

**REPORT OF THE
DEPARTMENT OF SOCIAL SERVICES**

**SUMMARY OF PREVIOUS
VIRGINIA CHILD CARE STUDIES**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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**COMMONWEALTH OF VIRGINIA
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COMMONWEALTH of VIRGINIA
State Board of Social Services

October 1, 1998

TO: The Honorable James S. Gilmore

and

The General Assembly of Virginia

The report contained herein is pursuant to Senate Bill 595 as passed by the 1998 General Assembly.

Senate Bill 595 requires the State Board of Social Services, in conjunction with the Department of Social Services and the Department of Health, "...to study the quality, affordability, and accessibility of licensed and unlicensed child care programs in the Commonwealth." The report is due to the Governor and General Assembly on October 1, 1999. The attached interim report provides a review and summary of previous reports evaluating these issues in Virginia. It is intended to assist in the design and implementation of the evaluation mandated by Senate Bill 595.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Robert C. Spadaccini, Sr.".

Robert C. Spadaccini, Sr.
Chairman

Executive Summary

The purpose of this report is to review and summarize previous studies evaluating the quality, affordability, and accessibility of child care in the Commonwealth of Virginia. It is intended to provide a succinct overview of prior studies and thereby assist in the design and implementation of the evaluation study mandated by Senate Bill 595 as passed by the 1998 General Assembly.

This report is organized by first presenting a summary of each of the individual reports and then discussing common findings addressed in two or more of the previous reports. The Virginia Department of Social Services identified reports included in this summary. Two of the previous reports are research studies conducted by the Joint Legislative Audit and Review Commission (JLARC). Two reports were studies conducted by child advocacy groups analyzing data collected by others (including that collected by JLARC). One report was prepared at the request of the Virginia Council on Child Day Care and Early Childhood Programs and discusses findings of the Virginia Auditor of Public Accounts regarding procurement procedures. The sixth report is a policy analysis paper drawing upon findings reported in the Virginia Council on Child Day Care and Early Childhood Programs report.

Findings common to two or more reports include:

- Both parents and the Commonwealth have a role in promoting quality child care, but conclusions about the specific role each should play differed among the various reports.
- The formulation of child care policy in Virginia should be an open process, informed by public debate.
- Regulation of child care should be uniform and applied in such a manner as to ensure children are adequately protected, parental choice is maintained, and availability and affordability of care is not compromised.
- Virginia's child care regulations for provider training and staff-child ratios are neither the most nor the least stringent in comparison to other states, but are below those suggested by some research findings.
- Licensing staff needs to be increased to ensure all facilities receive the mandatory inspections.
- Shortages of specific types of child care exist in Virginia.
- Changes in the administration of child care subsidy programs are needed to ensure low-income families receive the assistance they need to continue working.
- The administration of child care subsidy programs should ensure parental choice in child care arrangements for their children.

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Summary of Previous Virginia Child Care Studies

Introduction

Purpose

The 1998 General Assembly passed Senate Bill 595 requiring the Board of Social Services, the Department of Social Services, and the Department of Health "... to study the quality, affordability, and accessibility of licensed and unlicensed child day care programs in the Commonwealth." A copy of the Bill can be found in Appendix A. Before planning and implementing data collection activities to address the topics mandated by Senate Bill 595 it is appropriate to review previous evaluation studies of child care within the Commonwealth. The purpose of this interim report is to review and summarize previous reports evaluating child care quality, affordability, and accessibility in the Commonwealth of Virginia.

A number of studies exist which evaluate child care across all 50 states, but do not focus specifically on child care in Virginia. A search conducted by the Virginia Department of Social Service (DSS) identified six reports: five studies focusing on child care in Virginia, and one report drawing upon child care experiences in Virginia for the purpose of general policy analysis. The six reports included in this review are:

1. *Regulation and Provision of Child Day Care in Virginia*, (1990). Joint Legislative Audit and Review Commission (JLARC);
2. *Follow-Up Review of Child Day Care in Virginia*, (1998). Joint Legislative Audit and Review Commission (JLARC);
3. *Critical Issues in Child Care: Quality Child Care in Virginia*, (1998). Action Alliance for Virginia's Children and Youth;
4. *Child Care Challenges*, (1998). Children's Defense Fund;
5. *Improper Special Interest Influence in Key Contracts: An Analysis with Preliminary Observations on the Politicized Agenda in Child Day Care: Report from the Council on Child Day Care and Early Childhood Programs to Governor Allen*, (1996). Mark Kindt (for the Virginia Council on Child Day Care and Early Childhood Programs; and,
6. *Child Day Care and Early Education: An Economic Analysis of NGA Policy Resolution EC-11: A Report to the Commissioner, Department of Social Services, and the Commonwealth of Virginia*, (1998). Mark Crain.

As stated in the first paragraph the purpose of this interim report is to review and summarize previous studies of child care in Virginia. The report is not intended to evaluate the scientific merit of the studies or critique the various policy positions discussed in each of the reports. Rather, the purpose is to offer a succinct summary of each report and to identify commonalities among the reports as a basis for informing the design and implementation of the study mandated in Senate Bill 595. The remainder of this report is organized into three sections. The first section compares the focus, methodology, and topics addressed in each of the individual reports. Next, topics that were common to two or more reports are described. The concluding section highlights general areas of agreement across the reports.

Overview and Comparison of Reports

The reports addressed issues of child care quality, affordability, and accessibility to varying degrees and using different study approaches. Sponsorship and time frame varied among the studies. Two of the studies were mandated by Virginia legislation and completed under the direction of the Joint Legislative Audit and Review Commission (JLARC). Two studies were conducted by child advocacy groups (the Action Alliance for Virginia's Children and Youth and the Children's Defense Fund). The Kindt report for the Virginia Council on Child Day Care and Early Childhood Programs reported findings of an audit by the Virginia Auditor of Public Accounts investigating specific procurement procedures. Findings from this report are included to the extent that it addresses issues relating to quality and accessibility (i.e. accreditation and reimbursement). Dr. Crain's report addressed child care policy in general, rather than policy specific to Virginia, but did draw upon the Kindt report in his analysis. It is included in this summary to the extent that it addresses issues of quality, affordability, and accessibility in Virginia.

The earliest study was conducted in 1990 (by JLARC) while the remaining studies were conducted more recently between 1996 and 1998.

Focus

Both of the JLARC studies were designed to answer specific questions about Virginia's child care programs and resulted in distinct policy recommendations to the Department of Social Services and the Virginia General Assembly. The first JLARC study (1990) addressed the state's role in child care licensing and regulation by examining which programs should be subject to regulation. The legislative charge to JLARC for the first study was to design a child care licensing system that equalized the impact of regulation on all types of child care, and to identify ways the state could improve availability and promote quality child care.¹ While this first study addressed who should be licensed, the second JLARC study in 1997 asked what standards should be included in licensing requirements and how standards should be enforced. This second study focused on adequacy of standards to ensure the health and safety of children in care and the adequacy of licensing enforcement activities.² Both JLARC studies also addressed issues of availability and affordability. The JLARC papers reported results of their own data collection activities and made specific recommendations for changes in child care licensing, public funding of child care, and efforts to increase the availability and quality of child care in Virginia.

In comparison to the JLARC studies, the papers prepared by the two advocacy organizations had a more general purpose of raising public awareness of child care quality, affordability, and accessibility in Virginia. The Children's Defense Fund (CDF) study was one

¹ Senate Joint Resolution No. 41, February 10, 1988, House Joint Resolution No. 116, February 16, 1988.

² This study was mandated by item 14J of the 1997 Virginia Appropriation Act.

of a series of papers reporting child care issues in each of the 50 states and addressed all three topics of child care quality, affordability, and accessibility. The Children's Defense Fund presented findings (primarily of other studies) suggesting improvements are needed in Virginia's child care program, but did not make any specific recommendations for addressing the problems. Similarly, the Action Alliance paper noted areas of concern in regard to child care quality. Although the Action Alliance did make some recommendations for change, these recommendations were general, rather than specific, and limited to the topic of child care quality with minimal attention to issues of affordability and availability.¹

The Kindt report differs from the four preceding studies in that it has a specific focus on procurement procedures and does not analyze statistical data reporting the status of child care in Virginia. The report does address issues of child care quality and accessibility, however, by describing aspects of the procurement procedures in response to a Request for Proposal (RFP) issued by former members of the Virginia Council. The report examines whether the potentially competitive bidders for the RFP collaborated in such a way as to restrict the diversity of child care services available to Virginia parents. Kindt concludes that an agreement among members of the collaboration responding to the RFP endorsing the requirement for child care centers to be accreditation by the National Association for the Education of Young Children (NAEYC) would compromise parental choice and availability of care. "The closed accreditation model promulgated by NAEYC ... seems to insidiously promote a politicized or ideologically biased framework for early childhood education. This reduces parental choice and, in Virginia, resulted in reimbursement discrimination against non-NAEYC centers."²

Dr. Crain's report is a policy analysis paper, rather than quantitative descriptive data analysis. The purpose of Dr. Crain's report is to "inform the future debate and the direction of the National Governor's Association (NGA) position on child care policies."³ By analyzing components of the NGA resolution in light of events described in the Kindt report, Dr. Crain concludes that coordination restricts competition, decreases the availability and diversity of services, and compromises parental choice for child care.

¹ The preface of the Action Alliance report indicated this was to one of a series of four reports with this first report focusing on quality and later reports to be focused on affordability and availability.

² Kindt. (1998). *Improper Special Interest Influence in Key Contracts: An Analysis with Preliminary Observations on the Politicized Agenda in Child Day Care: Report from the Council on Child Day Care and Early Childhood Programs to Governor Allen*, page 30.

³ Crain. (1998). *Child Day Care and Early Education: An Economic Analysis of NGA Policy Resolution EC-11: A Report to the Commissioner, Department of Social Services, and the Commonwealth of Virginia*, page 1.

Methodology

The Joint Legislative Audit and Review Commission conducted extensive data collection activities including telephone and mail surveys of parents, providers, interested associations, Virginia licensing staff, other Virginia DSS staff, local social service agency staff, and relevant staff in other states for each of their two studies. Other data collection activities included site visits to child care programs, inspection visits with licensing staff, and a review of secondary data sources such as current research reports and data sets on child care regulations in other states.

The Action Alliance paper was limited to an analysis of research findings by others and did not include any primary data collection activities conducted by the Action Alliance. Instead, the report drew exclusively from existing research and other reports without further statistical analyses of reported data. Current research findings on child care quality was compared with Virginia child care data reported by the JLARC studies, the Department of Social Services, and other secondary sources.

Although the Children's Defense Fund paper relied primarily on secondary data sources, it did include results of one survey CDF conducted jointly with the National Association for Child Care Resource and Referral Agencies. Secondary data sources for the CDF report included the JLARC studies, national census data, Bureau of Labor data, National Center for Educational Statistics, VA DSS data, and state licensing data.

The Kindt report discussed findings from the author's examination of records maintained by the Virginia Council and an investigation conducted by the Virginia Auditor of Public Accounts and. Dr. Crain's report drew upon the Kindt report and other existing research reports and policy papers.

Topics Addressed in Studies

The chart below provides a comparison of the various topics addressed by each of the reports.

<i>Topic</i>	<i>JLARC 90</i>	<i>JLARC 97</i>	<i>Act. Alliance</i>	<i>CDF</i>	<i>Kindt</i>	<i>Crain</i>
Definitions of child care	X		X			
Use of care	X			X		
Accreditation	X		X	X	X	X
Administration of licensing	X	X				X
Licensing exemptions	X		X	X		
Enforcement of standards	X	X	X			
Enforceability of standards	X					
Licensing inspection		X	X	X		
Adequacy of standards		X	X	X		
CPS/criminal records check	X	X				
Staff/child ratios		X	X	X		
Provider training	X	X	X	X		
Parent education	X	X	X	X		
State role in promoting quality	X	X	X	X		
Cost of care	X	X		X		
Funding child care	X	X		X		X
State role/accessibility	X			X		X
Accessibility of care	X		X	X	X	X
Liability insurance	X					
RFP Procurement issues					X	X

Common Findings

The following section is an attempt to synthesize findings across all six reports, identify areas of agreement and disagreement among the reports, and provide a basis for future inquiry into Virginia's child care programs.

Regulation

All but one of the reports (Kindt) addressed child care regulation and licensing. JLARC focused a great deal of their two reports on licensing and regulation issues. Based on the surveys JLARC conducted of parents, providers, and licensing staff they concluded that regulation was needed and desired by families for the purpose of protecting children's health and safety. JLARC recommended that licensing rules be uniform to prevent unfair competition between those who are and those who are not regulated; that rules not be overly burdensome to providers; and that regulations not invade on parent's right to choose the type of care they prefer for their children. Action Alliance and the Children's Defense Fund advocated for strong licensing

standards that not only protect children, but also promote quality. In contrast, Crain cautioned that state regulation of child care increases costs, decreases availability, restricts parental choice, and creates the risk of undue influence by special interest groups in determining child care policy.

Specific aspects of child care regulation are described in the following sections.

Exemption/Exclusion issues

The 1990 JLARC report concluded that children in Virginia child care programs were not adequately protected from harm because many programs were exempted or excluded from licensing provisions. JLARC cautioned against the exemptions/exclusions for two reasons: the exemptions "...raise questions about the adequacy of protection for children as well as equity in treatment of providers."¹ The Children's Defense Fund agreed with JLARC's conclusion that children are not adequately protected in unregulated family day care homes. The Action Alliance report did not identify exemptions or exclusions as a particular problem in Virginia's child care programs, but did advocate for all programs to be regulated and cited research documenting a relationship between regulated programs and quality care. "Quality in licensed centers has also been usually found to be higher than in licensed family day care homes, which are generally of higher quality than unregulated family day care."²

Among the reports only the first JLARC report suggested specific regulatory changes to eliminate exemptions and exclusions. JLARC recommended that all center-based child care programs and that all family day care programs with the exception of relative care be regulated. Some, but not all, of these recommendations have been adopted by the Virginia General Assembly since the time of the first JLARC report. At the present time all child care center programs except religious sponsored programs must be licensed and family day care programs caring for more than five children must be licensed. The exemptions continue for religious sponsored child care programs and family day care of fewer than six children with the following provisions:

1. Religious exempt programs must have a health and safety inspection by the local health department and conduct a criminal records check for all staff.
2. Family day care homes with fewer than six children may apply for voluntary registration.

The Children's Defense Fund expressed the view that exemptions from requirements to be licensed for family day care homes of fewer than six children did not adequately protect children.

¹ Joint Legislative Audit and Review Commission. (1990) *Regulation and Provision of Child Day Care in Virginia*, page 35.

² Action Alliance for Virginia's Children and Youth. (1998). *Critical Issues in Child Care: Quality Child Care in Virginia*. page 15.

The 1997 JLARC report raised a different issue in regard to licensing policy, but one with similar consequences of exempting some providers. JLARC noted that child care in Virginia is regulated by two separate authorities: the Child Day Care Council which promulgates licensing rules for child care centers and the State Board of Social Services which is responsible for family day care licensing rules. This divided responsibility for promulgating licensing rules results in inconsistencies in regulation comparable to the situation of having exemptions/ exclusions. Some regulations apply only to center based providers and are not required of family day care providers. JLARC also noted the confusion for parents and providers when there are two regulatory bodies.

JLARC noted two inconsistencies of particular concern. Child care providers in child care centers are not required to have a Child Protective Service registry check before being employed. However, family day care providers are required by the State Board of Social Services to have this clearance no more than 90 days before being licensed. Secondly, providers in child care centers must maintain “sight and sound supervision of children at all times,” but family day care providers need only be “aware of what the child is doing at all times.”¹ The JLARC report described several incidents in which children died in family day care homes as a result of inadequate supervision of young children.

Based on these findings JLARC made three recommendations to the General Assembly: 1) require all providers to have a child protective services central registry check prior to employment as a child care provider; 2) explicitly state the need for all child care providers to have sight and sound supervision of infants and toddlers; and, 3) consolidate regulatory authority for child day care into a single regulatory entity. The Action Alliance report cited the JLARC 97 study regarding the two separate regulatory authorities and concurred with the recommendation to streamline licensing by having one agency, rather than two, promulgate child care licensing rules, noting a need to reduce the burden and confusion for providers.

Adequacy of Standards

Three of the studies questioned the adequacy of Virginia’s licensing standards. CDF and the Action Alliance were explicit in their call for more stringent licensing standards. “Virginia is one of the many states that do not adequately protect their children.”² As discussed in other sections of this summary, CDF believes requirements for staff-child ratios, exemption of family day care providers caring for less than six children and training requirements are too weak to protect children. The Action Alliance offers a general discussion of the importance of strong licensing rules and reports research findings of a direct relationship of strong licensing rules to quality child care. The JLARC report agrees that Virginia’s licensing rules could be improved in some areas, but notes that regulations are in the mid-range of stringency among the 50 states. While JLARC does not recommend making any current regulations more stringent, they did recommend adding the regulations described in the section above and also requiring that:

¹ Joint Legislative Audit and Review Commission. (1998). *Follow-Up Review of Child Day Care in Virginia*, pages 14-15.

² Children’s Defense Fund. (1998). *Child Care Challenges*. page 4.

- 1) all programs comply with the American Academy of Pediatrics recommendation that infants be placed on their side or back for sleep,
- 2) family day care providers licensed to operate a family day care program be involved in care of children (rather than hiring someone else to care for children), and
- 3) convicted felons not be allowed to be licensed to provide child care.

In addition to having strong licensing regulations, the Action Alliance also encouraged accreditation of programs. Crain, on the other hand, opposed accreditation as "... program accreditation has(ve) associated costs that would likewise increase prices and restrict the quantity of child care services."¹ Although the Kindt report did not indicate an opposition to accreditation in general, the report strongly opposed accreditation by NAEYC. As stated in an earlier section (Overview and Comparison of Reports, *Focus*) Kindt is concerned that "The NAEYC standards in action reveal a propensity toward its own political agenda."² JLARC discussed accreditation by NAEYC and other professional organizations as a means to promote quality, but cautioned that accreditation was not a practical way for the state to regulate child care for two reasons: 1) it could affect the availability and affordability of care, and 2) parents, rather than the state, should determine quality.

Training/Qualifications of staff

Virginia licensing regulations require child care providers to have a high school degree or General Education Diploma, but do not require any specialized child care training prior to work. JLARC and the Children's Defense Fund agree that Virginia's training/education requirements are similar to most other states, but disagree as to whether this poses a risk for children. The Joint Legislative Audit and Review Commission does not recommend any change in the current educational requirements. In fact, JLARC notes that Virginia is more stringent than nine other states in specifying a combination of education and experience requirements prior to working as a child care provider. In contrast, CDF believes the lack of required specialized training places children at risk and calls for all providers to be trained in first aid and Cardio-Pulmonary Resuscitation prior to employment.

The Action Alliance compares Virginia training requirements to research findings of best practices rather than comparing to other states training requirements and comes to the same conclusion as CDF, that Virginia training requirements are minimal and do not adequately protect children. The Action Alliance expressed specific concern about Virginia licensing rules that reduce educational requirements as experience increases, and cite research findings that staff experience alone did not increase quality of care. "Years of experience without training or education may mean the staff person just continued doing the same things without improving

¹ Crain. (1998). *Child Day Care and Early Education: An Economic Analysis of NGA Policy Resolution EC-11: A Report to the Commissioner, Department of Social Services, and the Commonwealth of Virginia*, page 10.

² Kindt. (1998). *Improper Special Interest Influence in Key Contracts: An Analysis with Preliminary Observations on the Politicized Agenda in Child Day Care: Report from the Council on Child Day Care and Early Childhood Programs to Governor Allen*, page 27.

over the years.”¹ In addition to strengthening pre-employment training, the Action Alliance called for strengthening ongoing (post-employment) training requirements currently in place by specifying the content of training and the qualifications of those conducting the training to the current requirement of eight hours of annual training.²

Staff/Child ratios

Licensing regulations for staff-child ratios differ by age of children in care. The 1997 JLARC report concluded that Virginia’s staff-child ratios are “mid-range” in comparison to other states; that is, they are not among the most stringent nor the least stringent for any given age group. However, the table presented in the JLARC report which compares Virginia’s staff-child ratios with the mean ratio among all states indicates that ratios for two-year olds and five-year olds are less stringent than the national average.³ JLARC did not address this discrepancy or recommend making staff-child ratios more stringent. Both the Children’s Defense Fund and Action Alliance concluded staff-child ratios for two-year olds and five-year olds were inadequate. However, these two groups compared Virginia requirements to recommended staff child ratios rather than comparing to ratios required by other states as JLARC did.⁴ Staff-child ratios recommended by the US Department of Health and Human Services Maternal and Child Health Bureau and the National Association for the Education of Young Children are more stringent than state licensing regulations on average as indicated by the mean ratios reported by JLARC.^{5, 6}

Enforcement of Standards

JLARC directed considerable attention to the issue of enforcement of licensing standards in its 1997 report. Based on extensive interviews with licensing staff, a review of licensing agency records, and observation during licensing inspection visits, JLARC concluded that Virginia’s enforcement activities were inadequate. Specifically JLARC found that the mandatory two inspection visits to each licensed program per year were not being conducted due to a shortage of licensing staff. The Action Alliance and Children’s Defense Fund also reported this finding based on the JLARC data and all three groups called for an increase in the number of licensing staff to allow for the mandatory inspection visits. It is unknown at the time of this

¹ Action Alliance for Virginia’s Children and Youth. (1998). *Critical Issues in Child Care: Quality Child Care in Virginia*. page 13.

² Currently 8 hours of training are required annually.

³ Joint Legislative Audit and Review Commission. (1997). *Follow-Up Review of Child Day Care in Virginia*, page 19.

⁴ Neither the Action Alliance nor CDF identified source of the recommended ratios.

⁵ AAP/APHA. (1992). *Caring for Our Children: National Health and Safety Performance Standards-Guidelines for Out-Of-Home Child Care Programs*.

⁶ NAEYC. (1991). *Accreditation Guidelines*.

summary report if additional licensing staff have been hired as recommended by the three groups.

JLARC reported additional problems in enforcement not discussed by CDF or the Action Alliance. When a program is identified by licensing staff as being out-of-compliance with regulations, enforcement activities to bring the program into compliance is "... neither timely nor certain."¹ JLARC concluded that it is difficult to correct noncompliance because of limitations in the use of intermediate sanctions, delays in DSS seeking injunctive action, and the many providers who are exempted from regulation. A number of recommendations were made to address these enforcement difficulties including:

- 1) granting the DSS Commissioner authority to freeze admissions or reduce licensed capacity for regulated programs;
- 2) authorizing DSS to require providers notify parents of health and safety violations;
- 3) authorizing DSS to impose monetary fines;
- 4) authorizing the DSS Commissioner to restrict eligibility of providers for whom the department has initiated procedure to denial or revocation of licensure;
- 5) development of a risk assessment tool that weights key health and safety standards as well a statutory provisions to prioritize enforcement caseload; and,
- 6) development of a memorandum of agreement with Office of the Attorney General to facilitate timely injunctions in cases where there is a serious threat to the health and safety of children in care.

Quality

JLARC, CDF and the Action Alliance emphasized the need for quality child care. These reports as well as Kind and Crain differed in their views on the role of parents versus the state in promoting quality.

The Action Alliance believes parents have a role in making child care a quality experience and was in agreement with JLARC and CDF that parents should act as advocates for quality, but proposed a more expanded parent role than either JLARC or CDF. The Action Alliance suggested that parents must become involved and participate in parent meetings and classroom activities to make their child's program a quality program. Th Action Alliance did also call upon the state to have a prominent role in promoting child care quality, stating that licensing standards must be more than minimal health and safety provisions and must ensure quality in child care. "No one would argue that if our school age children are just kept safe, the Commonwealth has met its educational responsibilities."² As the focus of the Action Alliance report was child care quality, this report provided detailed information on the research linking quality child care and children's school achievement, language development, and decreased delinquency in later years. Action Alliance also described research linking quality factors such

¹ Joint Legislative Audit and Review Commission. (1998). *Follow-Up Review of Child Day Care in Virginia*, page 36.

² Action Alliance for Virginia's Children and Youth. (1998). *Critical Issues in Child Care: Quality Child Care in Virginia*. page 3.

as staff interactions with children and consistency of providers with child care regulations such as staff child ratios, staff qualifications, and training. The Action Alliance called for the state to do more than promulgate regulations that promote quality, by providing training for providers and parent education on quality child care.

The Children's Defense Fund report did not identify a particular role for parents in promoting quality care other than acting as advocates for quality. The report also did not explicitly address CDF beliefs about the state's role in promoting quality, but implicitly conveyed that Virginia should strengthen its licensing standards, particularly for training and staff child ratios, to improve the quality of care.

Both JLARC and Crain clearly state that parents should determine quality. The first JLARC report (1990) however did recommend a state role in promoting quality child care by offering training for providers and providing parent education on quality care (a recommendation consistent with the Action Alliance). Crain, however, is concerned that "...the call for increases in quality competes with the fundamental goal of making child care affordable."¹ Crain recommends minimal government intervention and a reliance on the power of parental choice.

Availability

General availability of care statewide

The first JLARC study (1990) found no statewide shortage of child care programs overall, but did find shortages of specific types of child care programs throughout the state. Availability of care was not addressed in the 1997 JLARC report. Both the Action Alliance and the CDF studies reported survey findings that parents were experiencing problems with child care. However, the source and specifics of the data in these two reports are unclear as to whether these were state wide shortages, shortages in specific localities, or shortages with specific types of programs. For example the Alliance Action stated that two-thirds of parents in a survey in Fairfax County reported problems with child care and later state that 20% reported problems with quality of care. Action Alliance does not make clear the specific nature of the problems experienced by two-thirds of the households nor do they indicate if the Fairfax County survey results were representative of the rest of the state. The Children's Defense Fund also reports findings from a Fairfax survey, but discusses only in terms of the specific shortages reported by families (See following section).

Availability of specific types of care

Both the 1990 JLARC survey and the 1998 CDF report found shortages of school-age child care, infant care, care in non-traditional work hours, and care for children with special health needs. The JLARC survey provides data on the percent of parents responding to their

¹ Crain. (1998). *Child Day Care and Early Education: An Economic Analysis of NGA Policy Resolution EC-11: A Report to the Commissioner, Department of Social Services, and the Commonwealth of Virginia*, page 10.

survey who reported difficulty obtaining each specific type of care. The CDF report does not give percentages so it is difficult to compare findings of the two studies. Further, it is important to note that these were two different data collection efforts with two different samples and different points in time. Nevertheless, a comparison of shortages reported by JLARC in 1990 with 1998 findings by CDF are informative. The 1990 JLARC survey found shortages also existed for child care for mildly ill children, toddler care, and preschool age care, which CDF did not report finding. JLARC also found rural families reported difficulty in finding care (46%) more often than did families in urban areas (33%). It is unknown if the 1990 shortages reported by JLARC, but not by CDF no longer existed in 1998 at the time of the CDF report or if CDF simply limited their survey to selected types of care.

JLARC offered two specific recommendations to help alleviate the shortages; 1) grant all school boards permission to sponsor before and after school programs and 2) increase the number of child care resource and referral agencies within the state to help parents locate child care placements. It is unknown at this time if these recommendations were implemented. However, it is again noteworthy that findings of shortages in school age child care, infant care, care during non-traditional work hours, and care for children with special health needs which were identified by JLARC in 1990 were replicated in the 1998 survey by the Children's Defense Fund.

Recruitment and retention of providers

The 1990 JLARC study, Action Alliance, and Children's Defense Fund papers suggest failure to retain child care providers is affecting quality child care in Virginia. In JLARC's survey of child care directors 45% reported problems in attracting and retaining qualified staff. CDF reported provider turnover rates of 35% in Fairfax County. All three of these reports cited the low wages of providers (\$12,860 average annual earnings of Virginia child care providers as reported by CDF) to be a contributing factor of high turnover. JLARC also noted difficulty in obtaining liability insurance was a problem reported by 21% of family day care providers in their 1990 survey.

Both the Action Alliance and JLARC recommended action by the public and private sectors to decrease turnover rates with the Action Alliance calling for general support by the public and private sector and JLARC making specific proposals. JLARC recommended the State Corporation Commission monitor the availability of liability insurance for child care providers and the Department of Social Services provide information on obtaining liability insurance for child care programs. JLARC also noted efforts already underway by the state to promote employer supported child care programs and recalled their previous recommendations to eliminate exemptions and thereby promote increased recruitment and retention of qualified staff indirectly by fair and equitable regulation of child care providers.

Affordability

Cost of Care

JLARC, CDF, and Action Alliance agreed that child care is not affordable for many Virginia parents, but varied in their assessment of the degree to which child care costs are a problem. The Action Alliance discussion of affordability was brief, noting only that issues of cost limited parents ability to purchase quality care for their children. In the 1990 JLARC survey 35% of all parents responding to the survey reported child care affordability concerns. However differences in affordability related to income level were found. Twenty-five percent of parents earning more than \$35,000 a year reported cost concerns, but 45% of parents earning less than \$35,000 a year reported cost concerns.

The 1997 JLARC study cited findings from a national child care study conducted by the Urban Institute that 8% of family income is required for child care costs unless family income is below poverty level, in which case child care costs equal 18% of the family income. The Children's Defense Fund reported the percent of income used by Virginia's families to cover child care cost was considerably greater than the national average reported above, and that the percent of income spent on child care varied in different regions of the state. Among two parent working families with each earning minimum wages, 41% of the family income was needed to purchase child care at the low end of the price range in Virginia Beach. In comparison the average cost of child care in Fairfax would consume 74% of this family's income. Given the large discrepancy in findings between the Urban Institute and the CDF survey, further analysis is warranted to understand these differences.

State and Federal funding programs

Among the reports, the 1997 JLARC report devoted the most attention to the issue of state and federal funding of child care programs. JLARC noted that funding has steadily increased in the last ten years, but administrative problems at the state and local level have prevented subsidies from reaching the lowest income families.

JLARC found that funding allocated to local agencies for the child care subsidy fee system, but not used by the agency, was not reallocated for the fee system use by other localities. Instead the funding was used to cover increased child care expenditures required for families participating in Virginia's welfare program, Virginia Initiative for Employment not Welfare (VIEW).¹ This resulted in a large unmet need for child care assistance among low-income working families (not in VIEW) and as noted by JLARC was a violation of the 1995 Appropriation Act. JLARC recommended changes in administrative procedures to ensure compliance with provisions of the Appropriation Act.

¹ VIEW is the component of Virginia's welfare program that requires parents to work if they are receiving cash benefits under the federal Temporary Assistance for Needy Families program (TANF). To assist families in meeting the work requirement child care subsidies are available for VIEW families.

Both JLARC and the Children's Defense Fund recommended changes in the methodology for allocating federal child care assistance funds (although CDF is not as detailed as JLARC in their proposed changes). JLARC recommended changes to the current Child Development Fund plan that uses differences in local median income rather than costs of living as a criteria for eligibility. JLARC considers this methodology to be flawed for a number of reasons, but principally because it penalizes localities with a high cost of living. JLARC made several recommendations regarding eligibility determinations for the child care assistance program including directing the Department of Social Services to revise and resubmit its Child Care and Development Fund plan.

Crain addressed different aspects of the child care assistance program. He recommended separation of the state's role in funding child care for low income families and the state's role in regulating child care. Crain supports voucher programs and tax credits for low income working families to increase parental choice and accessibility of child care.

Conclusion

This summary provided an overview and comparison of studies focusing on the quality, affordability, and accessibility of child care in Virginia. The two JLARC studies were the most comprehensive addressing issues not included in the other reports. There was general agreement among the reports that Virginia families need affordable, accessible, quality child care, but differed as to the degree of risk children are exposed to if improvements are not made. The reports also varied in their approach to achieving and balancing the goals of quality, affordability, and accessibility.

Specific issues in which there was general agreement among the studies include:

- Both parents and the Commonwealth have a role in promoting quality child care, but conclusions about the specific role each should play differed among the various reports.
- The formulation of child care policy in Virginia should be an open process, informed by public debate.
- Regulation of child care should be uniform and applied in such a manner as to ensure children are adequately protected, parental choice is maintained, and availability and affordability of care is not compromised.
- Virginia's child care regulations for provider training and staff-child ratios are neither the most, nor the least stringent, in comparison to other states, but are below those suggested by some research findings.
- Licensing staff needs to be increased to ensure all facilities receive the mandatory inspections.
- Shortages of specific types of child care exist in Virginia.
- Changes in the administration of child care subsidy programs are needed to ensure low-income families receive the assistance they need to continue working
- The administration of child care subsidy programs should ensure parental choice in child care arrangements for their children.

APPENDIX A

CHAPTER 629

An Act requiring the Board of Social Services, the Department of Social Services, and the Department of Health to study the quality, affordability, and accessibility of licensed and unlicensed child day care programs in the Commonwealth.

[S 595]

Approved April 15, 1998

Be it enacted by the General Assembly of Virginia:

1. § 1. That the State Board of Social Services, in cooperation with the Department of Social Services, the Health Department, and other state agencies as appropriate, shall study the quality, affordability, and accessibility of licensed and unlicensed child day care programs in the Commonwealth.

A. The study shall (i) examine quality of care mechanisms currently in place for child day care programs and providers, including, but not limited to, state and federal statutes and regulations and review by private accrediting bodies; (ii) assess the sufficiency of these mechanisms for ensuring quality and providing parents with a means of having their inquiries and complaints addressed; (iii) examine how the Department of Social Services and the Department of Health coordinate their roles for ensuring quality of child care and child day care in a manner which minimizes duplication of resources; and (iv) identify the appropriate role of the Department of Social Services and any other appropriate state agencies in monitoring the quality, affordability, and accessibility of child day care programs.

B. The study also shall consider whether changes in existing law or

regulations are warranted with respect to quality, health, and safety standards for all child day care programs.

C. The Board of Social Services shall submit an interim report by October 1, 1998, and a final report by October 1, 1999, to the Governor, the Commission on Early Childhood and Child Day Care Programs, and the General Assembly which, in addition to the matters to be reported on as set forth above, (i) recommends the appropriate role of the Commonwealth in monitoring and improving the quality, affordability and accessibility of care in child day care programs; (ii) recommends the Commonwealth's role in providing consumer information on child day care issues; and (iii) assesses the licensing and registration functions for individual and institutional child day care providers currently performed by the Department of Social Services.