

GAO

Report to the
Honorable Sander M. Levin,
House of Representatives

September 2004

CHILD CARE

State Efforts to Enforce Safety and Health Requirements





Highlights of [GAO-04-786](#), a report to the Honorable Sander M. Levin, House of Representatives

Why GAO Did This Study

The federal government requires states that receive funds from the Child Care and Development Fund to establish basic health and safety requirements. The federal government also requires states receiving federal funds for child care to have procedures in place to ensure that providers being paid with grant dollars comply with the applicable safety and health requirements. Because of the significant federal role in paying for child care services and congressional concerns about the way in which states ensure the safety and health of children in child care settings, we were asked to follow up on our prior report, *Child Care: State Efforts to Enforce Safety and Health Requirements* ([GAO/HEHS-00-28](#), Jan. 24, 2000).

This report (1) identifies changes in states' licensing and enforcement activities for various types of licensed and nonlicensed providers since 1999, (2) describes the ways child care licensing agencies organize inspection staff and use technology, and (3) provides examples of promising practices in state child care licensing and enforcement activities.

To obtain data, we surveyed state licensing officials in 2004 about their 2003 activities, interviewed experts and made site visits to four states—Delaware, Florida, North Carolina and Oklahoma.

www.gao.gov/cgi-bin/getrpt?GAO-04-786.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marnie S. Shaul (202) 512-7015 shaulm@gao.gov.

CHILD CARE

State Efforts to Enforce Safety and Health Requirements

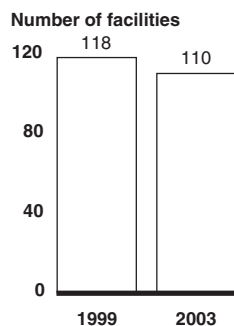
What GAO Found

State efforts in the licensing and oversight of child care facilities are generally about the same as they were in 1999, except that the median caseload of the number of facilities per inspector dropped from 118 in 2003, as shown in the figure below. We found that in 2003, 38 states exempted all family child care providers from being regulated, compared with 39 states in 1999. Most states conducted compliance inspections at least once a year, meeting or exceeding the recommended level for all types of providers.

Many states organized inspection staff by geography and used technology in many parts of the inspection process. Forty-three states reported assigning staff to geographic locations throughout the state. States also assigned staff based on specific job task and type of child care facility the staff would inspect. Many states used multiple criteria to assign staff. Forty-five states reported using technology to assist them with many aspects of licensing and enforcement functions, such as maintaining statistics on families and providers.

States have adopted a number of promising practices to assist their child care licensing and enforcement activities. These practices include the use of technology to streamline licensing and enforcement processes and manage parent and provider information, rating systems to aid parents in selecting the appropriate child care for their child and to offer providers incentives to improve and maintain the quality of their care, and working with other organizations to train providers and parents.

Median Caseload, Number of Facilities per Inspector, 1999 and 2003



Source: GAO analysis of 1999 and 2004 surveys.

Contents

Letter		1
	Results in Brief	3
	Background	4
	Median Inspection Caseload Size Has Decreased since 1999 although Caseloads Have Continued to Exceed Recommended Levels	9
	Many Inspection Staff Are Organized by Geographic Location, and Technology Is Used in Most Parts of the Licensing and Inspection Process	14
	Promising Practices in Technology, Rating Systems, and Training	17
	Concluding Observations	24
	Agency and Other Comments	25
Appendix I	Scope and Methodology	26
Appendix II	State Caseloads, Fiscal Years 2003 and 1999	28
Appendix III	State Child Care Licensing Budget and Full-Time- Equivalent Staffing Levels, 1999 and 2003	30
Appendix IV	Frequency of Licensure and Monitoring Visits in the States	32
Appendix V	State Survey	38
Appendix VI	Comments from the Department of Health and Human Services	46
Appendix VII	GAO Contact and Staff Acknowledgments	49
	GAO Contact	49
	Staff Acknowledgments	49

Related GAO Products

50

Tables

Table 1: Types of Child Care	6
Table 2: Recommended Practices for Critical Factors in Licensing and Enforcement	8
Table 3: Types of Providers State Licensing Agencies Reported They Regulated or Exempted, 1999 and 2003	11

Figures

Figure 1: Caseload Ranges for State Licensing Staff, 2003	10
Figure 2: Thresholds for Regulation, as Represented by Number of Children Cared For in Family Child Care, 1999 and 2003	12
Figure 3: Number of Inspection Visits Per Year, 1999 and 2003	13
Figure 4: Number of States Using Various Criteria to Assign Inspection Staff in 2003	15
Figure 5: How States Use Technology	16

Abbreviations

ACF	Administration for Children and Families
CCDF	Child Care and Development Fund
EBT	electronic benefits transfer
FTE	full-time-equivalent
HHS	Department of Health and Human Services
NAEYC	National Association for the Education of Young Children
NARA	National Association for Regulatory Administration
NCCIC	National Child Care Information Center
NHSPS	National Health and Safety Performance Standards
R&R	resource and referral
TANF	Temporary Assistance for Needy Families

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



G A O

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

September 9, 2004

The Honorable Sander M. Levin
House of Representatives

Dear Mr. Levin:

The need for child care has grown dramatically over the past 25 years. In 1975, 39 percent of women with children under the age of 6 were in the labor force; by 2003 that number had grown to 63 percent. Since 1996, federal welfare policies have emphasized the importance of work, and more welfare parents than ever before have moved into the workforce. The federal government assists the work efforts of parents through the Child Care and Development Fund (CCDF), providing \$4.8 billion to states to help parents pay child care costs and to ensure the health and safety of children in child care. More than 1.75 million children are enrolled in subsidized care each month.

To help protect children in child care, states license certain child care providers and establish requirements including those focused on health and safety. All states set licensing requirements and require some child care providers to obtain a license to offer care. However, as allowed, most states do not license all types of providers in all child care settings. Both licensed and nonlicensed providers are eligible to receive funds from CCDF, and the federal government requires states to have plans in place to ensure that providers being paid with federal child care funds comply with the applicable health and safety requirements established by the states. Many of the health and safety requirements states establish are based on practices, including inspections, recommended by national organizations.¹

To ensure compliance with states' licensing requirements, states oversee those child care providers over which they have authority by engaging in

¹These organizations include the National Association for the Education of Young Children (NAEYC), which is an organization of early childhood educators dedicated to improving the quality of child care programs, and the collaboration of the American Academy of Pediatrics, the American Public Health Association, and the National Resource Center for Health and Safety in Child Care and the Maternal and Child Health Bureau, Health Resources and Services Administration, Department of Health and Human Services, which puts out the National Health and Safety Performance Standards..

various enforcement activities. The most intense enforcement activities occur for licensed providers, the most highly regulated status for providers. Licensed providers are typically subject to background checks and facilities inspection, provided with technical assistance and training, and are subject to sanctions—such as fines and revocation of licenses—for those who do not meet licensing standards. Licensed providers who receive subsidies have the most stringent requirements. For nonlicensed providers, states’ laws and policies dictate the extent to which states engage in such enforcement activities. Consequently, some nonlicensed providers receive less intense oversight than do licensed providers, but are still subject to regulation (we will call these regulated nonlicensed providers). Still other providers are exempt from state regulation because of state law. For example, in certain states child care centers run by religious organizations are exempt from regulation. Exempt providers who receive federal child care funds must comply with state health and safety requirements. Parents can choose among a number of different child care settings. Some parents may choose to send their child to a child care center, where many children are cared for in a nonresidential setting. Other parents may choose a “family” care setting, in which one provider cares for a number of children within the provider’s home.

Because of the significant federal role in paying for child care services, some members of Congress raised concerns about the way in which states ensure the safety and health of children in child care settings. In 1999, we surveyed states to identify the most critical licensing and enforcement activities.² We were asked to update our 1999 study, and in this report we (1) identify any changes in states’ licensing and enforcement activities for various types of licensed and nonlicensed providers since 1999, (2) describe the ways child care licensing agencies organize inspection staff and use technology, and (3) provide examples of promising practices in state child care licensing and enforcement activities.

To address these issues, we conducted a mail survey in 2004, to state licensing officials in all 50 states and the District of Columbia, asking about their licensing and enforcement policies and practices in 2003. Specifically, we asked states to report on the frequency of their compliance inspections, background checks, training programs and educational requirements for licensing staff, and caseload sizes. We

²GAO, *Child Care: State Efforts to Enforce Safety and Health Requirements*, GAO/HEHS-00-28 (Washington, D. C.: Jan. 24, 2000).

achieved a response rate of 98 percent, with 49 states and the District of Columbia responding to our survey.³ We then compared our survey results with a mail survey we conducted in 1999 to identify any changes that had occurred within the past few years. We also used data from the National Child Care Information Center for the number of states exempting family child care providers from regulation. In addition, we conducted a literature search and interviewed child care licensing experts and state and federal officials to gather information about critical licensing and enforcement activities occurring within the states. We asked experts to identify states that had examples of promising practices in automation, training initiatives, rating systems for providers, and enforcement practices. We used this information to identify four states—Delaware, Florida, North Carolina and Oklahoma—in which we conducted site visits. For more details on our scope and methodology, see appendix I. We conducted our work between October 2003 and July 2004 in accordance with generally accepted government auditing standards.

Results in Brief

Most licensing and enforcement activities for regulated providers remained about the same in 2003 as they had been in 1999 except the median caseload for inspectors decreased. Almost a quarter of the states maintained caseload levels recommended by national organizations (75 child care facilities to one inspector), but the number of states with particularly high inspector caseloads, over 150 to one, dropped from 17 to 15, and the median caseload dropped from 118 to 110. About the same number of states exempted family child care providers from being regulated in 2003 (38) as in 1999 (39). States continued to conduct compliance inspections as recommended and to exempt some providers from licensing. For example, most states reported conducting compliance inspections at least once a year, meeting or exceeding the recommended level for all types of providers, and all states provided training for providers. However, only 4 states required the 24 hours of training per year recommended by national professional organizations. Finally, state monitoring of exempt providers continued to be limited in many states to distributing information about health and safety requirements and asking these providers to certify that they complied with state requirements. However, the number of states conducting background checks and inspections of exempt providers increased between 1999 and 2003, from 20 to 37 respectively.

³Maine did not respond.

Most states reported organizing inspection staff by geography and using technology in many parts of the licensing and inspection process. Forty-three states reported assigning staff to geographic locations throughout the state. Nineteen states also reported assigning staff based on a specific job task, such as responding to complaints or inspecting a particular type of child care facility. Some states used multiple criteria to organize their staff. For example, some assigned staff first by geographic location and then, within that location, assigned by type of provider. Forty-five states also reported using technology to assist them with many aspects of licensing and enforcement activities. Those uses most frequently reported by states were to maintain statistics on providers (34 states), prepare reports (28 states), make and reconcile payments (25 states), and track and monitor subsidy use (25 states).

The 4 states we visited have adopted a number of promising practices to assist in their enforcement activities. For example, Florida used technology to streamline its licensing and enforcement processes and to manage parent and provider information particularly effectively. Florida licensing staff used laptops for entering inspection information at the child care facility and linked child care-related databases. Three states we visited have implemented rating systems that differentiate providers by the quality of care they provide: North Carolina, Oklahoma, and Florida. Such systems have helped parents choose child care providers by allowing them to compare the quality of different providers. In addition, ratings systems have offered providers incentives to improve and maintain the quality of their care. For example, North Carolina used a five-star rating system, which reimbursed providers that had more stars (indicating higher levels of quality) at higher rates for subsidized children than providers with fewer stars. Promising practices were also seen in training programs for providers and parents in Delaware, Oklahoma, and North Carolina, which had in common statewide systems of interconnected partnerships between state and community agencies to ensure quality child care and alignment of their training programs with state standards and requirements.

Background

States are responsible for developing licensing criteria and health and safety requirements and conducting enforcement activities to ensure providers comply with them and thereby protect the safety and health of children in child care settings. While the federal government's role is limited in this area, the states must certify that they have safety and health requirements in place and procedures to ensure providers comply with all applicable requirements to receive federal CCDF funds. The Department of Health and Human Services (HHS) oversees CCDF.

CCDF Funding and Requirements

In fiscal year 2003, the amount of federal funds appropriated for CCDF was \$4.8 billion.⁴ The CCDF funds are provided to states through a block grant mechanism which allows states to set priorities, establish policies, and spend funds in ways that will help them achieve state child care goals. The Child Care and Development Block Grant statute that underlies the CCDF requires states to designate a lead agency and to establish state plans that commit to establishing and enforcing licensing requirements and health and safety standards for child care providers. The statute leaves it to the states to decide what requirements are to be applicable to specific categories of providers, but for health and safety it sets out three broad parameters that must apply to all providers receiving federal assistance:⁵ physical premises safety, staff training, and control of infectious diseases (including childhood immunizations). To qualify for a subsidy provided with funds from the CCDF, a provider must comply with these and any other applicable state requirements.

To be eligible for CCDF subsidies, parents must be working, in training, or attending an educational program and have children less than 13 years of age.⁶ States can set income eligibility limits at or below 85 percent of the state median income level. States must use a significant portion of their CCDF funds for families receiving Temporary Assistance for Needy Families (TANF) or families who are at risk for becoming dependent upon public assistance.⁷ CCDF has five goals: (1) encouraging maximum flexibility in developing state child care programs; (2) promoting parental choice; (3) encouraging states to provide consumer education information to parents; (4) helping states provide child care to parents trying to become independent of public assistance; and (5) helping states

⁴The total amount of federal CCDF funding comes from two sources: the Child Care and Development Block Grant Act of 1990 and Section 418 of the Social Security Act. These two statutes and their funding sources are administered as a unified program—known as CCDF—subject to the requirements of the Child Care and Development Block Grant. Up to 30 percent of federal funds states receive under the Temporary Assistance for Needy Families (TANF) program can be transferred to CCDF and the Social Services Block Grant at the state's discretion. Funds transferred to CCDF are to be administered under the rules of CCDF. States may also use TANF directly to fund child care.

⁵The requirements do not apply to relative providers as defined in the regulations, usually grandparents or siblings.

⁶States can serve children with special needs under age 19.

⁷More specifically, states must use at least 70 percent of the CCDF funds authorized under the Social Security Act for families receiving TANF, transferring off TANF, or families who are at risk for becoming dependent upon public assistance.

implement health, safety, licensing, and registration standards established in state regulations. However, CCDF does not specify how the states should meet these goals and only requires them to be included as elements within the state child care plan. States can also determine which enforcement activities apply to different types of child care. Types of child care eligible to receive funding under TANF and the block grant are described in table 1.

Table 1: Types of Child Care

Type	Description
In-home care	Care provided in the child's home
Relative care	Care provided by someone related to the child other than the parents in any setting, typically in the child's or relative's home
Family child care	An individual provider who provides child care services as the sole caregiver in a private residence other than the child's home
Group home care	Two or more providers who provide child care services in a private residence other than the child's home (this does not include 24-hour residential facilities)
Child care centers	Nonresidential facilities that provide care for children and include full- and part-time group programs, such as nursery and preschool programs. Child care centers can be commercial, work-site based, school-based (preschool or after school), or a recreational program (such as camps or parks), and care can also be run by a religious organizations or by federal, state, or local governments

Source: GAO/HEHS-00-28.

Oversight of Child Care Providers

States regulate those providers over which they have authority by setting requirements, including those focusing on health and safety, that such child care providers must meet and by enforcing these requirements.⁸ State child care licensing offices are responsible for enforcing such health and safety requirements, and engage in different oversight activities for licensed providers and for regulated nonlicensed providers.

- Licensed providers are generally subject to standard oversight, which generally includes background checks, inspections, technical assistance and training, and the application of sanctions when providers are found to be out of compliance.⁹

⁸Some states are prevented by state law from regulating certain types of providers.

⁹According to the National Child Care Information Center (NCCIC), not all states require background checks for all providers.

-
- Regulated nonlicensed providers receive less intense oversight. Such oversight can include self-certification that health and safety standards have been met, background checks, and sanctions.
 - Providers who are legally exempt by state law from oversight are not regulated by state child care licensing offices. For example, in certain states, child care centers run by religious organizations may be exempt. In addition, under federal regulations, the states are not required to apply health and safety requirements to certain providers who only care for a child to whom they are related. Some states may conduct background checks and inspections of their legally exempt providers.

States vary as to which types or subtypes of child care providers fall under each level of oversight.¹⁰

When establishing which providers will be required to obtain licenses, and hence be subject to standard oversight, and which will be required to comply with less intense requirements, states consider a number of factors. For example, states consider whether certain providers are subject to other health and safety regulating authorities, such as school-based programs that must conform to all health and safety requirements required for public schools and are overseen by the state education department. States also consider the staffing resources they would need to carry out the necessary licensing and enforcement activities in light of their budget, how to target resources toward the greatest number of children, and the impact that licensing activities could have on child care availability and parental choice. For example, some providers might pass the costs of conforming with licensing requirements on to parents, which could make such care too expensive for some parents. Currently, states are making choices about the extent to which they license certain providers and about which enforcement activities apply to different types of providers.

¹⁰Subtypes of group or family homes are defined by the number of children, with each state setting a threshold. Subtypes of centers include commercial, religious, school-based preschool, school-based after-school, recreation, work site, centers run by the federal government, and centers run by state or local government.

Licensing and Enforcement Activities Recommended by National Organizations

There are no specified federal requirements for licensing and enforcement activities, so many states rely on recommendations made by professional organizations in developing their own standards. Professional organizations recommend standards for several critical licensing and enforcement activities, including background checks, monitoring visits, training for licensing staff, and caseload size. Table 2 outlines recommended practices for critical licensing and enforcement activities.

Table 2: Recommended Practices for Critical Factors in Licensing and Enforcement

Critical factors	Recommended practice
Background checks	Before granting a license, every state should obtain a criminal record check and child abuse registry check for anyone who has any contact with children in a facility and those family members in a family child care home who are over 10 years of age
Monitoring visits (inspections)	Centers and group homes should receive at least one unannounced inspection per year
Training for licensing staff	Staff should have appropriate education and experience for the form of child care they are assigned to inspect. They should receive no less than 40 hours of orientation training upon employment and an additional 16 hours of training about child abuse. In addition, they should receive at least 24 hours of continuing education each year
Caseload size	On average, each staff person's caseload should consist of no more than 75 provider facilities ^a

Source: American Academy of Pediatrics, American Public Health Association, National Resource Center for Health and Safety in Child Care and Maternal and Child Health Bureau, Health Resources and Services Administration, Department of Health and Human Services. *Caring for Our Children: National Health and Safety Performance Standards: Guidelines for Out-of-Home Child Care*, 2nd Edition. (Washington, D.C.: 2002) and NAEYC, *Licensing and Public Regulation of Early Childhood Programs: A Position Statement* (Washington, D.C.: 1997) at http://nrc.uchsc.edu/CFOC/XMLVersion/Appendix_AA.xml.

Note: For each factor we used either the National Association for the Education of Young Children (NAEYC) or National Health and Safety Performance Standards recommendation, but not both, because in some cases one of the documents did not cover a particular enforcement activity or in other instances, the recommended practice was not specific enough.

^aNAEYC recommends 50 as a more desirable number.

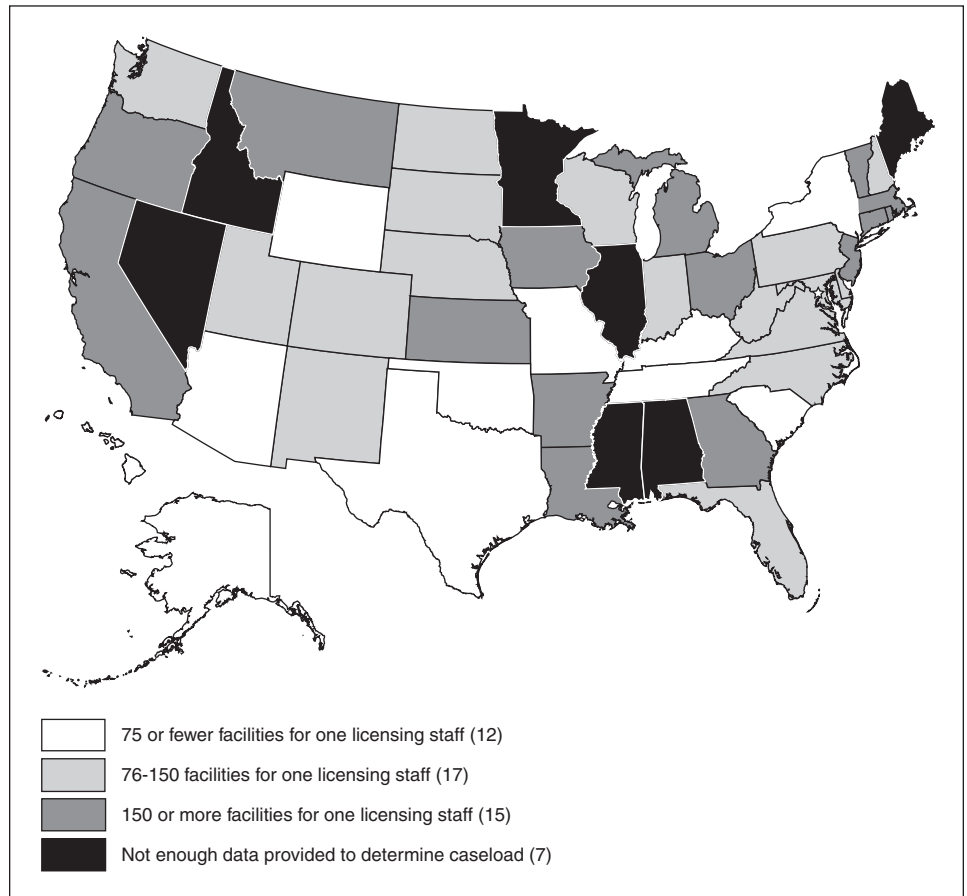
Median Inspection Caseload Size Has Decreased since 1999 although Caseloads Have Continued to Exceed Recommended Levels

In 2003, the median caseload size for inspectors decreased, but most licensing and enforcement activities for licensed providers remained about the same as those in 1999. Almost a quarter of the states maintained caseloads at recommend levels, and fewer states had caseloads levels over 150. Most states conducted compliance inspections at least once a year, which met or exceeded the recommended level for all types of providers. However, most states do not require the amount of training recommended by national professional organizations. Most states continued monitoring exempt providers by distributing information about health and safety requirements and asking these providers to certify that they complied with state requirements, although some states engaged in more intense monitoring practices for these providers.

Almost One-Quarter of the States Maintained Recommended Caseload Levels for Inspectors, and Median Caseloads Decreased

In 2003, almost a quarter of the states maintained caseloads at or below the recommended level of 75 facilities to one inspector, and the number doing so had increased by 1 since 1999. Specifically, in 1999, 11 states were meeting the recommended caseload levels, and that number increased to 11 states and the District of Columbia by 2003. The median number of facilities per inspector decreased during this time, from 118 facilities per inspector to 110 facilities per inspector, but the number of facilities per inspector was still well above the recommended level of 75 in 2003. In 1999, caseloads ranged from 52 in Missouri to 333 in Colorado, while in 2003, caseloads ranged from 35 per inspector in Hawaii to 600 per inspector in Iowa. Although the range was broader in 2003 than in 1999, more states decreased the size of their caseloads than increased them. Between 1999 and 2003, the caseload in 23 states and the District of Columbia decreased while the caseload in 16 states increased. The number of states with particularly high caseloads, over 150, dropped from 17 to 15, between 1999 and 2003. Among the states whose caseloads decreased were several states with the some of the highest caseloads in 1999. For example, Colorado's caseload went from 333 to 138 as its licensing budget nearly doubled. Figure 1 illustrates the ranges of caseload levels of licensing staff by state in 2003; see appendix II for a comparison of caseload by state in 1999 and 2003 and appendix III for comparisons of licensing budgets and staffing levels by state in 1999 and 2003.

Figure 1: Caseload Ranges for State Licensing Staff, 2003



Source: GAO analysis of state survey, 2004.

While state data showed 12 states maintaining caseloads at recommended levels, states reported that they were visiting facilities as often as recommended, and in 15 states, more often. States may be managing to visit facilities as often as recommended while maintaining caseloads higher than those recommended, in part because the caseload standard itself is not appropriate for some states. Experts note that this standard does not fully account for time-saving technology that might allow some states to operate effectively with larger than recommended caseloads. Further, licensing staff could be making trade-offs not captured in our survey. For example, staff could be maintaining their schedule for monitoring visits at the expense of performing other duties, including processing applications, providing technical assistance, or documenting inspection visits in a timely manner.

The Number of States Exempting Some Family Child Care Remained about the Same

According to the data reported through state surveys and NCCIC, one less state exempted family child care providers—sole caregivers who care for children in a private residence other than the child’s—than were exempted from health and safety requirements in 1999. In 1999, 39 states exempted some family child care providers from regulation, and by 2003, 38 states were exempting some of these types of providers. In addition, fewer states required licensure for some types of centers in 2003 than had in 1999, including religious centers, federal centers, and recreation centers. See table 3.

Table 3: Types of Providers State Licensing Agencies Reported They Regulated or Exempted, 1999 and 2003

Type of provider	Number of states ^a					
	Regulated				Exempted from state regulation ^c	
	Licensed		Regulated, nonlicensed ^b		1999	2003
	1999	2003	1999	2003	1999	2003
Family child care	30	35	18	16	39 ^d	38 ^d
Group homes	35	35	6	6	2	2
Centers						
Commercial	47	46	2	3	0	3
Religious	43	39	7	8	3	5
School-based preschool	27	31	5	6	11	16
School-based after-school	33	35	4	5	13	16
Recreation	18	14	1	4	20	32
Work site	46	44	3	4	1	7
Federal	20	14	2	8	21	16
State/local	38	39	5	4	6	7

Source: GAO analysis of 1999 and 2003 state surveys and NCCIC.

^aThe sum of the number of states for each year for each type of provider may not equal 50, either because states may have licensed or regulated some subtype of provider but not others or because a state may not have provided data for certain categories.

^bRegulated, nonlicensed providers are also known as registered or certified providers. Registered or certified only includes those providers regulated by the state licensing agency. Providers can also become voluntarily regulated or regulated by another state or local agency.

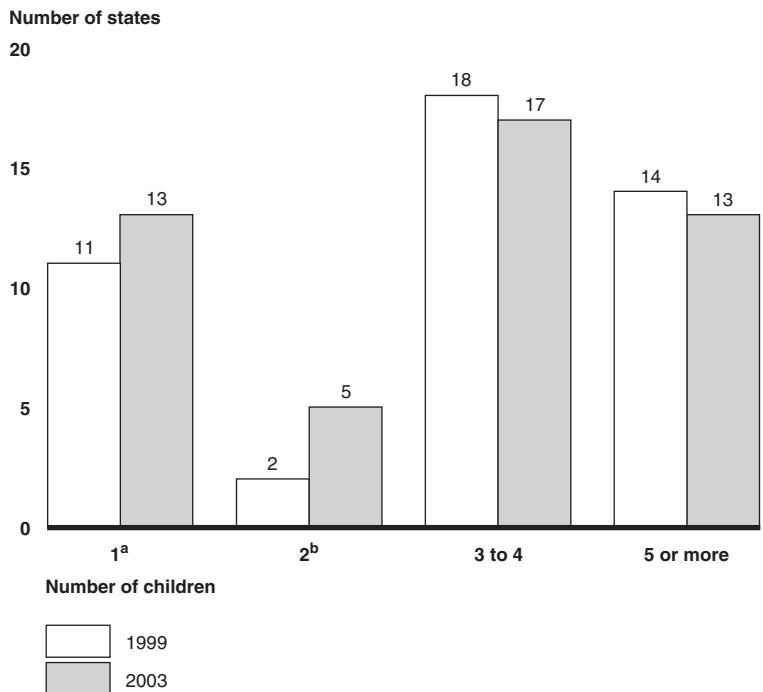
^cThe state exemption does not extend to providers of child care for which federal assistance is provided. By federal regulation, these providers are subject to state health and safety regulations.

^dThis is the number of states that exempted some family child care providers.

Many states set thresholds at which regulation begins according to the number of children served by different types of providers and exempt from regulation those providers falling below these thresholds. For example, states commonly determine which family child care providers

will be regulated based on the number of children in care. Specifically, in a given state, providers caring for 7 or more children in their home might be regulated, while providers caring for 4 children in their home might be exempted from regulation. As figure 2 illustrates, these regulatory thresholds have changed very little since 1999. However, 18 states met or exceeded the recommended practice of regulating providers who cared for 2 or more unrelated children in 2003, whereas 13 were doing so in 1999.¹¹

Figure 2: Thresholds for Regulation, as Represented by Number of Children Cared For in Family Child Care, 1999 and 2003



Source: GAO analysis of state survey, 1999, and NCCIC, 2003.

^aStates in this category would exceed NAEYC's recommended practice of regulating providers who care for 2 or more unrelated children.

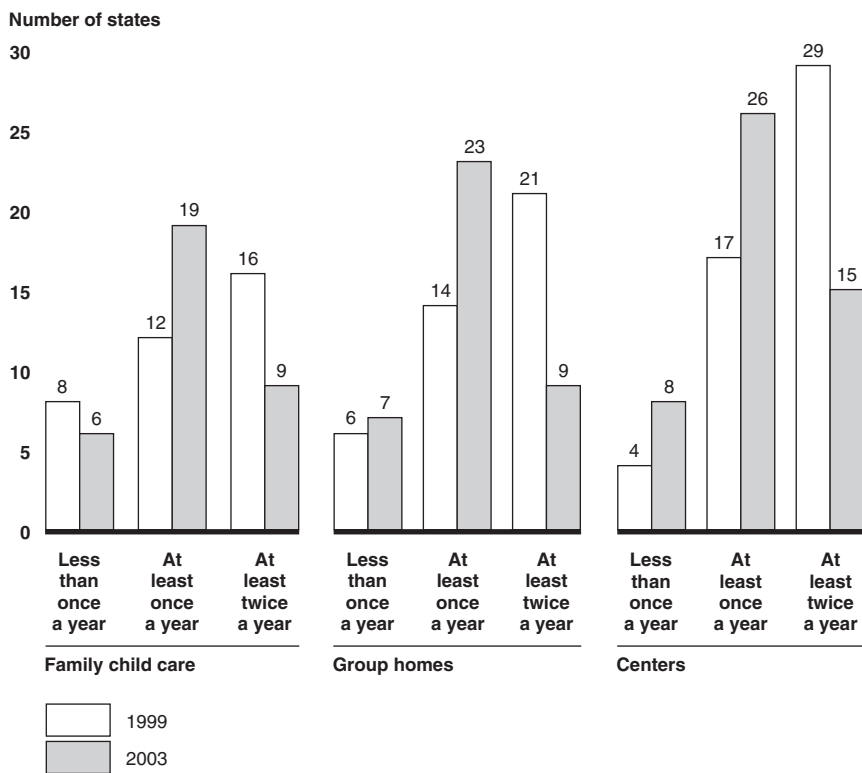
^bStates in this category would meet NAEYC's recommended practice of regulating providers who care for 2 or more unrelated children.

¹¹NAEYC recommends regulating providers who care for two or more unrelated children.

Inspections Still Conducted in Accordance with Recommended Practices, but Most States Short of Recommended Hours of Training

Although some changes had occurred since 1999, states continued to conduct compliance inspections in accordance with recommended practices of conducting compliance inspections at least once a year. However, the number of states that visited facilities at least twice a year dropped by about half for all types of settings. According to the data reported to us through our survey, 41 states inspected centers at least annually, and 32 states did so for group homes. Similarly, 28 states conducted inspection visits to family child care homes at least once a year. See figure 3 and appendix IV.

Figure 3: Number of Inspection Visits Per Year, 1999 and 2003



Source: GAO analysis of state surveys, 1999 and 2004.

The number of states requiring providers to pursue ongoing training increased from 26 in 1999 to 29 in 2003, and as in 1999, the same number of states (4) specifically followed the recommended practice by requiring at least 24 hours of training per year for center directors, and 3 states required this of center teachers. No states required this level of training for family child care providers. The same number of states (32) required

licensing staff to have an academic degree in a related field in 1999 and 2003. Similarly, in 1999 and 2003, the same number of states (33) required licensing staff to have work experience in licensing or a related field before being assigned to licensing and enforcement activities. Finally, although very few states had required licensing staff to pass a test in 1999 (7), even fewer required this in 2004 (3).

Many States Engage in Enforcement Activities for Exempt Providers Receiving Child Care Subsidies

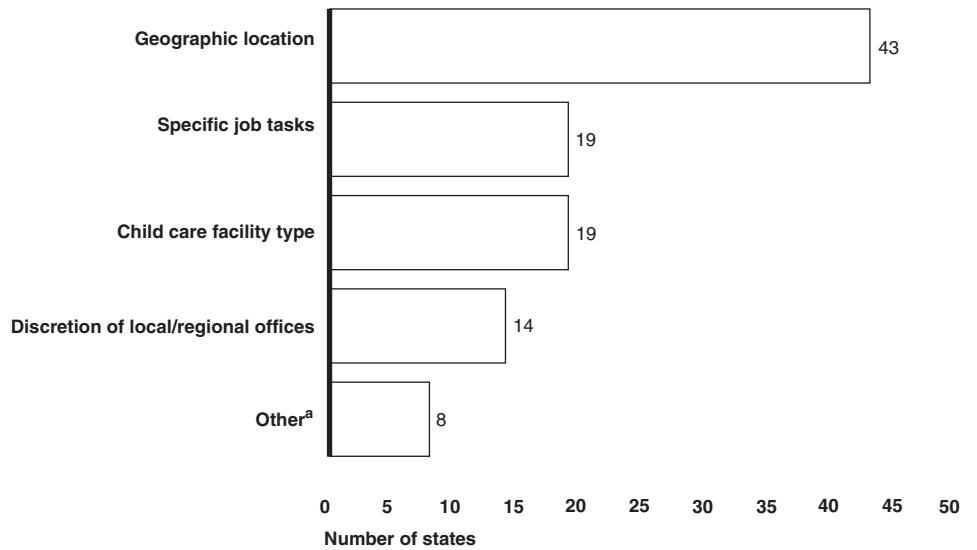
More states informed exempt, subsidized providers about the requirements under the federal grant by sending them a package of information about health and safety requirements in 2003 (32) as reported doing so in 1999 (28). In addition, 17 states reported informing providers by requiring them to attend a short briefing or orientation sessions. Of these, 13 states both sent them a package of information and required attendance at a briefing or orientation.

In monitoring providers exempted from regulation who were receiving CCDF funds, states exercised the wide discretion given them by the grant in determining how, or whether, to enforce state and local safety and health requirements for such providers. Some states monitored such providers relatively intensely, while others did not have the authority to do so under state law. For example, some states conducted background checks on exempt providers or inspected such providers. The number of states conducting background checks and inspections for such providers increased since 1999. For 2003, 37 states reported conducting background checks on exempt providers, compared with 20 in 1999. Similarly, for 2003, 12 states reported conducting inspections for such providers compared with 6 in 1999. Finally, for 2003, 9 states reported conducting both background checks and inspections, while 4 states reported doing so in 1999.

Many Inspection Staff Are Organized by Geographic Location, and Technology Is Used in Most Parts of the Licensing and Inspection Process

While 43 states assigned staff to a geographic location, those states using this broad method varied in the specifics of such assignments. Nineteen states also reported assigning staff based on specific job task, such as responding to complaints. Nineteen states reported assigning staff to inspect a particular type of child care facility, such as centers or family homes. Some states used multiple criteria to organize their staff; these states frequently first assigned staff based on geographic location and then relied on secondary criteria, such as type of child care facility. See figure 4.

Figure 4: Number of States Using Various Criteria to Assign Inspection Staff in 2003



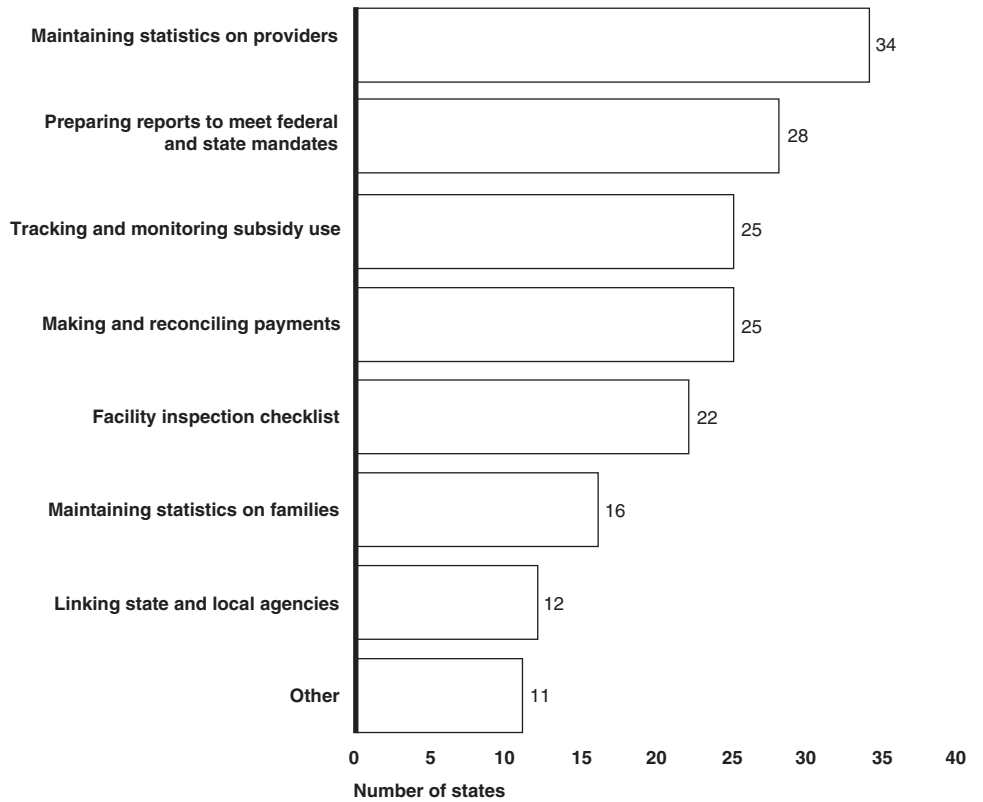
Source: GAO analysis of state survey, 2004.

^aOther includes four states that indicated they used no criteria to assign staff.

Note: States can list more than one criterion.

Forty-five states reported using technology to assist them with many aspects of licensing and enforcement activities. States used technology for tracking and monitoring subsidy use, inspecting facilities, making and reconciling payments to providers, linking state and local agencies, maintaining statistics on providers, maintaining statistics on families, and preparing reports to meet federal and state mandates. See figure 5.

Figure 5: How States Use Technology



Source: GAO analysis of state survey, 2004.

Note: States can list more than one use of technology.

Technology to complete some of these tasks was available in only a limited number of locations, such as the state licensing office, while for other tasks the technology could be accessed anywhere in the state by authorized users. More states had the ability to maintain statistics on providers and families (24 states) and preparing reports to meet federal and state mandates (20 states) statewide than for any other tasks (tracing and monitoring subsidy use (18 states), making and reconciling payments (17 states), facility inspection checklist (16 states) or linking state and local agencies (12 states)).

Promising Practices in Technology, Rating Systems, and Training

States we visited have adopted a number of promising practices to assist in their child care licensing and enforcement activities. First, some states used technology in ways that allowed them to streamline their licensing and enforcement processes and to manage parent and provider information particularly effectively. Second, the states we visited had paired frequent inspections with technical assistance to help ensure that child care providers would meet state health and safety regulations. Third, three states we visited had implemented rating systems that differentiate providers by the quality of care they provide. Such systems have helped parents choose child care providers by allowing them to compare the quality of different providers. In addition, these systems have helped states determine what training and technical assistance each provider needs and have offered providers incentives to improve and maintain the quality of their care. Fourth, all the states we visited encouraged partnerships with community organizations to improve the training and education of providers. For example, states partnered with community colleges to connect providers with educational opportunities and with resource and referral agencies to meet the ongoing training needs of providers.

States Can Use Technology to Make Critical Licensing and Enforcement Activities More Accessible and Efficient

States we visited used technology to make licensing and enforcement information more readily available to providers and parents, save time and resources, and track payments and subsidy use. For example, Florida—the state with the most complete, integrated, and up-to-date technology system of the states we visited—used technology to create an online public information system for providers and parents. Providers can use this system to access online information about state policies and regulations, training requirements, how to start a center, and other information. This has helped providers increase professionalism and self-monitoring, according to state officials. Parents can use the system to access the compliance histories of each provider.

In addition, some states have used technology to make critical licensing and enforcement activities more efficient. For example, Florida's Internet-based system allows providers to register for training online and access their transcripts and final examination results. Florida officials also told us that posting provider information online reduced the amount of time child care licensing staff had to spend answering questions from providers and consequently allowed them to spend more time on other enforcement activities.

Two states we visited—Florida and North Carolina—have used laptops to make the enforcement process more efficient.¹² Specifically, in these states inspectors were able to enter data into their laptops while conducting inspections rather than having to enter this information into the computer after returning to the office. In addition, inspectors in Florida were able to print a copy of the compliance report for providers while on-site to facilitate discussions of areas needing improvement. The laptops also saved inspectors time by allowing them to quickly access provider information, state child care regulations, noncompliance citations, and inspection forms. Officials in both Florida and North Carolina said that using laptop computers had helped inspectors spend less time on administrative duties and allowed them to spend more time providing on-site technical assistance to providers. The project coordinator in Florida said that this system which only covers child care licensing, was more affordable than other states' licensing systems, which are part of their larger statewide child welfare information systems.¹³

In another state, technology was used to make it easier for providers and parents to manage subsidy payments and reduced the likelihood of fraud or overpayment. Specifically, Oklahoma reported using an electronic benefits transfer (EBT) system to automatically calculate payment rates and to track subsidy use. Because Oklahoma reimburses providers at over 160 different rates depending upon the characteristics of the family and provider receiving a subsidy, the likelihood of error had been significantly higher before the system was implemented, when licensing staff were responsible for identifying the appropriate rate. According to state officials, this system has saved time processing paperwork. Further, the EBT system has allowed parents receiving a child care subsidy to document the time and attendance for their children using an EBT card issued by the state, and providers are automatically reimbursed at the appropriate rate.¹⁴ This automated system has also helped

¹²Florida's system has been in place since 2002. North Carolina is currently piloting a similar system.

¹³According to data provided by the program coordinator, Florida's new system of 120 laptops with related equipment, software, training, help desk and support contract, cost about \$700,000 for the whole state. Annual costs of supporting the licensing component of their system have run about \$400,000 to \$500,000.

¹⁴The card covers the subsidized amount for that parent. The parents also have to give the provider a copayment to cover the full costs. The same EBT card can be used for food stamps and TANF benefits if the family qualifies for those benefits.

officials identify instances of child care fraud and payment abuse, according to state officials.

We found that in the states we visited, only those that had recently invested in computer systems, such as Florida, had been able to take advantage of new technologies at an affordable price. In contrast, other states that had not recently invested in computer systems, such as Delaware, had been unable to adopt such promising practices. Specifically, although Delaware had been on the leading edge of using technology almost a decade ago, it had been unable to maintain this advantage. One state official said that it is costly to implement and maintain the technology necessary to support facilities inspection, particularly when the state's system is relatively old and needs to be updated. For example, Delaware's system was designed in 1995 to help staff investigate child abuse, but was being used in 2003 to track the licensing process. According to state officials, the system was difficult to use for management purposes. To upgrade the system to adopt promising practices such as entering data while conducting on-site inspections, the state would need to develop the system and obtain additional equipment, such as laptop computers. However, officials told us that despite the increases in the state licensing budget since 1999, the state does not have the funding to upgrade the system and purchase additional technological equipment because these funds had been for specific purposes, such as staffing and infant and toddler programs.

Rating Systems Helped Parents Choose Child Care and Offered Providers Incentives to Improve and Maintain the Quality of Child Care

Florida, North Carolina, and Oklahoma have implemented rating systems to tie the level of reimbursement to a provider's quality.¹⁵ These rating systems helped create a market system by giving parents more information about the quality of child care providers, and offered incentives to providers to obtain higher levels of education and improve quality in their facilities. In implementing rating systems, states set standards for different tiers of quality and assessed providers against these standards. The lowest tier included those providers who only met the state licensing criteria, while the highest tiers in Florida and Oklahoma included those providers who have achieved accreditation by national organizations. States differ in

¹⁵Delaware has a rating system in draft form.

the number of tiers in their systems: North Carolina has five, Oklahoma has four, and Florida has two tiers.¹⁶

Ratings systems have helped parents choose child care providers by allowing them to compare the quality of different providers. While some parents might not have known whether national accreditation would mean higher-quality care, they can easily identify that a provider with five stars was considered to provide better quality than a provider with one star.

Rating systems also offered providers incentives to improve and maintain the quality of their facilities by offering higher levels of reimbursement to higher-quality providers. For example, through the star rating systems in North Carolina and Oklahoma, providers with more stars received a higher rate of reimbursement than providers with one star. Similarly, in Florida high-quality providers also receive financial incentives such as a reimbursement rate for subsidized children that is 20 percent higher than the market rate, a tax break for high-quality providers whose clientele does not include subsidized families, and an exemption from sales tax on educational materials. Officials in Oklahoma said that the rating system has provided incentives to all providers to improve the quality of their care, even providers who do not serve subsidized children. Such providers use the star rating as a marketing tool for their facilities, according to state officials.

Finally, the rating systems—and the standards and indicators of quality on which they are based—can help states focus their child care quality efforts. For example, North Carolina’s five-star rating system forms the core of all its child care quality efforts, according to state officials. The Stars program provided the criteria for identifying areas in which individual centers needed to improve and the steps centers could take to obtain a higher rating, the basis for developing and providing full-day professional development and workshops throughout the year, and links with financial supports to encourage and reward participation in professional development that could lead to higher-quality child care.

¹⁶The two tiers are at the state level. Local agencies in Florida may have additional tiers for reimbursement tied to quality issues.

Training

Training is an integral part of ensuring and upgrading the quality of early childhood education for all the states we visited. We found promising practices in training and information programs for providers and parents. Training and information for providers includes information on starting up a facility and program standards that may be available in information packages or on the Internet; orientation training; technical assistance; staff development courses; conferences, and model observation training sites. Parent information services includes providing information on what to look for when evaluating child care providers, as well as related information on vaccinations, screening and playground safety and where to access parent support services. Delaware, North Carolina, and Oklahoma were cited by experts as having notable training programs.¹⁷ What they have in common is that each training program is part of a total statewide system of interconnected partnerships between state and community agencies to ensure quality early childhood care.

Prelicensing and New Providers Training

In these three states, licensing officials offered prelicensing training so that potential providers could get information on state requirements to avoid being out of compliance. In Delaware, staff from the Family & Workplace Connection, which is the umbrella organization that provides both training and resource and referral (R&R) services and offered a wide range of training opportunities that included some technical assistance, also attended new provider orientations given by the licensing office, to meet these providers and inform them of other services they supply, like the food program, which can furnish free food to providers, or grant opportunities. According to one official, these supports helped providers understand the health and safety requirements, which in turn helped facilitate compliance. In Delaware, inspectors also walked new providers through the health and safety regulations and addressed providers' questions or concerns on their first walk-through of the facility.

Staff Development Training

The bulk of training for providers was provided by training organizations—community colleges, early education training centers, some R&R agencies, and universities—working in partnership with the licensing offices for ongoing staff development. Such training is designed to help providers meet ongoing training requirements and provide them with technical assistance so they can improve the quality of their care by

¹⁷Although Florida's new training system appears to have the same comprehensive structure as the other states we visited, we did not closely examine it because Florida was not initially cited as having a model training program by experts we interviewed.

engaging in training programs aligned with state standards and requirements. Oklahoma, North Carolina, and Delaware pursued different strategies to implement this alignment, and Florida demonstrated how a comprehensive Internet information system saves time for providers, training organizations, and state officials.

- Oklahoma’s three-tiered training program comprehensively addresses all training needs from meeting minimal requirements for child care licensing to the most advanced professional development for early care and education workers and center directors. Tier I is short-term, job-related training that can be counted toward ongoing training requirements. Providers can pursue Tier I training by attending workshops or conferences related to their job, watching videos, and self-directed reading, and by participating in in-service training. Tier II is in-depth training that providers engage in by completing courses approved by the state’s Center for Early Childhood Professional Development. Tier III training is advanced training, formal education through credit-bearing courses at accredited colleges, universities, and technology centers that transfer for credit to such schools, leading to the highest levels of the quality enhancement star system, the career development ladder, and the Oklahoma director’s credential.
- North Carolina has woven its provider training into its comprehensive Smart Start program, which is a recognized national model of partnerships working together to meet the needs of young children. As part of this program, the education level of staff is one of three areas on which providers are evaluated when their quality rating is determined.¹⁸ Providers who meet higher standards for education and experience receive more stars because, according to state officials, child care teachers with more early childhood education and experience are prepared to provide children with a more enriching child care experience. Providers can improve their star rating by increasing staff education and experience levels and by employing more teachers with early childhood education credentials and experience. Providers can pursue such credentials by completing certificate or higher education programs offered at community colleges and universities. Such training activities are facilitated and coordinated by the North Carolina Institute for Early Childhood Professional Development.

¹⁸The others areas are program standards and compliance history, i. e., how well the program adhered to the rules.

-
- Delaware First, the career development program for early childhood professionals that is operated by the Family & Workplace Connection, has developed Core Curricula—Basic, Advanced, and Specialty—that can be used to fulfill training requirements and also to pursue a Child Development Associate degree or college credit.
 - Florida and Delaware provided training information and administrative functions through the Internet. This has saved time for providers, inspectors, and training organizations by allowing providers to register online for courses offered at community colleges or other organizations offering child care training. In addition, providers and inspectors have been able to access providers' transcripts online.¹⁹ State officials say that this program has saved the state time and money, although no studies have been done to quantify these savings. Other state officials have noted that using an Internet system has promoted quality in child care by making the process transparent and easily accessible. In Florida, for example, families seeking quality child care can see the latest the inspection reports on a facility because they are immediately posted on the Internet.

According to child care officials and the National Association for the Education of Young Children (NAEYC), training opportunities are maximized and retention rates for child care workers increased when rewards for training and higher quality child care are linked. For example, both North Carolina and Oklahoma offer incentives to providers to encourage them to pursue training. These incentives are offered through a program for college scholarships funded by state, federal, and private dollars (T.E.A.C.H. Early Childhood).²⁰ Both North Carolina and Oklahoma have also adopted a salary supplement program called WAGE\$ to reward increased education attainment.

Parent Training

Parent training is provided by R&R organizations in each state, which provide information on the Internet and by telephone, as well as through written brochures, fact sheets, and newsletters. For example, Florida's R&R provides parents a database listing all legally operating child care and early childhood providers, available options for care, indicators of quality to look for when considering a provider, and what to consider when checking on a child's placement, that is, determining how well the

¹⁹Transcripts are proof that education requirements have been met.

²⁰The T.E.A.C.H. program was operating in 22 states in 2003.

placement will meet a child's needs. In Delaware, the R&R offered workshops throughout the year to parents on over 105 topics pertaining to children up to school age. In all four states we visited, the R&R agency provided a system to help parents locate child care—often known as a child care locator—as well as information about how to choose quality care and what training opportunities were available for parents. One expert we interviewed told us that it is important to educate parents because they are the ones who visit the child care facility every day and are most effective in helping to ensure provider compliance with state child care standards.

Concluding Observations

By expanding who is covered by licensing requirements and parental knowledge, states have increased oversight on child care providers since 1999. However, some states have decreased the number of inspections per facility per year. At the same time, states are maintaining their flexibility in administering CCDF and providing parents with choice in the child care options available to them. States use inspections to oversee the child care provided in facilities with the greatest number of children and use less intensive methods like self-certification for other facilities they regulate. Self-certification affords less assurance that providers are meeting safety and health requirements, but in an era when caseload sizes already exceed recommended levels in many states and states find themselves challenged by increasing child care demand, it helps keep low-cost child care available.

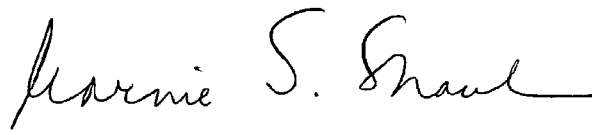
The use of technology has also increased in the states for state licensing staff, providers, and parents. Not only have the number of states using technology in the areas associated with state activities in new areas, providing information and training resources for parents licensing and enforcement increased, but technology has also expanded into new areas, providing information and training resources for parents, providers, and training organizations on a broad range of topics for a number of different functions. The obvious advantages of an up-to-date, Internet-based, integrated information system have been demonstrated by Florida. However, the size of the investment required for this type of system depends on whether or not the state chooses to create an independent licensing information system, or if the state wants its licensing system to be part of a larger statewide child care information system. Florida found it more affordable to do the former.

Agency Comments

We provided officials of the Administration for Children and Families (ACF), HHS, an opportunity to comment on a draft of this report. ACF was pleased with the findings and noted that the report will be especially helpful to ACF and the states because it compares state child care health and safety enforcement in 1999 and 2003. ACF's comments are reproduced in appendix VI. ACF also supplied technical comments that were incorporated as appropriate.

Unless you publicly announce its contents earlier, we plan no further distribution until 30 days after the date of this letter. At that time we will send copies of this report to the Honorable Wade F. Horn, Assistant Secretary, Administration for Children and Families, HHS; appropriate congressional committees; and other interested parties. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>. If you or your staff have any questions or wish to discuss this material further, please call me on (202) 512-7215.

Sincerely yours,



Marnie S. Shaul, Director
Education, Workforce, and
Income Security Issues

Appendix I: Scope and Methodology

To perform our work, we conducted a mail survey in 2004 of state licensing officials in all 50 states and the District of Columbia about their licensing and enforcement policies and practices in 2003. Specifically, we asked states to report on the frequency of their compliance inspections, background checks, training programs and educational requirements for licensing staff, and caseload sizes. We achieved a response rate of 98 percent, with 49 states and the District of Columbia responding to our survey. Maine did not respond. In our 1999 survey, we achieved a 100 percent response rate.

We compared our survey results with a mail survey we conducted in 1999 to identify any changes that had occurred within the past few years. Of the 30 substantive questions on our 2004 survey, 17 were identical to those in the 1999 survey, 1 was a version of another 1999 question, and 12 were new questions. To ensure their reliability, we pretested all new questions with current or former state licensing officials.

Rather than using our survey data for the number of states exempting family child care providers' regulation, we used data from the National Child Care Information Center (NCCIC). The responses to question 16 of our survey (on the number of states exempting some family child care homes from state regulation) proved problematic, as it had in the 1999 survey. Callbacks to a sample of respondents whose survey responses differed from data produced by NCCIC showed that respondents misunderstood our question. The NCCIC information was based on published state standards of the regulation threshold point for the number of children served rather than survey data. Therefore we used the NCCIC data in this report to answer this question. Since this was similar to what we had done to compensate for the problems in responses to that question in the 1999 survey, the data for the 2 years are comparable.

In addition, we conducted a literature search and interviewed child care licensing experts and state and federal officials to gather information about critical licensing and enforcement activities occurring within the states. The experts we interviewed included university research professors, representatives from public policy organizations, staff from organizations that deal with the policy and practice of providing child care services.

With the information we gathered through these expert interviews, we identified and conducted site visits in four states—Delaware, Florida, North Carolina, and Oklahoma—to provide examples of promising practices in licensing and enforcement. We conducted our work between

October 2003 and July 2004 in accordance with generally accepted government auditing standards.

Appendix II: State Caseloads, Fiscal Years 2003 and 1999

State	Number of child care facilities 2003	Number of full-time equivalent staff for child care licensing and enforcement 2003	Caseload (facilities/inspector) 1999	Caseload (facilities/inspector) 2003	Percentage change in caseload, 1999 to 2003
Alabama	3,356	a	276	a	a
Alaska	1,924	32	b	60	a
Arizona	2,857	40	90	71	-21
Arkansas	2,680	5	91	536	489
California	59,179	246	249	241	-3
Colorado	7,179	52	333	138	-59
Connecticut	4,937	32	171	154	-10
Delaware	2,024	15	160	135	-16
District of Columbia	595	9	85	66	-22
Florida	9,844	85	118	116	-2
Georgia	8561	54	229	159	-31
Hawaii	1006	29	a	35	a
Idaho	a	a	a	a	a
Illinois	13,550		75	a	a
Indiana	4,637	45	116	103	-11
Iowa	7,196	12	c	600	a
Kansas	8,612	31	166	278	67
Kentucky	2,224	38	97	59	-40
Louisiana	6,969	25	a	279	a
Maine	b	b	327	b	b
Maryland	12,844	152	113	85	-25
Massachusetts	12,766	59	204	216	6
Michigan	18,749	61	228	307	35
Minnesota	1,614	0	142	a	a
Mississippi	a	25	109	a	a
Missouri	4,389	77	52	57	10
Montana	1,884	12	152	157	3
Nebraska	4,038	28	153	144	-6
Nevada	a	7	63	a	a
New Hampshire	1,212	9	74	135	82
New Jersey	9,101	31	129	294	128
New Mexico	1,006	11	a	91	a
New York	16,298	406	104	40	-61
North Carolina	9,066	116	135	78	-42

**Appendix II: State Caseloads, Fiscal Years
2003 and 1999**

State	Number of child care facilities 2003	Number of full-time equivalent staff for child care licensing and enforcement 2003	Caseload (facilities/inspector) 1999	Caseload (facilities/inspector) 2003	Percentage change in caseload, 1999 to 2003
North Dakota	1,623	19	104	85	-18
Ohio	21,244	59	149	360	142
Oklahoma	6,521	130	56	50	-10
Oregon	6,055	40	75 ^d	151	102
Pennsylvania	9,081	71	157	128	-19
Rhode Island	1,786	9	168	198	18
South Carolina	3,583	52	250	69	-72
South Dakota	1,150	12	175	96	-45
Tennessee	4,938	168	71	29	-59
Texas	20,293	281	66	72	9
Utah	2,012	26	70	77	11
Vermont	1,905	8	271	238	-12
Virginia	6,590	75	104	88	-16
Washington	9,012	88	118	102	-13
West Virginia	4,014	44	57 ^e	91	60
Wisconsin	5,588	60	82	93	14
Wyoming	717	17	149	42	-72

Source: GAO surveys, 1999 and 2004.

^aData were not available.

^bState that did not respond to this survey.

^cIowa only provided caseload data for centers.

^dOregon provided an estimate of its caseload for group homes and centers only.

^eWest Virginia could provide data only on the number of its child care centers.

Appendix III: State Child Care Licensing Budget and Full-Time-Equivalent Staffing Levels, 1999 and 2003

Most state licensing offices reported increases in budgets and the number of full-time equivalent (FTE) staff since 1999, although an increase in one did not necessarily reflect an increase in the other.

State	Licensing budget			FTEs		
	1999	2003 ^a	Percentage change, 1999 to 2003	1999	2003	Percentage change, 1999 to 2003
Alabama	b	b	b	16	b	b
Alaska	b	b	b	b	32	b
Arizona	b	\$2,115,961	b	25	40	+60
Arkansas	\$2,170,972	2,928,492	+35	35	5	-86
California	77,405,725	232,195,000	+200	197	246	+25
Colorado	2,900,000	5,545,095	+91	25	52	+108
Connecticut	1,750,000	2,652,000	+52	36	32	-11
Delaware	1,689,841	2,094,500	+24	14	15	+7
District of Columbia	1,186,000	1,187,000	0	7	9	+29
Florida	5,719,145	15,634,362	+173	75	85	+13
Georgia	4,017,676	5,752,602		49	54	+10
Hawaii	9,556,728	632,304	-93	0	29	c
Idaho	b	b	b	b	b	b
Illinois	b	16,907,943	b	171	b	b
Indiana	2,152,464	2,832,145	+32	34	45	+32
Iowa	b	b	b	b	12	b
Kansas	2,596,754	3,670,352	+41	55	31	-44
Kentucky	8,888,500	2,499,300	b	21	38	+81
Louisiana	1,800,000	222,961	-88	b	25	b
Maine	600,000	d	d	11	d	d
Maryland	8,438,215	11,599,924	+37	126	152	+21
Massachusetts	7,000,000	7,018,242	0	69	59	-14
Michigan	8,000,000	18,546,700	+132	93	61	-34
Minnesota	3,320,013	b	b	114	b	b
Mississippi	750,000	1,701,701	+127	15	25	+67
Missouri	5,000,000	5,399,384	+8	86	77	-10
Montana	b	652,142	b	12	12	0
Nebraska	b	1,722,772	b	28	28	0

**Appendix III: State Child Care Licensing
Budget and Full-Time-Equivalent Staffing
Levels, 1999 and 2003**

State	Licensing budget			FTEs		
	1999	2003 ^a	Percentage change, 1999 to 2003	1999	2003	Percentage change, 1999 to 2003
Nevada	^b	1,581,258	^b	17	7	-59
New Hampshire	692,576	851,746	+23	16	9	-44
New Jersey	3,452,400	2,717,369	-21	28	31	+11
New Mexico	674,200	565,000	-16	15	11	-27
New York	13,498,700	28,000,000	+107	234	406	+74
North Carolina	5,670,000	11,732,850	+107	67	116	+73
North Dakota	453,400	954,050	+110	18	19	+6
Ohio	3,999,575	5,351,784	+1239	66	59	-11
Oklahoma	5,680,905	7,100,000	+25	111	130	+17
Oregon	2,732,259	5,532,146	+102	34	40	+18
Pennsylvania	4,500,000	5,750,000	+28	55	71	+29
Rhode Island	^b	825,760	^b	7	9	+29
South Carolina	1,612,433	3,148,902	+95	15	52	+247
South Dakota	608,110	694,690	+14	10	12	+20
Tennessee	1,922,700	7,300,000	+280	81	168	+107
Texas	14,100,000	23,989,393	+70	329	281	-15
Utah	2,576,798	3,004,179	+17	31	26	-16
Vermont	629,972	658,514	+5	7	8	+14
Virginia	6,919,074	12,061,452	+74	57	75	+32
Washington	5,411,000	9,615,023	+78	79	88	+11
West Virginia	^b	^b	^b	7	44	+529
Wisconsin	3,480,800	6,266,910	+80	60	60	0
Wyoming	444,279	1,135,621	+156	6	17	+183

Source: GAO surveys, 1999 and 2004

^aThe latest year for which budget data were available was 2003.

^bSome states could not provide us with FTE or budget information for particular years.

^cCannot express as a percentage change because 1999 was zero.

^dMaine did not respond to the survey.

Appendix IV: Frequency of Licensure and Monitoring Visits in the States

State	Number of years for which a license is issued	Does the state conduct renewal visits?	Frequency of routine compliance visits
Alabama			
Family day care ^a	2	Yes	Once a year
Group homes ^b	2	Yes	Once a year
Centers ^c	2	Yes	Once every 2 years
Alaska			
Family day care	2	Yes	Once a year
Group homes	2	Yes	Once a year
Centers	2	Yes	Once a year
Arizona			
Family day care	3	Yes	Once a year
Group homes	3	Yes	Once a year
Centers	3	Yes	Once a year
Arkansas			
Family day care	Nonexpiring	N/A	At least twice a year
Group homes	N/A	N/A	N/A
Centers	Nonexpiring	N/A	At least twice a year
California			
Family day care	Nonexpiring	N/A	Not inspected on a regular basis
Group homes	Nonexpiring	N/A	Not inspected on a regular basis
Centers	Nonexpiring	N/A	Not inspected on a regular basis
Colorado			
Family day care	Nonexpiring	Yes	Once every 2 years
Group homes	Nonexpiring	Yes	Once every 2 years
Centers	Nonexpiring	Yes	Once every 2 years
Connecticut			
Family day care	2	No	Less often than once every 2 years
Group homes	2	No	Once every 2 years
Centers	2	No	Once every 2 years
Delaware			
Family day care	1	No	Once a year
Group homes	1	Yes	Once a year
Centers	1	Yes	Once a year

**Appendix IV: Frequency of Licensure and
Monitoring Visits in the States**

State	Number of years for which a license is issued	Does the state conduct renewal visits?	Frequency of routine compliance visits
District of Columbia			
Family day care	1	Yes	Once a year
Group homes	N/A	N/A	N/A
Centers	1	Yes	Once a year
Florida			
Family day care	1	Yes	At least twice a year
Group homes	N/A	N/A	N/A
Centers	1	Yes	At least twice a year
Georgia			
Family day care	Nonexpiring	No	N/A
Group homes	Nonexpiring	Yes	Once every 2 years
Centers	Nonexpiring	Yes	Once every 2 years
Hawaii			
Family day care	1	Yes	At least twice a year
Group homes	1	Yes	At least twice a year
Centers	1	Yes	At least twice a year
Idaho			
Family day care	2	Yes	Once every 2 years
Group homes	2	Yes	Once every 2 years
Centers	2	Yes	Once every 2 years
Illinois			
Family day care	3	N/A	Once a year
Group homes	N/A	N/A	Once a year
Centers	3	N/A	Once a year
Indiana			
Family day care	2	Yes	Once a year
Group homes	2	Yes	Once a year
Centers	2	Yes	Once a year
Iowa			
Family day care	2	No	Less often than once every 2 years
Group homes	2	No	Less often than once every 2 years
Centers	2	Yes	Once a year
Kansas			
Family day care	1	No	Not inspected on a regular basis
Group homes	Nonexpiring	Yes	Once a year
Centers	Nonexpiring	Yes	Once a year

**Appendix IV: Frequency of Licensure and
Monitoring Visits in the States**

State	Number of years for which a license is issued	Does the state conduct renewal visits?	Frequency of routine compliance visits
Kentucky			
Family day care	1	Yes	Once a year
Group homes	1	Yes	Once a year
Centers	1	Yes	Once a year
Louisiana			
Family day care	1	Yes	Once a year
Group homes	1	Yes	Once a year
Centers	1	Yes	Once a year
Maine			
Family day care	^d	^d	^d
Group homes	^d	^d	^d
Centers	^d	^d	^d
Maryland			
Family day care	2	Yes	Once every 2 years
Group homes	N/A	N/A	N/A
Centers	1	Yes	Less often than once every 2 years
Massachusetts			
Family day care	3	Yes	Once a year
Group homes	3	Yes	Once a year
Centers	2	Yes	Once a year
Michigan			
Family day care	3	No	Less often than once every 2 years
Group homes	2	Yes	Once a year
Centers	2	Yes	Once a year
Minnesota			
Family day care	2	Yes	Not inspected on a regular basis
Group homes	2	Yes	Not inspected on a regular basis
Centers	1	Yes	Once every 2 years
Mississippi			
Family day care	1	Yes	Once a year
Group homes	1	Yes	Once a year
Centers	1	Yes	Once a year
Missouri			
Family day care	2	Yes	Twice a year
Group homes	2	Yes	Twice a year
Centers	2	Yes	Twice a year

**Appendix IV: Frequency of Licensure and
Monitoring Visits in the States**

State	Number of years for which a license is issued	Does the state conduct renewal visits?	Frequency of routine compliance visits
Montana			
Family day care	Varies with past performance	No	Once every 2 years
Group homes	Varies with past performance	No	Once every 2 years
Centers	Varies with past performance	Yes	Once a year
Nebraska			
Family day care	Nonexpiring	No	Once a year
Group homes	Nonexpiring	Yes	Once a year
Centers	Nonexpiring	Yes	Once a year
Nevada			
Family day care	1	Yes	At least twice a year
Group homes	1	Yes	At least twice a year
Centers	1	Yes	At least twice a year
New Hampshire			
Family day care	3	Yes	Once a year
Group homes	3	Yes	Once a year
Centers	3	Yes	Once a year
New Jersey			
Family day care	3	Yes	Once every 2 years
Group homes	N/A	N/A	N/A
Centers	3	Yes	Once a year
New Mexico			
Family day care	1	Yes	Once a year
Group homes	1	Yes	Once a year
Centers	1	Yes	Once a year
New York			
Family day care	2	no response	Once every 2 years
Group homes	2	Yes	Once every 2 years
Centers	2	Yes	Once every 2 years
North Carolina			
Family day care	Nonexpiring	N/A	Once a year
Group homes	Nonexpiring	N/A	Once a year
Centers	Nonexpiring	N/A	Once a year
North Dakota			
Family day care	1	Yes	Once a year
Group homes	1	Yes	Once a year
Centers	1	Yes	Once a year

**Appendix IV: Frequency of Licensure and
Monitoring Visits in the States**

State	Number of years for which a license is issued	Does the state conduct renewal visits?	Frequency of routine compliance visits
Ohio			
Family day care	N/A	N/A	N/A
Group homes	N/A	N/A	N/A
Centers	2	Yes	At least twice a year
Oklahoma			
Family day care	Nonexpiring	N/A	At least twice a year
Group homes	Nonexpiring	N/A	At least twice a year
Centers	Nonexpiring	N/A	At least twice a year
Oregon			
Family day care	2	N/A	Once every 2 years
Group homes	1	N/A	At least twice a year
Centers	1	N/A	At least twice a year
Pennsylvania			
Family day care	2	No	Not inspected on a regular basis
Group homes	1	Yes	Once a year
Centers	1	Yes	Once a year
Rhode Island			
Family day care	2	Yes	Once every 2 years
Group homes	1	Yes	Once a year
Centers	1	No	At least twice a year
South Carolina			
Family day care	1	No	Not inspected on a regular basis
Group homes	2	Yes	At least twice a year
Centers	2	Yes	At least twice a year
South Dakota			
Family day care	N/A	Yes	Once every 2 years
Group homes	Nonexpiring	Yes	Once a year
Centers	Nonexpiring	Yes	Once a year
Tennessee			
Family day care	1	Yes	At least twice a year
Group homes	1	Yes	At least twice a year
Centers	1	Yes	At least twice a year
Texas			
Family day care	Nonexpiring	N/A	Less often than once every 2 years
Group homes	Nonexpiring	N/A	Once a year
Centers	Nonexpiring	N/A	Once a year

**Appendix IV: Frequency of Licensure and
Monitoring Visits in the States**

State	Number of years for which a license is issued	Does the state conduct renewal visits?	Frequency of routine compliance visits
Utah			
Family day care	2	Yes	Once a year
Group homes	2	Yes	Once a year
Centers	2	Yes	Once a year
Vermont			
Family day care	1	No	Not inspected on a regular basis
Group homes	1	Yes	At least twice a year
Centers	1	Yes	At least twice a year
Virginia			
Family day care	Nonexpiring	Yes	At least twice a year
Group homes	N/A	N/A	N/A
Centers	Nonexpiring	Yes	At least twice a year
Washington			
Family day care	3	Yes	Less often than once every 2 years
Group homes	N/A	N/A	N/A
Centers	3	Yes	Once a year
West Virginia			
Family day care	2	Yes	Once a year
Group homes	2	Yes	Once a year
Centers	2	Yes	Once a year
Wisconsin			
Family day care	Nonexpiring	Yes	Once a year
Group homes	N/A	N/A	N/A
Centers	Nonexpiring	Yes	At least twice a year
Wyoming			
Family day care	1	N/A	At least twice a year
Group homes	1	N/A	At least twice a year
Centers	1	N/A	At least twice a year

Source: GAO survey, 2004

N/A: not applicable

^aFamily day care is provided by an individual provider in a private residence other than the child's home.

^bGroup homes provide care by two or more providers in a private residence other than the child's home.

^cCenters are nonresidential facilities that provide care for children and include full- and part-time group programs, such as nursery and preschool programs.

^dMaine did not respond to our survey.

Appendix V: State Survey

U.S. General Accounting Office

Questionnaire for Child Care Licensing Offices

The U.S. General Accounting Office (GAO), an agency of the Congress, has been asked by the Congress to report on state standards for child care. As part of our effort to gather information for the report, we are surveying the licensing office in each of the 50 states and the District of Columbia.

We ask that you complete and return this questionnaire to us within the next two weeks. When responding, you may consult with others who are also familiar with these topics, if you think it will help you give a more precise answer.

Consulting with others may be necessary in the section on non-regulated providers who are receiving funds from the Child Care and Development Fund (CCDF); particularly, if these providers are monitored by another state agency. If this is the case, we ask that you consult with your colleagues in that agency when completing this section of the questionnaire. It asks you to provide information about...

- The resources and staff available to your office and the training staff receive
- The types of providers that are regulated
- The types of background checks and inspections conducted, and
- The types of actions taken to ensure compliance with state standards.

Please return the questionnaire to us in the enclosed pre-addressed business reply envelope. Alternatively, you may fax your completed questionnaire to us to the attention of Kara Kramer on (202) 512-5804, or (202) 512-3190.

If you have any questions or comments about this questionnaire, please call Kara Kramer on (202) 512-5434 or Patricia Bundy on (202) 512-7037. In the event that the business reply envelope is misplaced, or your fax fails to get through, please return the questionnaire to:

U.S. General Accounting Office
Attn: Kara Kramer in CO Katrina Ryan
301 Howard Street Suite 1200
San Francisco, CA 94105

PASTE ID # HERE

Definitions

Regulation refers to the licensing, registering, certifying or approving of providers.

Child care centers are non-residential facilities that provide care for children. They include full and part-time group programs such as nursery and pre-school programs.

Group home care consists of two or more providers who provide child care services in a child's home (other than the child's home (this does not include 24-hour residential facilities)).

Family child care consists of an individual provider who provides child care services as the sole caregiver in a private residence other than the child's home.

In-home care is care provided in the child's home.

Resources, Staffing and Training

1. What is your state licensing office's budget for state fiscal year (FY) 2003? (*Enter dollars.*)

\$ _____

2. What was your state licensing office's budget for each of state FY 2002, 2001, and 2000? (*Enter dollars.*)

\$ _____ in 2002

\$ _____ in 2001

\$ _____ in 2000

Appendix V: State Survey

<p>3. What percentage of your state licensing office's budget for each of state FY 2003, 2002, 2001, and 2000 was funded using CCDF dollars? <i>(Enter percent.)</i></p> <p>_____ % of 2003 licensing budget that was funded through CCDF</p> <p>_____ % of 2002 licensing budget that was funded through CCDF</p> <p>_____ % of 2001 licensing budget that was funded through CCDF</p> <p>_____ % of 2000 licensing budget that was funded through CCDF</p> <p>4. For each job title listed below, how many full-time equivalent staff has your state's licensing office assigned to activities related to the regulation of providers of childcare and other human services in FY 2003? <i>(Enter number.)</i></p> <p><u>F.T.E. in FY2003</u></p> <p>_____ line staff conducting inspections</p> <p>_____ line staff supervisors</p> <p>5. In FY 2003, about how many full-time equivalent staff has your state's licensing office assigned to activities solely related to the regulation of child care providers? <i>(Enter number.)</i></p> <p><u>F.T.E. in FY2003</u></p> <p>_____ line staff conducting inspections</p> <p>_____ line staff supervisors</p> <p>6. We are interested in how your state deploys its professional staff. Which of the following best describes how your state's staff are deployed? <i>(Check all that apply.)</i></p> <p>1. <input type="checkbox"/> By specific job task (e.g. licensing or enforcement).</p> <p>2. <input type="checkbox"/> By child care facility type</p> <p>3. <input type="checkbox"/> By geographic location</p> <p>4. <input type="checkbox"/> At the discretion of local/regional offices</p> <p>5. <input type="checkbox"/> There is no specialization</p> <p>6. <input type="checkbox"/> Other <i>(Please specify.)</i></p> <p>_____</p>	<p>7. Has your state reorganized its licensing office within the last five years? <i>(Check all that apply.)</i></p> <p>1. <input type="checkbox"/> Yes</p> <p>2. <input type="checkbox"/> No → Go to Question 9</p> <p>8. Why was your office reorganized? <i>(Write in explanation.)</i></p> <p>_____</p> <p>9. Are the staff in your state's licensing office who are assigned to activities related to the regulation of child care providers required to have an academic degree in a related field? <i>(Check one.)</i></p> <p>1. <input type="checkbox"/> Yes</p> <p>2. <input type="checkbox"/> No</p> <p>10. Are the staff in your state's licensing office who <u>do not have an academic degree</u> but are assigned to activities related to the regulation of child care providers required to have job-related experience equivalent to an academic degree? <i>(Check one.)</i></p> <p>1. <input type="checkbox"/> Yes</p> <p>2. <input type="checkbox"/> No</p> <p>11. Are the staff in your state's licensing office who are assigned to activities related to the regulation of child care providers required to have work experience in that or a related field before they are assigned to those activities? <i>(Check one.)</i></p> <p>1. <input type="checkbox"/> Yes</p> <p>2. <input type="checkbox"/> No</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

12. Are the staff in your state's licensing office who are assigned to activities related to the regulation of child care providers required to pass a test of their knowledge of child care regulation before they are assigned to that type of work? (Check one.)

- 1. Yes
- 2. No

13. Does your state's licensing office require that staff assigned to activities related to the regulation of child care providers receive ongoing training in that area? (Check one.)

- 1. Yes
- 2. No→Go to Question 15.

14. How many hours of ongoing training is each worker required to receive each year? (Enter number.)

_____ hours or
 No specific number of hours

15. In which, if any, of the areas listed below does staff receive training as part of your ongoing training program? (Check all that apply.)

- 1. Child care
- 2. Child development
- 3. Social work
- 4. Early childhood education
- 5. Documentation and evidence gathering
- 6. Administration of licensing rules
- 7. No ongoing training program
- 8. Other (Please specify.)

Appendix V: State Survey

Regulation of Child Care Providers

16. For each type of provider listed below, please indicate if **any providers** of that type are required to be regulated by your office by placing a check as appropriate in either column 2 or 3, or both. If you do not have the type of provider, check column 1.

Now, for each provider type, regardless of whether or not your office or another office regulates any providers of that type, if **any** provider of that type that is **not required to be regulated** in your state but has **voluntarily** become regulated by your office, please indicate that by placing a check in column 4.

Next, for each provider type, regardless of whether or not your office or another agency regulates any providers of that type, if another state or local agency regulates **any providers** of that type, please indicate that by placing a check in column 5.

Finally, regardless of whether or not some providers of a specific type are regulated by your office or another agency, please indicate if **any providers** of that type are not regulated in your state, by placing a check in column 6. For example, if for a particular provider type some providers are licensed by your office, some are regulated by another state agency, and some are not regulated, you would check columns 2, 5 and 6 for that provider type. Please note that it is possible to have as many as five columns checked for any one provider type.

	Not Applicable (1)	Required to be Licensed by Your Office (2)	Required to be Regulated but not Licensed by Your Office (3)	Can Become Voluntarily Regulated by Your Office (4)	Regulated by Another State or Local Agency (5)	Not Regulated (6)
1. In-home Care						
a. Relative						
b. Non-relative						
2. Family Day Care Homes						
a. Relative						
b. Non-relative						
3. Group Homes						
4. Centers						
a. Commercial (exclude work site based)						
b. Religious organization						
c. School-based (preschool)						
d. School-base (after school)						
e. Recreational program (camps, parks)						
f. Work-site based						
g. Federal Government (on the property of, or operated by the Federal Government)						
h. State or local government (on the property of, or operated by state or local government)						
i. Other (Please specify.)						

17. In each of the settings listed below, at least what number of children must be receiving care from a provider in order for your office to regulate that provider? (Enter number for each.)

Types of settings	How many children?	Not Applicable
1. Family Day Care Homes		
a. Relative		
b. Non-relative		
2. Group Homes		
3. Centers		

18. For each of the providers listed below, please tell us the number of TANF and non-TANF children receiving care in FY 2002? (Enter number of children for each.)

Type of provider	TANF	Non-TANF
1. In-home Care		
2. Family Day Care Homes		
3. Group Homes		
4. Centers		

19. For each of the types of providers listed below, please tell us for how many years a license is issued. (Enter number of years for each in column 2, otherwise check columns 1, 3, and 4.)

Type of provider	Not applicable (1)	For how many years is a license issued?	Varies with past performance (3)	License is non-expiring (4)
1. In-home Care				
2. Family Day Care Homes				
3. Group Homes				
4. Centers				

20. For each type of provider listed below, please enter the number of providers that are currently regulated by the state or local office that is either licensed, registered, certified, approved, or voluntarily regulated. Please do not include providers regulated by another state agency or a local government. (Enter a number for each type of provider. If none, enter "0.")

Type of provider	Number that are regulated:	Data Not Available
1. In-home Care		
2. Family Day Care Homes		
3. Group Homes		
4. Centers		

Inspections of Regulated Providers

For the questions in this section, regulated providers include those that are required to be regulated and those that are voluntarily regulated.

21. For regulated providers among each of the types listed below, please indicate whether or not your office conducts an on-site inspection when a provider of this type applies for an initial license? For a renewal?

	On-site inspection for an initial license? (Check one for each.)			For a renewal ? (Check one for each.)		
	Not applicable (1)	Yes (2)	No (3)	Not applicable (1)	Yes (2)	No (3)
1. In-home Care						
2. Family Day Care Homes						
3. Group Homes						
4. Centers						

22. Please indicate whether or not your office conducts compliance inspections when your office receives a complaint that gives you reason to believe that a regulated provider is out of compliance?

	Does your office conduct compliance inspections when you receive a complaint that gives you reason to believe that a provider is out of compliance? (Check one for each.)	
	Yes (1)	No (2)
1. In-home Care		
2. Family Day Care Homes		
3. Group Homes		
4. Centers		

23. For regulated providers among each of the types listed below, in addition to inspections for an initial license or renewal, please tell us whether or not your office conducts on-site routine compliance inspections on a regular cycle?

	Does your office conduct on-site routine compliance inspections on a regular cycle? (Check one for each.)		
	Not applicable (1)	Yes (2)	No (3)
5. In-home Care			
6. Family Day Care Homes			
7. Group Homes			
8. Centers			

24. We would like to learn about your office's goal or policy as to how frequently on-site routine compliance inspections are to be conducted. Please check the column that best describes the regular cycle your office sets as a goal or policy for on-site routine compliance inspections of every regulated provider in each of the provider types listed below. (Check one for each type of provider. If "not applicable," check N/A.)

	N/A (1)	Not inspected on a regular basis (2)	Less often than once every two years (3)	Once every two years (4)	Once a year (5)	Twice a year (6)	Three times a year (7)	More than three times a year (8)
1. In-home Care								
2. Family Day Care Homes								
3. Group Homes								
4. Centers								

25. Does your state require criminal background and/or state child abuse registry checks on people who provide child care to children subsidized by CCDF funds in settings that are not regulated? (Check one.)

- 1. Criminal background checks
- 2. State child abuse registry checks
- 3. Both
- 4. Neither criminal background checks nor state child abuse registry checks

26. Does your state conduct inspections of non-regulated childcare settings that provide care to children subsidized by CCDF funds? (Check One.)

- 1. Yes
- 2. No

27. How are non-regulated providers that care for children subsidized by CCDF funds informed of the requirements to be met under the provisions of the block grant? (Check all that apply.)

- 1. A state and/or local agency sends a package of information to these providers
- 2. Providers or their staff are required to visit state or local offices for a short briefing
- 3. The state and /or local agency provides an orientation/training session to providers or their staff
- 4. The state and/or local agency provides ongoing training to providers or their staff
- 5. Providers submit a description of their operation that must be approved
- 6. The state and/or local agency provides onsite technical assistance
- 7. Other (Please Specify.)

28. Has your state automated any of the licensing office's functions? (Check one.)

- 1. Yes
- 2. No → Go to Question 31

29. Which of the following licensing and enforcement functions has your state automated? (Check all that apply.)

- 1. Tracking and monitoring of subsidy use
- 2. Inspecting facilities (check list)
- 3. Making and reconciling payments
- 4. Linking state and local agencies
- 5. Maintaining statistics on providers
- 6. Maintaining statistics on families
- 7. Preparing reports to meet federal and state mandates
- 8. Other (Please specify.)

30. Which of the following automated functions can be accessed throughout the state? (Check all that apply.)

- 9. Tracking and monitoring of subsidy use
- 10. Facility inspection check list
- 11. Making and reconciling payments
- 12. Linking state and local agencies
- 13. Maintaining statistics on providers and families
- 14. Preparing reports to meet federal and state mandates
- 15. Other (Please specify.)

General Questions

31. Please enter the name, title, and telephone number of the person completing this questionnaire

Name

Title

(Area Code) Number

32. If you have any other comments about the enforcement of your state's standards for child care, or any other topics mentioned in this questionnaire, please write them below or on the back of the page.

Thank you for your cooperation.

Appendix VI: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

AUG 30 2004

Ms. Marnie S. Shaul
Director, Education, Workforce,
and Income Security Issues
United States Government Accountability Office
Washington, D.C. 20548

Dear Ms. Shaul:

Enclosed are the Department's comments on your draft report entitled, "Child Care—State Efforts to Enforce Safety and Health Requirements" (GAO-04-786). The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department provided several technical comments directly to your staff.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Morris".

Lewis Morris
Chief Counsel to the Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for Government Accountability Office reports. OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

**COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
(HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO'S)
DRAFT REPORT, "CHILD CARE: STATE EFFORTS TO ENFORCE SAFETY
AND HEALTH REQUIREMENTS" (GAO-04-786)**

General Comments

HHS appreciates the opportunity to comment on GAO's draft report.

GAO Concluding Observations

By expanding who is covered by licensing requirements and parental knowledge, states have increased the level of oversight on child care providers since 1999. At the same time, they are maintaining their flexibility in administering the Child Care Development Fund (CCDF) and providing parents with choice in the child care options available to them. States use inspections to oversee the child care provided to the greatest number of children and use less intensive methods like self-certification for the others. Self-certification affords less assurance that nonlicensed providers are meeting safety and health requirements, but in an era when caseload sizes already exceed recommended levels in many states and states find themselves challenged by increasing child care demand, it helps keep low-cost child care available.

The use of technology has also increased in the states for state licensing staff, providers, and parents. Not only have the number of states using technology in the areas associated with state activities in new areas, providing information and training resources for parents licensing and enforcement increased, but technology has also expanded into new areas, providing information and training resources for parents, providers, and training organizations on a broad range of topics for a number of different functions. The obvious advantages of an up-to-date, Internet-based, integrated information system have been demonstrated by Florida. However, the size of the investment required for this type of system depends on whether or not the state chooses to create an independent licensing information system, or if they want their licensing system to be part of a larger statewide child care information system. Florida found it more affordable to do the former.

HHS Comments

HHS welcomes GAO's interest in this important subject. We are pleased that the report's findings document States' progress in health and safety enforcement, including improvements in monitoring, increased background checks on exempt providers, and increased use of technology. This report will be especially helpful to the Administration for Children and Families' Child Care Bureau (Bureau) and the States because it compares State child care health and safety enforcement in 1999 and 2003.

As noted in the report, CCDF provides \$4.8 billion to States for child care assistance. When all CCDF-related funds are totaled (including State expenditures and the

**Appendix VI: Comments from the Department
of Health and Human Services**

Temporary Assistance for Needy Families (TANF) program expenditures directly spent on child care services), this amount exceeds \$11 billion.

The report presents findings on how States are using technology to enhance their oversight capabilities, including maintaining statistics about providers (34 States), tracking and monitoring subsidy use, making and reconciling payments (25 States), completing facility inspection checklists (22 States), and other activities. The report also describes the rating systems and training innovations in the four States visited: Delaware, Florida, North Carolina, and Oklahoma. It is important to note that these activities are not isolated practices but trends the Bureau sees among most of the States. The National Child Care Information Clearinghouse reports 32 States with rate differentials for certain types of care.

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

Eleanor Johnson, Assistant Director, (202) 512-7209 or johnsone@gao.gov

Staff Acknowledgments

In addition to the person named above, Margaret Armen, Amy Buck, Patricia Bundy, Kara Kramer, Jerry Sandau, and Jay Smale also made major contributions to this report.

Related GAO Products

Child Care: Recent State Policy Changes Affecting the Availability of Assistance for Low-Income Families. [GAO-03-588](#), May 5, 2003.

Child Care: States Exercise Flexibility in Setting Reimbursement Rates and Providing Access for Low-Income Children. [GAO-02-894](#), September 18, 2002.

Child Care: States Have Undertaken a Variety of Quality Improvement Initiatives, but More Evaluations of Effectiveness Are Needed. [GAO-02-897](#), September 6, 2002.

Child Care: States Increased Spending on Low-Income Families. [GAO-01-293](#), February 2, 2001.

Child Care: State Requirements for Background Checks. [GAO/HEHS-00-66R](#), February 28, 2000.

Child Care: State Efforts to Enforce Safety and Health Requirements. [GAO/HEHS-00-28](#), January 24, 2000.

Child Care: How Do Military and Civilian Center Costs Compare? [GAO/HEHS-00-7](#), October 14, 1999.

Welfare Reform: States' Efforts to Expand Child Care Programs. [GAO/HEHS-98-27](#), January 13, 1998.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548