

# Introduction

This report marks the sixth year that NACCRRA has undertaken a review of state child care standards and oversight. In 2007, 2009, and 2011 NACCRRA released *We Can Do Better: NACCRRA's Ranking of State Child Care Center Standards and Oversight*. In 2008 and 2010, NACCRRA released *Leaving Children to Chance: NACCRRA's Ranking of State Standards and Oversight of Small Family Child Care Homes*.

This report is an update to the 2010 *Leaving Children to Chance* report. More than 1.7 million children under age 6 spend time every week in family child care homes.<sup>5</sup> The intent of this report (and the *Leaving Children to Chance* series) is to take an in-depth look at what individual states are doing with regard to standards and oversight for small family child care homes.

NACCRRA scored every state, the District of Columbia (DC) and the Department of Defense (DoD) on licensing requirements and oversight policies. In order to raise visibility about the status of small family child care home quality, NACCRRA used the scores to rank the states, DC and DoD on their regulations and oversight. NACCRRA included DoD in the scoring because it has its own set of licensing standards and oversight. For information about the methodology, see Appendix D.

NACCRRA reviews the quality of state licensing regulations and also state oversight policies because for states to have an effective child care approach, they need to focus on both program standards and oversight. Weak program requirements may endanger children. Ineffective monitoring undercuts even the strongest of standards. Therefore,

NACCRRA reviews both to give a clear picture of the state's overall approach to child care.

## **Child Care is a Way of Life for Millions of American Families**

Nearly 15 percent of children under age 5 of working mothers are in family child care homes.<sup>6</sup> Some are licensed, some are not. State licensing thresholds, the number of children allowed to be cared for in a home before a license is required, vary greatly. In 27 states, a license is not required until four or more children (including the provider's own children) are cared for in the home.

- Eight states do not begin licensing for all family child care providers until at least seven children are cared for in the home.
- In *South Dakota*, up to 12 children can be cared for in a home before a license is required.

Therefore, *Leaving Children to Chance* takes into consideration the threshold a state sets for licensing child care. Put simply, a caregiver's ability to provide a quality setting is affected by the number of children cared for as well as the ages of those children. For example, the age mix of the children allowed in care matters because infants and toddlers have different needs compared to older children.

The quality of the setting affects the safety of the children as well as their healthy development, leading ultimately to school readiness.

According to parent focus groups NACCRRRA has conducted, many parents choose family child care homes because they offer a more personal setting, a more comfortable environment “like home,” or because family child care homes tend to be less expensive and may be a more affordable option.<sup>7</sup> However, what NACCRRRA learned from the focus groups as well as from NACCRRRA’s national parent polling, is that the number one concern among parents about child care is the quality of the setting in which children receive care.<sup>8</sup>

NACCRRRA’s polling shows that most parents logically assume that child care settings with multiple children are licensed and that providers have had a background check and training.<sup>9</sup> But, the reality is that standards vary greatly by state and a license by itself means very little.

### **State Laws and Policies Vary Greatly**

States use different approaches for regulating family child care homes including licensing, certification, registration, self-certification, voluntary licensing, voluntary certification, voluntary registration and voluntary self-certification. Some states combine approaches.

In some states, the process is called by one name but is defined differently in the regulation itself. In some states, the type of regulation required is linked to how many children are in care, how many different families are served or other factors. For the definitions of terms used in the varying state approaches as well as more detailed information about state processes, see Appendix C.

The complexity with regard to varying definitions as well as the complicated nature in which many state regulations are written has led to confusion among both providers and parents. This became even more apparent to NACCRRRA this year as some state scores changed due solely to further clarification by state licensing staff of their regulations. What is clear is that state regulations need to be written as simply as possible for easy understanding by parents and child care providers. Even the strongest requirements mean little if people cannot understand what is required.

Most states have requirements for basic health and safety in small family child care homes. ***However, only 15 states address each of the 10 basic health and 10 basic safety requirements scored in this report.*** Since inspection of the homes is minimal in many states, there is little assurance that providers follow the requirements.

Most states have little in the way of initial training requirements before a provider is allowed to care for children in her home. State requirements for background checks vary widely, with the majority of states not conducting a complete background check (a fingerprint check against state and federal records as well as a check of the sex offender registry, child abuse registry, and a check of juvenile records for homes in which a teenager resides).

### **Accountability for Federal Funding**

About \$10 billion in government funds is used annually by the states for child care. For the most part, funding for child care comes from the Child Care and Development Block Grant (CCDBG), the Temporary Assistance for Needy Families (TANF) program, the Social Services Block Grant (SSBG or Title XX), and state funds.

Since the nature of these funds is a block grant, states have wide discretion about how to spend this money. CCDBG is the primary federal program allocating funds for child care with very few rules related to program requirements or oversight.

To receive funds from CCDBG, states must have in place policies “*designed to protect the health and safety of children that are applicable to child care providers*” in the following areas:

- The prevention and control of infectious diseases (including immunizations)
- Building and physical premise safety
- Minimum health and safety training appropriate to the provider setting<sup>10</sup>

States must submit a biennial plan to the Office of Child Care within the U.S. Department of Health and Human Services as part of the process of applying for CCDBG funds. Under the law, states are required to provide a detailed description of their licensing standards including how such standards are “effectively enforced”. In particular, states are required to certify procedures are in place to ensure that child care providers are in compliance.

*CCDBG does not require a minimum licensing standard, only that whatever licensing standard designed by the states be described.* The law also does not define “effective enforcement,” which has led to varying state interpretations. For example, only 26 states (plus DoD) inspect small family child care homes at least once a year.

In view of the performance of the states ranked in this report, most states are not complying with the intent of the law. States have made many improvements since 2008 when NACCRRRA released its first report reviewing state requirements and oversight with regard to small family child care homes, but much more progress is needed to align with the intent of the law.

According to the latest data available from the Office of Child Care, about 29 percent of children whose care is paid for through CCDBG are in a family child care home setting.<sup>11</sup> This means that nearly 500,000 children (491,318) are in care paid for with taxpayer dollars, which may or may not protect their safety and may or may not promote their healthy development.

## **The Focus of This Report**

While this report is an update to NACCRRRA’s 2010 *Leaving Children to Chance* report, the scores cannot be directly compared.

In reviewing the benchmarks for NACCRRRA’s *We Can Do Better* report, which reviews state program requirements and oversight for child care centers, against the criteria used for the review of state family child care home program requirements and oversight in the 2008 and 2010 *Leaving Children to Chance* reports, NACCRRRA’s update of this report includes

several new oversight benchmarks consistent with the benchmarks in *We Can Do Better*.

Whereas previous *Leaving Children to Chance* reports had a total of 140 possible points, this year’s update has a total of 150 possible points. The additional benchmarks included this year relate to state oversight and transparency for parents (*i.e., a benchmark was added consistent with the We Can Do Better report, which scores the availability of online inspection and complaint reports – for parents to have as much information as possible in selecting care for their children*).

As with NACCRRRA’s previous reports, NACCRRRA scored the states on several key components of their licensing standards and oversight systems, including health and safety policies and other critical features of a quality child care setting.

The benchmarks used for scoring were developed based on the available research in the field, including a review of the *13 Indicators of Quality Child Care: Research Update* by Dr. Richard Fiene for the U.S. Department of Health and Human Services.<sup>12</sup> In addition, *Caring for Our Children: National Health and Safety Performance Standards: Guidelines for Out-of-Home Child Care Programs, 3rd Edition*, provides information to help states develop effective child care standards.

For a comprehensive literature review about the rationale for scorecard standards, see NACCRRRA’s 2008 and 2010 *Leaving Children to Chance* reports.

Of note this year is that states are making more progress in improving requirements and oversight for child care centers compared to small family child care homes. The average score for states in the 2011 *We Can Do Better* report was 87, which equates to a grade of 58 percent. Twenty-eight states plus DoD scored at least 90 points.

In comparison, the average score in this report for state requirements and oversight of small family child care homes was 69. A score of 69 equates to a grade of 46 percent – not even close to passing. Only eight states plus DoD scored at least 90 points.



While some of the benchmarks differed slightly due to the nature of homes versus centers, the main point remains: state standards and oversight of child care centers is better than state standards and oversight of family child care homes.

Nearly 11 million children are in child care every week, on average for 35 hours each week. Because children are in both settings, standards and oversight of both types of settings must protect children and promote their healthy development.

NACCRRRA understands that the National Association for Family Child Care (NAFCC) is working hard to strengthen the quality of family child care homes. And, many Child Care Resource and Referral agencies (CCR&Rs) work with caregivers to meet licensing requirements, to move up the ladder on state Quality Rating Improvement Systems (QRIS), and to strengthen the quality of care.

The fact remains, however, that overall state requirements for small family child care homes are weak and oversight is weaker.

The next section describes each benchmark NACCRRRA used in more detail. As the report reveals, states are making some progress, but most states still fall short of meeting these benchmarks.