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CHILD CARE QUALITY

States' Difficulties Enforcing Standards Confront Welfare Reform Plans

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SUMMARY

As any working parent can tell you, leaving your child in the care of others is one of the most difficult decisions one makes today. But knowing whether or not that care is safe is unfortunately more often a "trial and error" experiment than a sure thing. One reason for this is that the number of children in care is outstripping states' capacity to protect them while in that care.

For example, GAO's study found that 17 states did not conduct criminal background checks on child care center providers, and 21 states did not conduct such checks on family day care providers. While Congress recently passed legislation to address this problem, no one knows yet how much it will help.

Why are states struggling with their responsibility to protect children? The answers are familiar ones for any level of government--bigger caseloads and smaller budgets.

Over the past two decades the number of women in the labor force has soared. This has led to a parallel surge in the demand for child care--a surge expected to continue. As of 1990, 7.6 million children under the age of 13 were enrolled in centers and 4 million were in family day care homes. Responsibility for the quality of that care, through the setting of quality standards and enforcement, rests almost exclusively with state and local governments. We conducted a survey of the states to get a nationwide picture of how well states are enforcing their child care standards. We found some erosion in the use of their most effective enforcement practices, as well as innovations designed to compensate for that erosion. As demand for child care continues climbing throughout this decade, states will be further challenged to ensure the health and safety of children in care.

An additional test to states' ability to protect children may come through changes initiated under welfare reform. Currently, over 9 million children are on welfare, and the present welfare system requires only a small fraction of their parents to be in school or training. However, new proposals discuss expanding the number of welfare clients who must participate in education and training activities as well as requiring them to find work after 2 years. Under this scenario, more welfare parents will be entering the child care market, possibly straining state enforcement resources even more.

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me here today to discuss our report on how states protect children in child care and promote quality.

During the past two decades the number of women in the labor force has soared. This has led to a surge in the demand for child care--a surge expected to continue. As of 1990, 7.6 million children under the age of 13 were enrolled in centers and 4 million were in family day care homes. Responsibility for the quality of that care, through the setting of quality standards and enforcement, rests almost exclusively with state and local governments. We conducted a survey of the states to get a nationwide picture of how well states are enforcing their child care standards. We found some erosion in the use of their most effective enforcement practices, as well as innovations designed to compensate for that erosion. As demand for child care continues climbing throughout this decade, states will be further challenged to ensure the health and safety of children in care.

Welfare reform may pose an additional test to states' ability to protect children. Currently, more than 9 million children are on welfare, and the present welfare system requires only a small fraction of their parents to be in school or training. However, new proposals discuss requiring more welfare clients to participate in education or training, as well as requiring them to find work after 2 years. Should this happen, more welfare parents will enter the child care market, possibly straining state enforcement resources further.

In my statement today, I would like to discuss four topics: (1) a brief description of the growth in demand and supply of child care, (2) what is quality child care and why its important, (3) what states do to protect children in care and why this has become difficult, and (4) further complications for states under welfare reform.

THE DEMAND AND SUPPLY OF CHILD CARE INCREASES

During the last 20 years, the demand for child care has steadily increased. In that time, the number of working women with children under age 6 has doubled--from 30 percent in 1970 to 60 percent in 1991. Similarly, in the last 20 years, the supply of child care has increased. For example, since the mid-1970s, the number of child care centers has tripled, going from more than 18,000 in 1976-77 to almost 56,000 in 1990. The number of children cared for full-time in centers quadrupled, going from approximately 900,000 in 1976-77 to 3.8 million in 1990.

Given these trends, the number of new providers is likely to continue to grow, renewing interest in the quality of the care being provided.

The question of quality arose recently during the passage of the Child Care and Development Block Grant. The purpose of the block grant, which was passed in 1990, is to assist states in purchasing child care for low-income parents, as well as to increase the availability and quality of child care for all families. The block grant is one of very few programs that requires states to spend some of their block grant money on improving the quality of child care. During its passage, a protracted debate occurred over whether the block grant should impose federal child care quality standards on states. Although those arguing for federal standards lost, concerns remain about the states' role in ensuring quality services for all families.

QUALITY CHILD CARE IS SAFE AND ENRICHING

What is quality child care, and why is it important?

Simply put, quality care is care that nurtures children in a stimulating environment, safe from harm. Quality care has two critical elements. First, at its most basic level, it must provide care that protects children's safety and health. This means that child care facilities have working smoke detectors, covered electrical outlets, properly stored food, and no dangerous chemicals within reach of children. To this end, states have a significant role to play. Second, quality care must be enriching and developmentally appropriate. This means it must have adequately trained staff, low staff-to-child ratios, low staff turnover, and age-appropriate materials and space.

Why is it important? Children start learning from the time they are born, according to the latest research. And the quality of care they receive, whether from a parent or someone outside the home, can either nurture their learning or inhibit it. A child's success later in life, particularly in school, will depend on this early support. With about 12 million children in full- or part-time child care today, it is easy to see that the quality of this care has enormous implications not only for the well-being of our children but also our society.

STATE ACTIVITIES FOR PROTECTING CHILDREN AND PROMOTING QUALITY CARE

With almost 12 million children in child care as of 1990, states' responsibility for protecting these children is a formidable task. How do states ensure that child care meets accepted safety and health standards? In all states, the key activities for doing this are setting standards, screening prospective providers, conducting on-site monitoring, and imposing sanctions.

Setting Child Care Standards

First, through their legislatures, states set their own standards that child care providers must meet. As a result, child care standards vary considerably among states. If a provider does not meet these standards, it cannot operate--at least, not legally. While these standards cover a broad range of areas, such as the number of caregivers required per child to the amount of square footage needed, many focus on safety and health aspects. For example, state standards might stipulate the number of fire extinguishers needed by a provider or whether a child must be immunized before entering care.

Standards not only specify the level of care that providers must meet; they also determine which providers must meet them. In fact, states exempt a significant number of providers from state standards. For example, a 1990 national study funded by the Department of Education estimates that approximately 82 to 90 percent of family day care providers--those who care for children in their homes--are exempt. Examples of other types of child care that states may exempt are those sponsored by religious organizations, in government entities like schools, or those operating for part of the day.

Finally, for those providers who are regulated, different standards apply to different types of providers. Centers generally must meet more rigorous standards; family day care providers usually must meet fewer and less stringent ones.

Screening Providers

Second, states screen prospective providers to determine suitability by eliminating individuals who do not meet the standards, such as for age (e.g., too young), criminal background, and others. Several licensing directors believe that comprehensive screening upfront helps prevent enforcement problems later. To this end, screening is seen as a cost-efficient prevention tool: it helps eliminate people who see child care as an easy business to start, but who may be unqualified to care for children.

Regarding the issue of screening providers, federal legislation passed in November 1993 requires states to submit their child abuse crime information to the Federal Bureau of Investigation's criminal history background check system. The purpose of this law is to give states access to these records in order to conduct criminal background checks on child care providers. At the time of our report, we found that 17 states did not conduct criminal background checks on center providers, and 21 states did not do this for family day care providers. We also found that 19 states did not conduct child abuse registry checks for centers, and 17 did not do this for family day care providers.

Conducting On-site Monitoring

Through on-site monitoring, licensing officials periodically visit providers to determine whether state standards are being met. These visits can be either announced or unannounced. An on-site visit is believed to help deter noncompliance, as well as present opportunities to educate and help providers comply with state standards. In these ways, states use on-site monitoring as an oversight and a prevention tool for ensuring that a basic level of care is provided.

As with standards, states differ in the frequency with which they monitor providers and in the type of provider monitored. From our work, we found that 38 states monitor centers, on average, less than twice each year. Regarding monitoring family day care providers, 6 states do not visit this type of provider at all; 29 states average one or fewer visits and 10 of these visit only a sample of these providers. (See attachment I.)

Imposing Sanctions

Sanctions are penalties imposed by a state when a provider does not meet state standards. As such, a state's ability to sanction is closely linked to its monitoring capacity. Sanctions range from requiring corrective action plans to closing a facility.

ON-SITE MONITORING RANKED AS STATES' MOST EFFECTIVE TOOL, BUT ITS USE IS DECLINING

Reductions in On-site Monitoring

In our survey, more than two-thirds of state licensing directors ranked on-site monitoring as their most effective tool for assuring that standards are met. Yet some states' capacity to do this has been eroding. In 1989, several states began conducting monitoring less often than in the past or less often than their policy required. At the time of our survey, for example, 18 states have reduced the frequency of their visits, averaging 1.7 visits a year per center. Thirteen states conducted visits less often than state policy required; most visited centers about once a year while their policy required two visits.

Further, we compared state monitoring practices with monitoring standards set by the National Association for the Education of Young Children (NAEYC). NAEYC is the nation's largest association of early childhood professionals whose main purpose is to improve professional practice in early childhood care. It sets a minimum standard of at least one <u>unannounced</u> visit per year. We found that 20 states do not meet this standard. NAEYC recommends a higher standard of at least two visits per year--one, unannounced. Our survey found that 39 states do not meet this standard.

Cutbacks Linked to Fiscal Restraints and Greater Numbers of Providers

The primary reason for monitoring cutbacks was budget cuts resulting in shortages. For example, 32 states had to cut funding and staff for programs in 1991. Budget-reduction strategies included hiring freezes, across-the-board cuts, and layoffs. This was coupled with increased caseloads, that is, the number of providers they had to visit increased. More than two-thirds of the states reported to us larger caseloads of centers and family day care homes. Furthermore, almost as many states predicted increased caseloads in the next 2 years.

States Try to Stretch Resources by Using Other Methods

Because of tight budget conditions, states have tried to "work smarter," especially in regard to on-site monitoring. Examples of this included prioritizing inspections to focus on providers with a poor compliance history, reducing the amount of time for visits by monitoring only key standards, and automating data collection tasks to process paperwork quickly. (See attachment II.)

Further evidence of states' adjusting to their fiscal constraints was their pursuit of other activities to supplement screening, monitoring, and sanctioning efforts. Many focused on preventive strategies, such as provider training and educating parents to protect children and improve quality with fewer resources.

WELFARE REFORM: A FURTHER CHALLENGE TO STATES' CAPACITY TO PROTECT CHILDREN

Most states regulate only a small portion of the providers in their states, and they are struggling to do even that. Given this, an important question still remains: Will the quantity of child care providers overwhelm the states' capacity to ensure safety?

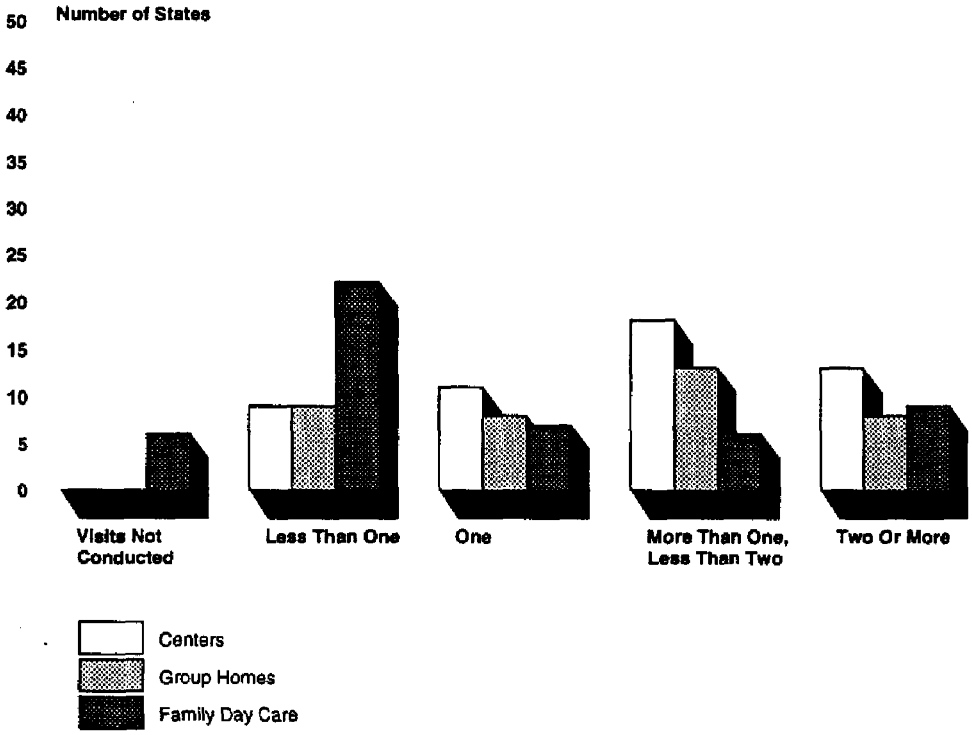
This question is important in light of current welfare reform proposals. The proposals before the Congress and many already initiated by states expand work and training requirements for welfare clients, which means that an expanded use of child care will occur simultaneously. We believe this will add to burgeoning state licensing and monitoring caseloads and exacerbate the states' difficulties by drawing more providers into the market.

However, another complication may arise. If child care supply grows to meet a new demand spawned by welfare reform, it may be in that part of the market that states already exempt from standards. For example, some low-income families, in particular, working-poor, single mothers, rely heavily on relative and family day care. More than 50 percent of low-income children in these families had such arrangements in 1990. But, as mentioned earlier, family day care is mostly unregulated as is care provided by relatives. Given that states cannot regulate all providers nor is regulation appropriate for some types of providers, states pursue other methods to help build safe, quality care in their states. Examples of these activities include educating parents on how to choose safe care and training providers about state standards and good practices. But, these activities take resources, too. Given this, GAO believes that assessing state efforts to protect children in child care in the face of expanding child care services is critical. The new welfare reform initiatives only underscore the urgency of this task.

As a postscript, while there is cause for concern about states' ability to protect children while in care, there is also cause for hope. In the most recent Fiscal Survey of the States, published in October 1993, 38 states reported that revenues matched or exceeded projected revenues. This contrasts with several prior years in which many states' revenues fell so short of projections that states were forced to reduce, mid-year, their enacted budgets. The National Association of State Budget Officers believes that its fiscal survey, to be released in April 1994, will show even more improvement. Should that prove true, more state resources may be available to help state licensing offices with their critical task of ensuring safe and healthy child care.

This concludes my remarks, Mr. Chairman. I would be happy to answer any questions you or other Subcommittee members may have.

Number of Yearly Visits Conducted by States



Notes: Groupings represent the average number of yearly visits conducted by a state. For example, Mississippi conducts 3 visits every 2 years for centers, averaging 1.5 visits a year, and is included in the "More Than One" grouping.

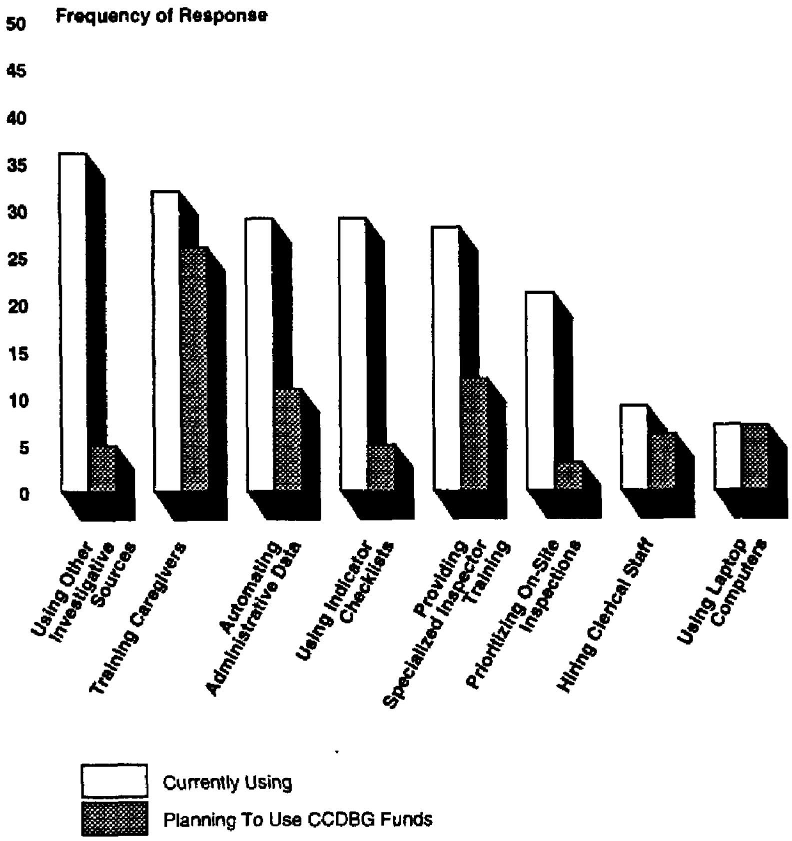
Totals include both renewal and compliance visits.

Maximum response rates: Centers, 51; Group homes, 38; and Family day care, 50.

Thirteen states do not have group homes, and Mississippi does not regulate family day care.

Source: GAO/HRD-93-13.

Ways States Use Monitoring Resources More Efficiently



Note: Maximum response rate is 51.

Source: GAO/HRD-93-13.

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