHARACTERISTICS

The characteristics of the 51 programs for which data are available are displayed in Table 3.² Forty-six of the 51 programs are structured around child care centers; four of them feature home care (family day care); and one offers home care for infants plus a child care center for preschoolers. Together, the programs are licensed to serve more than 2,000 children of various ages.

Nineteen of the programs provide child care for only preschool age children, while another 12 programs combine care for infants and preschoolers. Ten of the programs enroll all age groups.

²The remainder of the report excludes the three programs that did not open, and the three programs that closed and could not be contacted. Unless otherwise noted, information from the three programs still planning to open in 1992 is included.

Various curricula provide the basis for educational programs in the child care centers. Six programs were opened as Head Start programs, extended to a full day with supplemental activities, and another three became Head Start programs after the first year of operations. An additional 10 programs base their curricula on the Head Start or High Scope model of early child development.

Table 3
Type of Child Care Program and Age Groups Served
(n = 51)

<u>Care provided by</u> <u>Age Group</u>	<u>Type of Program</u>			<u>Total</u>
	<u>Center</u>	<u>Home</u>	<u>Home & Center</u>	
Infant only	2	--	--	2
Infant/Preschool	9	2	1	12
Infant/Schoolage	1	--	--	1
Preschool only	18	1	--	19
Preschool/schoolage	6	--	--	6
Schoolage only	1	--	--	1
All age groups	9	1	--	10
Total	46	4	1	51

Other curricula employed by sponsors include Montessori, Crayola, Joy of Learning, Peabody, Kwanzo, and Up, Up, & Away, all based on differing but well-regarded models of child development. Several have developed their own multi-cultural or specific culture-centric curricula, and several include very strong parent/family support elements.

**SPONSOR USE OF GRANT FUNDS AND CONTRIBUTIONS
OF HOUSING AGENCIES**

The primary uses of HUD grant funds reported by the 51 programs are shown in Table 4. Several sponsors reported more than one category of expense as primary. Most sponsoring agencies spent the HUD grant primarily on renovation/construction, equipment and supplies, and secondarily on staffing. All four sponsors that

provided only home care used HUD funds primarily for training of public housing residents as child care providers in their homes.

Table 4
Primary Use of HUD Grant Funds (n = 51)

Category of Expense	No. Programs Reporting*
Renovation/construction, equipment, and supplies	38
Staffing	22
General operations	8
Training for home-care providers	4
Programs not interviewed	3

*Several programs reported more than one category of expense as "primary".

Local housing agencies (PHAs and IHAs) provided space for the programs, except in two cases where space was provided by a Tribal Council and a college. In addition, many agencies provided basic utilities and maintenance (but not telephone costs or janitorial services). Some managed the renovation themselves, and a few contributed equipment or specialized construction assistance, for example, by building a playground.

Nearly all the local housing agencies were supportive in actively announcing the program to residents and soliciting the enrollment of their children. In one case, the agency provided a small grant for outreach activities. Later on, a few helped with transportation, equipment and supplies, or with grant writing in seeking continuation funding.

Most sponsors reported very good relationships with the local housing agencies, and a few were exceptionally enthusiastic. Only two sponsors reported some difficulty in adequately communicating with their local housing agencies; one of these expressed great dissatisfaction because housing agency finance personnel were unable to secure Federal/state food and block grant monies in a timely fashion. One sponsor reported difficulty in communicating with HUD because the local contact person was changed several times during the course of the grant.

START-UP ACTIVITIES

Major start-up activities for all the programs included finding suitable space, renovating the space, hiring and training staff, and recruiting families for enrollment. In many cases, sponsors also began to forge links with job-training agencies, employers, and family support agencies to develop a network of support for newly trained or employed parents.

Table 5 lists the major start-up problems enumerated by 51 first round grantees. Several programs cited more than one problem.

Table 5
Major Start-up Problems Encountered
by First Round Programs (n=51)

	No. Programs Reporting*
Renovation, remodeling, construction	25
Licensing, inspections, standards	11
Recruitment of families to enroll	3
Staffing for home care facilities	4
Others:	
Retaining staff	1
Initial fundraising	1
Moving to temporary quarters	1
Vandalism	1
Insurance	1
Housing agency relationships	1
HUD reporting requirements	1
Obtaining space for facility	1
No problems	12

*Several programs reported more than one category of start-up problem.

Renovation of existing space into adequate child care facilities proved to be the single biggest hurdle most programs faced. Even with guidance from the housing agencies and the experience many of the sponsors brought to the project, 25 programs reported major difficulties with renovation, ranging from the bidding

process through construction delays and cost overruns, to natural disasters, such as a flood that set remodeling of one center back many months. Many sponsors and their housing agency advisors seem to have underestimated the amount of time renovation would consume. Instead of an estimated 3-6 months, renovation actually took 6-12 months. This became a critical issue with implementing a one-year grant.

Eleven grantees reported difficulties with licensing, inspections, and standards, especially where more than one jurisdiction had approval or where more innovative approaches, such as low interior walls or portable classrooms, were proposed.

In most locations, parents were quick to enroll their children in the program. Recruitment of families to the program was mentioned by only three grantees as a start-up problem. Despite the thoroughness with which both the housing authority and the sponsor agency advertised and discussed the new child care program, parents in some locations seemed slow to enroll their children. At one site with enrollment problems, existing difficulties between two groups of residents seemed to keep first one, then the other, group from enrolling their children. In the five other locations with enrollment problems, sponsors could offer only the larger issues of parent mistrust, apathy, or fear of financial penalties (discussed later) as explanations for slow enrollment.

Most sponsors had no difficulty in finding and hiring staff for child care centers. However, when renovation was delayed, some lost staff who had been recruited, and those sponsors had to recruit other staff.

Conversely, staffing for home care proved to be difficult for four of the five sponsors providing home care. Among the problems that arose were insurance coverage for some providers, a training period that seemed too long to trainees, previous inexperience of trainees in managing a small business, the reluctance of neighbors to enroll their children with a (sometimes) known or (sometimes) unknown resident, and a work day that seemed long and arduous to the potential home care providers.

Sponsors repeatedly stressed that more than one year is needed to effectively achieve both remodeling and start-up, and they cite as evidence the difficulties they experienced in meeting these goals. HUD did provide extensions past the one year requirement for many of the programs. Thirteen sponsors advocated at least a two-year start-up, and several of those suggested a longer funding period, such as a declining grant spread over five years, with local resources being established to pick up the funding as the federal funds diminish.

PROGRAM CAPACITY AND ATTENDANCE

Sponsors were asked about both the licensed capacity of their programs and the daily attendance at programs. Table 6 displays reported child care capacity of 51 programs. About two-thirds of the capacity of all programs is available to preschool children, one-fifth to school age children, and about one-seventh to infants.

Table 6
Program Capacity, by Type of Program and Age Group
(n = 51)

<u>Licensed Capacity</u>	<u>Center</u>	<u>Home Care</u>	<u>Center & Home</u>	<u>Total No. Children</u>	<u>% Total</u>
Infants	232	45	20	297	14%
Preschool Age	1,283	82	20	1,385	66%
School Age	402	5	--	407	20%
Total	1,917	132	40	2,089	100%

Forty-five programs were able to provide information about attendance. More than half of these programs reported at least a 90 percent attendance-to-capacity ratio, and over 80 percent reported at least a 70 percent attendance-to-capacity ratio. (Table 7).

HUD regulations state that enrollment preference should be given to public housing residents. Over half of the sponsors reported that about 90 percent or more of the families with children enrolled in child care programs live in public housing. (Table 8). The remaining children are from low-income families from the surrounding community. (One sponsor whose data is reported in Table 7 is not included in Table 8 because the public housing units are undergoing renovation, and the public housing residents are temporarily dispersed outside of public housing. All children in this program are from these families; i.e., the program would show 100 percent enrollment of children from public housing in Table 8.)

Table 7
Reported Attendance Levels in
Child Care Programs (n = 45)*

<u>Daily Attendance in Relation to Program Capacity (%)</u>	<u>No. Programs per Attendance Level</u>
100%	5
90 - 99%	18
80 - 89%	7
70 - 79%	7
60 - 69%	3
50 - 59%	3
40 - 49%	1
30 - 39%	0
20 - 29%	1

*Total Programs = 51
 Programs reporting = 45
 Programs not having data = 6

Table 8
Reported Enrollment Levels from Public Housing
in Child Care Programs (n = 44)*

<u>Enrollment of Children from Public Housing in Relation to Program Capacity (%)</u>	<u>No. Programs per Enrollment Level</u>
100%	17
90 - 99%	6
80 - 89%	5
70 - 79%	6
60 - 69%	3
50 - 59%	3
40 - 49%	1
30 - 39%	2
20 - 29%	1

*Total programs = 51
 Programs reporting = 44
 Program with population temporarily dispersed = 1
 Programs not having data = 6

All children enrolled in the child care programs are reported to be from families with low incomes who are in training, are attending school, or are working. Some of them live in other HUD-assisted or Section 8 housing, and a few are buying homes with HUD assistance.

STAFFING OF CHILD CARE PROGRAMS

Among 45 child care programs that responded, sponsors reported that some 323 staff were employed and an estimated 50-60 volunteers participated on a continuing basis as aides, cooks, storytellers, child development specialists, drivers, and training specialists.

Close to one-half (47 percent) of the paid staff lived in public housing. Thus, the child care program not only provided direct services to public housing families but also provided employment to many public housing residents.

Many staff members from grantee sponsors have part of their time allocated to public housing child care programs. These staff members also appear strongly committed to the programs in public housing. Several sponsors reported that they charge to their public housing program only a portion of the actual costs of providing centralized services, such as child development, grant development, educational services, training, and finance.

One example of this type of charging is the sponsor whose director of child services spends nearly half of her time with the public housing program, while only 15 percent of her time is covered by that program's finances. In addition, two community agencies with more than 20 years' experience each continued their public housing programs while facing near-bankruptcy, when unexpected state and private cutbacks were made in child care allocations that had been planned to underwrite the continuation of the Demonstration.

EFFECTS OF CHILD CARE PROGRAMS

The purpose of the Demonstration is to determine if the availability of child care will enable public housing residents to be employed or to participate in training and education programs. The study obtained evidence on this issue in two ways: information from child care program staff on the extent to which parents used the facility for these reasons, and comments from members of the parent focus groups. This evidence indicates that the child care programs did help public housing residents begin the process of seeking work and training.

Effects on Training and Employment

Most of the parents who enrolled their children in the child care programs are young, single parents with more than one child, who have seldom been employed for a lengthy period of time. Prior to the opening of the child care programs, approximately 15-25 percent of the parents had some work experience and about 10 percent had attended school or training directed at employment. A substantial number were reported by sponsoring agencies as never having anticipated working until the Family Assistance Act of 1988 became operational in their area. This welfare reform legislation requires persons receiving AFDC payments to seek work, job training or education if they are physically able and do not have very young children at home.

Six programs reported an attempt to forge formal links to job training and preparation agencies, such as the Private Industry Council or state and local agencies established to assist welfare recipients as the new provisions of the welfare reform act took effect. Staff at other child care programs provided assistance themselves to parents in an informal way, with coaching, reassurance, shopping for work clothes, and practice in filling out employment applications. Most parents were referred to other appropriate employment and training agencies within the community.

Parent employment levels and enrollment in training or school have risen significantly over the past two years, according to reports by program sponsors. Factors related to increased training or employment levels appear to be the availability of low-cost child care, the implementation of welfare reform, and the accessibility of training or employment itself.

Seventy percent of program staff interviewed believe that the Demonstration has significantly increased employment among parents, and 48 percent believe that the program has significantly increased self-sufficiency. (Table 9).

The interviews strongly support the belief in positive effects of the child care programs on parent employment, training and education of parents. Many parents were encouraged by the availability of affordable child care to enter school or training programs or to seek and find employment. Some responses from parents are illustrative of the impact that the availability of child care has had on employment and training. From Chandler, Arizona: "Without the program, I would have to look forward to a life on welfare." From Cookeville, Tennessee: "The fact that my children are in the program has allowed me to get off AFDC and go to work." And from Opelika, Alabama: "It really makes it all possible."

Table 9
Effects of Child Care Programs on Parent Employment
and Reduction of Dependence on Public Assistance,
Reported by Program Staff (n = 46)*

<u>Level of Effect Reported</u>	<u>No. Programs Reporting</u>			
	<u>Effect on Employment</u>		<u>Effect on Independence</u>	
Significantly increased	32	(70%)	22	(48%)
Somewhat increased	10	(21%)	16	(35%)
Had little effect	4	(9%)	8	(17%)
Total Programs Reporting	46	(100%)	46	(100%)

Total programs = 51
 Programs reporting = 46
 Programs not having data = 5

The Demonstration seems also to have contributed to self-sufficiency and a reduction in dependency on welfare, although other factors, such as the availability of well-paying jobs and the vitality of the local economy, may be more significant factors than the availability of convenient child care.

As reported by program sponsors, the range of training and employment activities parents have engaged in as part of the demonstration is wide and varied:

- Schooling--High school, G.E.D. programs, community college, technical college, regular 4-year college, and graduate school in fields including social work, child development, nursing, and business.
- Training programs--Pre-employment training and counseling, employer-sponsored training for specific jobs, community college vocational programs, and on-the-job training in fields such as clothing manufacture, motor manufacture, building trades, licensed practical nursing, medical reception, secretarial, and computer services.

- Employment--Restaurants, medical offices, schools and child care centers, the housing agency and other community agencies, hospitals, private homes, manufacturing plants, and retail stores.

The reasons parents do not use the child care programs seem to be related primarily to the perceived disincentives of going to work faced by parents who receive AFDC payments. According to 16 grantees who cited the disincentives, reasons for parents not enrolling their children were given as:

- Anticipated increases in rent before wages could support them;
- Loss of medical benefits while still ineligible for employer-paid insurance; and
- Lack of financial support available during the transition between training and employment.

Other Effects on Parents

Sponsor agency staff reported other changes for parents as they moved to more economic independence:

- Housing--Parents in several instances have moved from public housing to Section 8 or other HUD-assisted housing, privately let apartments, and HUD-assisted home ownership.
- Community activities--Several parents have become involved in community affairs for the first time, serving on resident councils where they live and on service agency boards in the larger community, or volunteering their time at the child-care centers for field trips or supplemental instruction, for example, in sign language or cultural history.

For a few parents, the child care programs have also been the conduit through which they moved from the more serious problems of alcoholism or mental instability to homes and treatment and a stable family environment, as program staff encouraged and assisted them.

REASONS FOR ENROLLING CHILDREN IN THE PROGRAMS

Program staff were asked to state the primary reasons given by parents for participating in the child care program. (Table 10). From their statements, it seems clear that the centers have provided other benefits besides the opportunity to work or train. The most common reason cited was the perception that children received educational benefits from the program; the second most common was the location or convenience of the center. The program appears to have provided a better child care facility

than was already available for many parents, including some who were participating in the labor force or in training programs.

Previously, most parents relied on other family members for child care, some had babysitting arrangements with friends or neighbors, and a few had their children enrolled in other child care centers or family day care homes, most often on a part-time basis.

Table 10
Parent Reasons for Enrollment of Children,
Reported by Program Staff (n = 51)

<u>Reason Cited by Parents</u>	<u>No. Programs Reporting*</u>
Need to work or find work	21
Location of the child care, its convenience and accessibility	23
Perceived educational benefits for their children	26
Affordability	12

*Several programs reported more than one kind of reason.

Although the child care programs are generally perceived as low in cost, high in quality, and convenient, some parents are concerned about the quality of their local programs. Lack of trust as a reason for not using the child care programs was cited by parents to six sponsors, including low confidence in neighbors who were trained as home-care givers or who were employed at a center, inexperience with the notion of child care centers, and disbelief that the center would continue in operation for more than a short time. However, none of the six programs experienced problems with overall enrollment. Location was an issue in four areas, in two cases because the locations were simply not desirable. In two other instances, the centers were located in areas that had previously been regarded as very dangerous due to heavy crime and gang activity. In three cases, long waiting lists were a deterrent.

THE FUTURE OF FIRST ROUND CHILD CARE PROGRAMS

The number of first round child care programs currently in operation is 44. Five of these programs are still operating under their first round grants. Thirty-nine of the first round grantees who opened programs have concluded their first-year contracts and have been able to develop the funding sources needed to continue their programs. These programs have varied funding patterns, depending on local availability and the astuteness of sponsors in securing Federal, state, and local grants as well as community agency and private foundation grants. The frequency with which grantees use various sources of funding after the first year of operation is shown in Table 11. All programs use more than one source of funding.

About one-half of the 39 programs operating after the first round grant year reported receiving a combination of funding that includes: (1) state or local grants specifically designated for child care; (2) Title XX subsidies; or (3) subsidies from the USDA nutrition and food program. One-third have received grants from other community agencies, private foundations, and various charities. Almost one-quarter receive a Head Start allocation, charge parent fees, or receive AFDC subsidies for child care. Most sponsors are planning to apply for child care block grants in the future.

Nonetheless, almost all of the programs still open after the first year of operation have faced serious difficulties in raising funds. Chief among the reasons for this has been the funding cutbacks experienced in many states over the past two years, even in states which had programs in place for assisting low-income parents with child care. In some cases, Federal financing was also delayed.

All of the four sponsors whose programs closed after the first round grant year³ cited insufficient funding as a major reason for closing. In one case, location of the center was also an issue. In another case, hours of operation were an issue. One sponsor believed that staff inexperience in the weekly and monthly billing procedures required to obtain various subsidies was responsible for program closure.

Two programs have different sponsors now than during the first year. One of the new sponsors is a Head Start agency; the other is a Resident Management Corporation. A third program is also planned to be transferred to the sponsorship of a resident council.

³The other three programs that closed could not be contacted about reasons for closure.

Table 11
 Funding Sources Used by First Round Grantees
 in Subsequent Years of Operation (n=39)

<u>Funding Source</u>	<u>No. Programs Reporting*</u>
State, county, or city grants specifically designated for child care	19
Title XX (JOBS) subsidy	18
USDA nutrition and food program	17
Grants from community agencies, private foundations, and various charities	13
Head Start program	9
Parent fees	9
AFDC subsidies	8
Allocation from Resident Management Corporation, Resident Council or Tribal Council	5
Community service block grants	4
Allocation from sponsor agency	4
JTPA and OIC funds	4
Housing agency contribution (one with CIAP funds)	2
HUD Second Round grant	1

*All programs reported more than one category of funding source.

1990 INTERAGENCY AGREEMENT

This report covers only the activities of grantees in the first round of funding for the Demonstration which occurred in FY 1989. While these grantees have implemented the Demonstration, HUD has taken further steps to promote labor force participation by public housing and other low-income parents.

In January 1990, Secretary Jack Kemp of HUD and Secretary Louis Sullivan of the Department of Health and Human Services (HHS) signed a Memorandum of Understanding (MOU) pledging to develop and implement joint initiatives for "Partnerships in Self-Reliance." Under the MOU, an Interagency Agreement between HUD and HHS transferred \$4.8 million to HHS to provide funds for Head Start grantees to operate full-day child care facilities within or near public or Indian housing communities. Although Head Start operates programs in some public and Indian housing developments around the country, the programs provide part-day services only to 3 to 5 year olds. Under the HUD/HHS Interagency Agreement, full-day services for children of all ages (infants, toddlers, and pre-school and older children who need before and after school care) are available to meet the child care needs of parents who seek quality, affordable child care services while they work, attend school, or complete training that will lead to employment. This collaborative effort will significantly increase the availability of comprehensive child care services for low income residents.

Under an amended Interagency Agreement, HUD will transfer \$9.9 million of FY 1991 and FY 1992 funds to Head Start grantees, Public and Indian Housing Resident Management Corporations (RMCs) and Resident Councils (RCs).

CONCLUSION

The first round of the Public Housing Child Care Demonstration Program has shown that child care is an important service to enable public housing residents to seek training or employment, and that it fulfills an important need. Once started, the clear need and strong interest by residents and sponsoring agencies have resulted in the continuation of most of the programs after the HUD grant ended.

Child care sponsors believe the Demonstration has had a significant positive effect on parent employment or training. However, child care probably should be considered as one of the enabling factors leading to employment and self-reliance, rather than the single responsible factor. Nevertheless, in many cases, the availability of reliable and affordable child care seems to have provided the stimulus and connection to the work world for parents in public housing.

APPENDIX
CASE STUDIES

OPELIKA, ALABAMA

- Sponsor:** Alabama Council on Human Relations, a private, nonprofit agency that has been operating child care and other social service programs in the Opelika-Auburn area for a number of years.
- Role of PHA:** Raintree Child Care Center began as a joint effort between the Alabama Council on Human Relations and the Opelika Housing Authority. The relationship between these organizations has been strong and mutually supportive, with the Housing Authority responsible for space, renovation, and playground construction.
- Start-up:** No major start-up problems were encountered. By the end of the HUD contract period, June 18, 1990, renovation was complete and enrollment at the center was at its maximum of 20 toddlers and preschoolers.
- Financing:** The Council staff coordinates the various grants and financial aid programs that support Raintree Center, including those from the City of Opelika, State of Alabama, and Title XX federal funds. Parents also pay fees on a sliding scale as their income increases.
- Operations:** The Raintree Child Care Center is housed in a converted, single-family, detached home at the perimeter of the Raintree public housing area, where about 299 families reside. It is open 7:30 a.m. to 6:00 p.m. weekdays throughout the year. Three classroom areas are designed for various developmental groups of children, with materials, supplies, and manipulative toys appropriate for each age group. A large, sandy, well-equipped playground is outside, enclosed by a fence. Breakfast, lunch, and snacks are served.
- Raintree Center has been operating continuously since it opened and serves mostly young, single mothers with very young children who live at Raintree.
- Since Opelika previously lacked any low-cost child care programs except for Head Start, Raintree Center has filled a critical gap for parents who are now faced with the necessity of moving into the job market. Infant care is still greatly needed and is a high priority of the grantee agency in planning future services. Four of the staff live within the Raintree public housing development.

Parent
Response:

Initially, several sets of parents cycled through the center, finding jobs for a time, then becoming discouraged over pay or working conditions or the costs of medical care, eventually leaving their employment and withdrawing their children from the center.

Currently, the parent group is fairly stable, with more individuals in training or having a longer employment record. Their work includes secretarial, food service, and retail service. The Council's Director of Child Care Programs believes that good pre-employment and job training programs are very important to stable employment and "now that more people have been or are in training, there is more stability among the parent group". There is not yet a direct link between the child care center and training programs.

A few parents first heard a strong recommendation about the child care center through a friend, although most remembered that someone from the Housing Authority had visited every resident door-to-door with information about the center. Only one of these parents' children had been enrolled previously in a child care center; all the other had stayed with babysitters, mostly relatives.

Asked why they decided to enroll their children at Raintree, parents cited three main reasons: It cost them less; it was close by; and it was convenient (mostly, it opened early). Once their children were enrolled, they began to realize the educational and social benefits to their children that babysitters did not provide-- the children learned names, letters, concepts, and they got to know other children and learned to play together (sometimes after a rough start over sharing supplies or food). Meals for the children, especially breakfast, are a real boon to the parents. Parents have a high regard for the staff of the center and for the safety offered by the center. They report that their children look forward to coming to the center, like their teachers, and seem safe from strangers and the exposure to dangers from drugs.

As to how the availability of child care has affected their particular situations, one parent summed it up for all of them-- "It really makes it all possible". Most parents are satisfied with their jobs at the moment and see some future in remaining where they are, and one parent hopes to return to school in the future to prepare for a different career.

What would they change about the Raintree Child Care Center? An even earlier opening time (currently at 7:30 a.m.), since some begin their job shifts at 7:00 a.m., the addition of infant care, maybe the addition of a TV or video for learning programs, and, according to one parent, "not one other thing".

ST. LOUIS, MISSOURI

- Sponsor:** Carr Square Tenant Management Corporation (TMC), which has operated as a tenant organization since 1974. The organization was started under the Model Cities Program. A preschool program has been operated at Carr Square since 1974.
- Role of PHA:** Since the Carr Square Tenant Management Corporation manages Carr Square, the St. Louis Housing Authority does not have a significant operating role. The infant care center that was funded under the first round grant is in a public housing community center formerly used as a meeting room. The Housing Authority provides the space, telephone, and printing. The operating budget is paid by the TMC as part of its operating budget.
- Start-up:** Remodeling the space was more difficult and took longer than anticipated. There were problems with the city inspectors concerning licensing and requirements for a sprinkler system. The administrator had to convince the city inspectors that the building was safe, had enough fire exits, and that the sprinkler was an unneeded and costly requirement.
- Operations:** The Carr Square TMC already was operating a preschool program for 60 children at another site. This grant was used to start a program for infants and toddlers up to 2-1/2 years. The program operates from 6:30 a.m. to 6:00 p.m. and is free to residents of Carr Square. All the staff are public housing residents.
- Parent Response:** Parents like the convenience of the child care and the fact that there is no cost to them. "It's very close to home and there's people that you know that work in the day care." They stressed that they feel their children are in a safe and secure environment with people they can trust.
- The available child care also makes it possible for the mothers to work or attend training courses. "I need someone to take care of my child while I'm at school and work", said one parent.

KANSAS CITY, MISSOURI

Sponsor: Chouteau Court Tenant Management Corporation (TMC)

Role of PHA: The Kansas City Housing Authority provides space and utilities, and is currently completing renovation of Chouteau Court, including perimeter fencing for security.

Start-up: Start-up of this home-centered program was slow, owing to licensing requirements for the providers, special playground requirements, and difficulties the TMC encountered in understanding all the grant requirements.

Enrollment of children in the program was also slow, since Title XX subsidies were temporarily frozen and parents feared loss of medical benefits for their families, if they went to work and their incomes increased to make them ineligible for public assistance.

Operations: Although planned initially for six family day care homes, only two homes were licensed during the grant period, and one of those has since closed. That unit will be open to another provider when one becomes available. The homes were planned to operate from 7:00 a.m. to 5:00 p.m. on weekdays throughout the year. In actuality, the provider is flexible in augmenting those hours if needed and will accept children for care on short notice for small amounts of time.

The TMC wishes to set policies for the home child care, such as allowing parents to drop off children for one to two hours. However, such rules can make it difficult for the home provider to accommodate the children and remain financially viable. The consultant in home-centered care hired by the TMC had a different approach and viewed home providers as independent entrepreneurs who set their own policies, with the TMC providing support, equipment, supplies, and in-service training. These differing views of service and policy have limited the effectiveness of the consultant.

The current home-care provider, who has lived at Chouteau Court for some time, had experience prior to the inception of this program. She has also been active on the TMC board.

Financing: Since the HUD grant ended, parent fees have been the sole source of financing. Fees are based on income and the amount of time children are at the

provider's home. The TMC has applied for other grants, but so far has not been successful. The TMC expects that in the future Title XX funds and child care block grants will be available to help support the program.

Parent
Response:

Parents are enthusiastic about the program in general and about the remaining home-care provider in particular. Having the care near their homes is a great benefit, and parents talk freely about how much their children are learning, how happy they are at the home, and how secure they feel with the care they receive. The primary difficulty for them is paying for the child care, while going to school or working at low-paying jobs.

DALLAS, TEXAS

- Sponsor:** Dallas County Family Services, which supports the Margaret H. Cone Center, a model preschool center built in 1990 at the Grazier Court public housing development.
- Role of PHA:** The Dallas Housing Authority has been very supportive in establishing the center. It provided the land for the building and managed the construction. The Texas Instruments Foundation was a major force in funding the center. Also involved were the Meadows Foundation, the Communities Foundation, the University of Texas at Arlington, and the Julius C. Freezer Elementary School.
- Start-up:** The center is housed in a new building and licensed for up to 90 children. Construction took longer than expected. However, once the center was opened, the program was soon well attended by children and now runs near to capacity.
- Operations:** The program operates from 7:00 a.m. to 5:00 p.m. weekdays year round. Based on the Head Start approach, the program uses the High Scope method, in which students are shown how to be self-regulating in choosing what they wish to learn and become involved in.
- The program augments the usual Head Start program in a number of ways. A nurse-practitioner on staff actively provides health and dental services. Two social workers on staff provide case management services for the children and their families, and employment counseling is provided for parents.
- Teachers make home visits to the parents to keep them in touch with the progress of their children. Parents are required to devote one hour per semester to volunteer at the center. Every day parents are provided a written record of what their child did and their meals (breakfast, lunch, and snacks are served).

Parent
Response:

Parents report appreciation for the new center and the quality of the early childhood education their children receive. They like the convenience and the fact that the program is free. (Texas Instruments Foundation underwrites 90 percent of the operating costs).

The program also provides employment for residents as child care aides and as cook's assistants.

CHANDLER, ARIZONA

Sponsor: Human Action for Chandler, the Community Action Agency for Chandler.

Role of PHA: The Chandler Housing Authority played a role in applying for the grant, recruiting parents, giving space, and giving financial assistance with utilities and telephone service.

Start-up: Two major difficulties were encountered: substantial cost overrun on the renovations, and slow enrollment. The overrun resulted mainly from contractor under-estimation of special equipment and code requirements for child care centers.

Recruitment activities started with memos to all residents, followed by door-to-door contact with all families at least once. The sponsor also organized a neighborhood party with locally known speakers and promised job search assistance and help in starting jobs or enrolling in General Education Degree programs. Although several residents signed up, only a small percentage of residents with small children responded. "I never realized how entrenched, how non-upwardly mobile it is [to be on welfare living in public housing] . . . It's like a cocoon," one staff member expressed.

Operations: Enterprise Academy (the name of the child care center) is located in one of Chandler's four public housing developments, and serves residents in those developments as well as low-income families living in Section 8 housing or other areas in the community. The center is open from 6:30 a.m. to 6:30 p.m. on weekdays throughout the year and has both a full-time preschool and part-time after-school program for school age children.

The Academy has a school-like environment and offers a developmental program. The classrooms are spacious and well-furnished, and all the equipment, including the bathrooms, is scaled to size for various age groups. The playground is about an acre and features shady spots. Two meals and two snacks are served, and there is a special emphasis on nutrition and preventive health care.

Financing: Since May of 1990, when the HUD grant ended, the program has been financed by subsidies from the Community Action Agency, from AFDC, from the state food and nutrition program, and from business and fraternal organization grants. Parents also pay fees based on a sliding income scale. The sponsoring agency contributes accounting and some other in-kind services.

Parent Response: Since the program draws its clientele from the broader community outside the public housing project, only about half of the parents receive some form of public assistance and only about half are single heads of household. Most are employed full-time. "Without the program," one parent stated, "I would have to look forward to a life on welfare". Parents like the program's affordability, security for their children, transportation from school and after-school care, and the overall quality of care their children receive. They believe there is a need for the care of younger children and for care in the evening for children whose parents work late shifts or attend evening classes.

NORFOLK, VIRGINIA

Sponsor: The Planning Council, a 50-year-old social service agency (originally the Council of Social Agencies). The Planning Council's Strategy is to conduct social planning, and to establish and then "spin off" needed programs.

Role of PHA: The Norfolk Redevelopment and Housing Authority (NRHA), a 51-year-old organization, was highly supportive of this in-home day care program and worked closely with the Planning Council in the application stage. NRHA and the Planning Council have long worked together to provide social services for public housing residents.

NRHA renovated residential units to be acceptable for in-home day care, publicized the program, provided transportation for training, and furnished on-site training space.

Start-up: The Planning Council had few start-up problems because it was adapting a reliable in-home day care provider training program to the context of public housing. However, there was some reluctance on the part of residents to sign up for the program. The program coordinator went door-to-door and talked with residents to promote the program. This yielded a small group of seven trained residents.

Recently, a different marketing strategy is being used with success. A flyer has been distributed through the public housing developments targeted at residents' interest in earning money.

Operations: The Planning Council recruits resident who wish to be child care providers in their homes. An extensive background check includes a review of any criminal history or child abuse, three letters of recommendation, and a home inspection.

After prospective providers complete a ten-unit, home-study program, the Planning Council issues them a certificate which meets the state licensing requirements for a family day care provider.

Staff then help the provider establish a program, providing equipment, answering questions, and helping to create and enforce policies. Staff

also coach providers in running their businesses, for example, by showing how to open a bank account and keep accurate attendance records.

Seven providers completed the program, and five homes were operating as of spring 1991. Another four are planned.

Financing: HUD funds were used primarily for equipment costs, and for paying a coordinator for recruiting, training, and giving support to providers. The program will be continued and expanded after the HUD grant ends, using Planning Council funds.

Parent Response: Parents report they like the convenience and low cost of the child care. They are very concerned that their children be cared for by people whom they know personally and who they have confidence will take good care of their children.

Providers indicate they like the opportunity to go into business for themselves. However, they acknowledge it is not an easy task to become certified and start a business, and that it requires determination, effort, and support.

HARRISBURG, PENNSYLVANIA

- Sponsor:** Tri-County Commission for Community Action, the anti-poverty agency for the Harrisburg metropolitan area.
- Role of PHA:** The Harrisburg Housing Authority has been very supportive and has helped to apply for and implement the grant. It provided space in a community center at Hall Manor previously used as a meeting room, and gave \$60,000 for renovations, supervising the renovation work. The Housing Authority also made up a \$7,500 budget short-fall for the program and continues to be highly supportive of the program.
- Start-up:** The program did not face any major start-up problems. The center was opened in December 1989.
- Operations:** The program is a child care center open from 7:00 a.m. to 6:00 p.m. five days a week, twelve months of the year. The program is full to capacity of 30 children, and there is a waiting list. It also provides care for four infants. Children are given both a breakfast and a lunch.
- One unique element of the program is a thrift shop operated by volunteers. The program also provides supportive services to parents to help them with other aspects of their lives such as finding jobs, or identifying training programs and health care providers.
- Financing:** Although the grant has ended, the program will continue with financing from the State's Departments of Community Affairs and Education, United Way, parent fees (sliding scale), and fundraisers.
- Parent Response:** Parents report being enthusiastic and devoted to the program. They also like the convenience of the program. Most of the parents do not have cars and are dependent on the bus service to get to their jobs. If they didn't have accessible child care, they would have a difficult time getting first to day care and then to work.

COOKEVILLE, TENNESSEE

- Sponsor:** Upper Cumberland Human Resource Agency of Algood, Tennessee, a Community Action Agency.
- Role of PHA:** The Cookeville Housing Authority (CHA) chose the sponsor to implement a program due to its experience in operating home-centered care and other community services. In turn, the CHA provided a housing unit in the Darwin development for the center, which the sponsor is obligated to restore to living space if it is vacated. The CHA also helped to secure CIAP funds for renovation and contributed materials for remodeling. Both the CHA and Upper Cumberland staff volunteered their time to remodeling activities.
- Start-up:** No major start-up problems were encountered at Cookeville. The center has been open since November 1989.
- Operations:** The C.A.R.E. center at Darwin is open from 6:30 a.m. to 5:30 p.m. five days a week throughout the year. It is licensed to care for 5 infants, 50 preschoolers, and 10 school-age children. The average attendance is about 40-45, with 60 percent of the children coming from public housing and the remainder from low-income families throughout the community. Two of the staff are public housing residents.
- The program offered is developmentally appropriate and somewhat structured. Children are encouraged to express their learning fully and to respect other children, their teachers, and their environment. The children's work is featured everywhere in the center, and parents are informed daily of their children's activities.
- Financing:** Since the HUD grant ended in May 1990, the program has been financed through various subsidies, including AFDC allotment, JOBS allotment, a community service block grant, small donations, and parent fees on a sliding scale. The center is currently operating at a deficit but hopes to recoup losses as block grant monies become available. The director of the CHA has been very supportive of the program personally but believes such efforts should be started only if there is an on-going source of money.

Parent
Response:

Parents at Cookeville report the program positively affects their work life and their self-reliance. "Without this program," one parent said, "I would be locked into a cycle of poverty for years; my children might be too." Another stated, "The fact that my children are in this program has allowed be to get off of AFDC and go to work."

The sponsor estimates that about 90 percent of the families with children enrolled in the program currently receive some form of public assistance, while several have moved off welfare and out of public housing. About 60 percent of parents work while the remainder are in training programs or are enrolled in school.

GREENVILLE, SOUTH CAROLINA

- Sponsor:** Phyllis Wheatley Association, a comprehensive community service agency for the Greenville metropolitan area.
- Role of PHA:** The Greenville Housing Authority was active in applying for the grant, and in providing space, assistance with renovation, and some utilities.
- Start-up:** Various renovation difficulties, including reconstruction of entrances and exits, installation of the kitchen, and stripping of walls to eliminate lead-based paint, delayed the opening of the center.
- Operations:** The Jesse Jackson Townhomes Child Development Center was opened early in 1990 with a full enrollment of 40 preschoolers. Regular hours were from 7:30 a.m. to 5:30 p.m. weekdays, year-round. Later, the center was able to open earlier (at 6:00 a.m.) because of a grant from a local employer where 16 parents worked an early shift.
- The center offered a strong developmental program built around learning centers. Field trips were emphasized, and a parent training program was developed, as a part of an attempt to actively involve parents.
- Operation of the center was assumed by Sun Belt Human Resources, Inc., the local Head Start agency, for the 1990-1991 school year.
- Financing:** In addition to the HUD grant, parents paid a small flat fee per week per child and some parents were eligible for Title XX subsidies. Currently, Head Start financing is available.
- Parent Response:** Parents in Greenville have been particularly responsive to having a center near their home and having reliable, affordable child care as a means to self-sufficiency. Ninety percent of parents were employed in the first year of operation, with the remainder in school or training. All of the parents lived originally in public housing but, during the year, seven of them moved to unsubsidized housing.

Parents credit the sponsor and its staff for informing them about the program, enrolling their children, helping them to fill out job applications and secure interviews, and providing employment orientation sessions.

Because of South Carolina's kindergarten-readiness screening, which children must pass to be admitted, parents are also keenly aware of the importance of the center's learning program and praised its effectiveness with their children.

