

ROADMAP TO SUCCESS

Ensuring Children in Small Childcare
Settings are Safe and Ready for Kindergarten



INSIGHT.

CENTER FOR COMMUNITY
ECONOMIC DEVELOPMENT

About the Insight Center

The Insight Center for Community Economic Development is a national research, consulting, and legal organization dedicated to building economic health in vulnerable communities. The Insight Center identifies and supports economically productive community assets such as high quality early childhood education and education and job-training policies and programs that align worker skills with the industry sectors that need them. The Insight Center promotes policies that encourage wealth-building for communities of color, convenes networks of experts to influence opinion and legislative action, and identifies metrics that help define what it costs for families and communities to meet their basic needs.

The Success By 6 Collaborative

Since 2002, Success By 6 (SB6) Collaborative partners have worked together to ensure that all children will be healthy, safe, and functioning optimally by age six. SB6's 84-member collaborative includes parents, childcare providers, early childhood experts, and funders. Recent SB6 successes include the passage of three state bills. See the Appendix for a list of organizations participating in a coalition that SB6 convened for the purpose of establishing minimum standards for small childcare businesses. The SB6 effort for this purpose is supported by the Robert Wood Johnson Foundation, the Greater New Orleans Foundation, and the Women's Leadership Council.

Acknowledgements

Aimee Chitayat, Program Director at the Insight Center, was the lead researcher and author of this report. Meredith Moran and Brittany Ford of the Tulane University School of Public Health and Tropical Medicine conducted additional research. Key insights were provided by Marti Dumas and Todd Battiste (United Way Southeast Louisiana), Sherry Guarisco (SSG Consulting Services), Teresa Falgoust (Kids Count Data Center and Agenda for Children), Lanette Dumas (Forelle Consulting Group), Geoffrey Nagle (Tulane University Institute of Infant and Early Childhood Mental Health), Olga Jackson (OAJ Enterprises), Courtney Hardwick (formerly Orleans Public Education Network), Lori Fresina (M&R Strategic Services), and members of the Success By 6 Collaborative.

The Insight Center wishes to thank the following interviewees for their insights and data: Louisiana Department of Children and Family Services, Louisiana Department of Education, Alabama Department of Human Resources, Alabama Department of Education, Florida Family Child Care Home Association, Florida Department of Children and Families, Florida Association for Child Care Management, Florida Department of Health Child Care Food Program, Bright from the Start: Georgia Department of Early Care and Learning, Oklahoma Department of Human Services, Oklahoma Department of Education, Oklahoma Institute of Child Advocacy, Oklahoma Child Care Resource & Referral Association, Inc., Care Solutions, Inc., the Frank Porter Graham Child Development Institute of the University of North Carolina Chapel Hill, the Food Research and Action Center, the U.S. Department of Agriculture Food and Nutrition Services, the Kentucky Division of Regulated Child Care, First 5 Alameda County, and the South Carolina Department of Social Services.

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November 2013



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Prepared by the Insight Center for:
The Robert Wood Johnson Foundation
The United Way of Southeast Louisiana
The Women's Leadership Council
Success By 6 Collaborative

EXECUTIVE SUMMARY

The Insight Center for Community Economic Development, with generous grant support from the Robert Wood Johnson Foundation, conducted year-long research on small childcare settings, also called “family child care homes,” in Louisiana. The research was part of a statewide effort led by the United Way of Southeast Louisiana’s Success By 6 Collaborative to improve the safety and quality of care in small childcare settings. This report is intended to inform the public and policymakers about the results of this research.

The Need for Minimum Standards in Louisiana Small Childcare Settings

Child care is well-regulated in most states. In Louisiana, however, the most common child care businesses — small childcare businesses serving six or fewer children unrelated to the provider — are not required to be licensed or even registered. Louisiana is the only southern state without regulations for small childcare businesses (SCCs) of this size.

SCCs are the only businesses in Louisiana that are allowed to provide full-time, regular, paid child care without any oversight. Licensed child care centers, which serve seven or more unrelated children, and public and private Pre-K programs are held to higher standards of accountability. While limited health and safety standards are in place for SCCs that qualify for and choose to enroll in public programs, no standards are required for all SCCs. They do not need to register with fire and health officials, undergo inspections, have criminal background checks, or meet any other safety or quality standards.

Parents value the opportunity to choose the type of child care setting that best meets their needs. Many parents prefer to place their children in small childcare settings because they tend to be more

affordable, closer to home, and more flexible with scheduling than other child care settings.

Unfortunately, parents do not have the tools to be informed consumers in Louisiana. Parents in the United States want and expect state protection in the settings of their choice, and four out of five parents believe that all child care providers are already licensed. Yet due to Louisiana’s differential treatment of SCCs, parents who choose settings that care for six or fewer children are placing their children at greater risk than if they had chosen regulated settings such as licensed child care. All child care centers must meet minimum licensing standards, and their quality ratings are available to parents from the state’s Quality Start Child Care Rating System.

Most child deaths and injuries that occur in child care happen in settings that lack consistent standards and oversight. Child care regulations have been shown to improve health and safety as well as educational outcomes. Regulated settings better prepare children for healthy lifestyles and school success by enforcing provider standards in quality domains such as staff-child ratios and child development training.

Alignment with State and National Efforts

The 2012 Louisiana legislature passed Act 3 to hold publicly funded child care settings accountable to higher standards for kindergarten readiness. Current Act 3 implementation plans do not address SCCs. Since SCCs constitute the largest segment of early care and education in Louisiana, leaving them out of Act 3 plans has significant consequences for kindergarten readiness outcomes.

Small childcare settings play a key role in the continuum of care and education. Most children in SCCs are three years of age or younger. An estimated 23,600 Louisiana children in this age group are served by SCCs receiving public funds, and additional children are served by SCCs without public funding. From birth to age three, children develop primary language, communication, social, and emotional skills that ready them for school. Quality care and learning during these years provide a bridge to success in later years. This quality must be supported by creating minimum standards for all SCCs, aligning these standards with those for kindergarten, and providing critical support and incentives for higher standards.

In 2008, the Louisiana Legislature asked the Department of Social Services to explore the development of licensure standards for “family child day care homes,” that is, small childcare businesses. The resulting 2009 report did not lead to further action, in part because a question about the number of SCCs subject to licensure remained unanswered. This report answers that question and

compares the impact of three distinct regulatory options.

During those discussions, some Louisiana legislators expressed concern that new laws would regulate informal relative caregivers, such as grandparents. New research shows that the majority of Louisiana children being cared for in known SCCs are not members of the caregivers’ extended families. In addition, the regulatory options presented in this report only apply to settings that serve three or more unrelated children for pay. Small child care settings that operate informally rather than as small businesses — do not receive pay, care for only one or two unrelated children, or exclusively care for related children — would remain informal and unregulated.

On May 20, 2013, the U.S. Administration for Children and Families (ACF) issued a Notice of Proposed Rulemaking for regulations that include new health and safety requirements and site inspections for child care settings receiving CCAP subsidies. It will likely include requirements that are similar to licensing requirements in Louisiana.

With new federal requirements soon to be in place, and intensive kindergarten readiness efforts in Louisiana focusing only on a minority of all publicly funded child care settings, now is an optimal time to consider creating minimum standards for all child care businesses. Standards for SCCs would protect all children equally and safeguard parental choice.

How many SCCs are in Louisiana?

There are **8,288** known small childcare settings receiving state or federal funds, serving an estimated **40,000** children of all ages. Because Louisiana law does not require SCCs to be regulated, the total number of SCCs is unknown.

Under three options proposed at the end of the report, between **4,714** and **6,804** SCCs are estimated to become licensed or registered, serving an estimated **20,998** to **31,106** children.

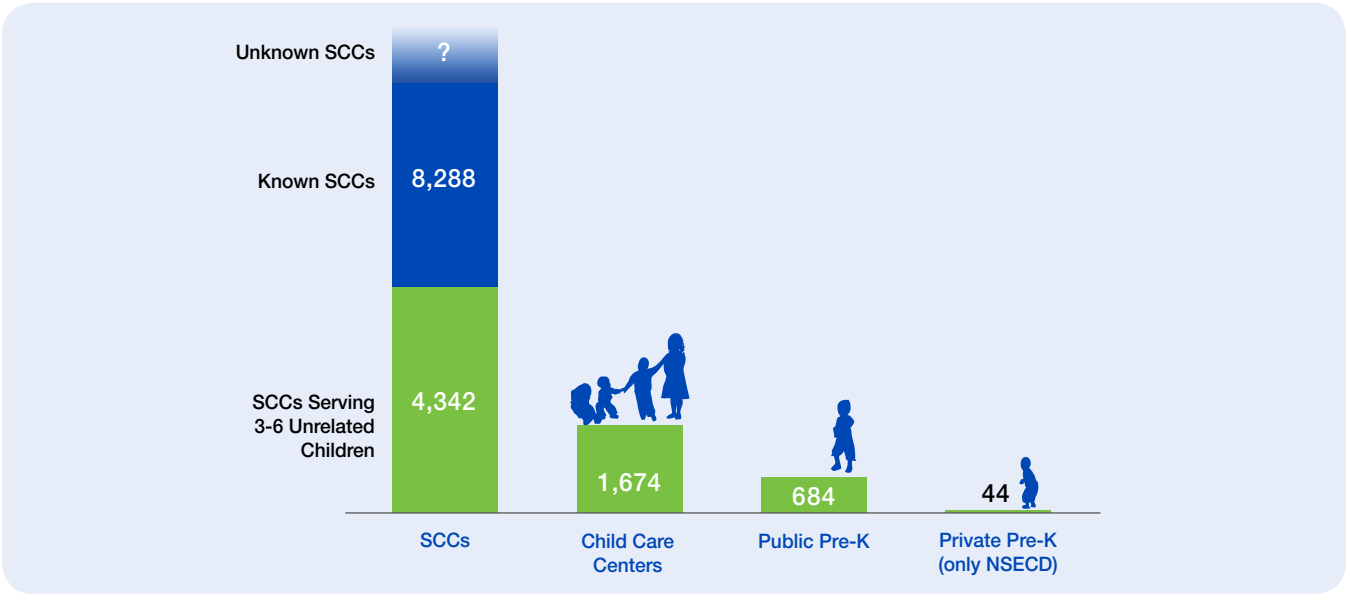
Research on SCCs in Louisiana

The Insight Center’s research on SCCs in Louisiana can be summarized into FIVE KEY FINDINGS:

1. SMALL CHILDCARE SETTINGS OUTNUMBER ALL OTHER CHILDCARE SETTINGS.

Known SCCs make up more than 75% of all known child care settings in the state. Even this percentage is likely low, since there is currently no mechanism for capturing the number of actual small childcare settings other than those that voluntarily participate in the USDA Child and Adult Care Food Program (CACFP), which supports child nutrition, or the Child Care Assistance Program (CCAP), which subsidizes the cost of child care for low-income families. (See the main report and Appendix for maps of known SCCs and other settings by parish, Louisiana House District, and Louisiana Senate District.)

Type and number of child care businesses



Data Sources: Known SCCs: Enrolled SCCs serving 1-6 children in Louisiana, April 2013. Digital data files provided by Louisiana Department of Education for CACFP and Louisiana Department of Children and Families for CCAP (excluding own children). Data unduplicated by Insight Center. Known SCCs estimated to serve 3-6 unrelated children: Data from Louisiana Market Rate Survey 2012 provided by Care Solutions, Inc. via email. Child Care Centers: Licensed Class A and Class B child care centers in Louisiana, July 2013. Digital data files provided by Louisiana Department of Children and Family Services, Licensing Department. Public Pre-K: Louisiana facilities offering Pre-K programs, August 2013. National Center for Educational Statistics, Institute of Education Sciences, Common Core of Data, Available at <http://nces.ed.gov>. Private Pre-K (NSECD only): Approved NSECDs, July 2013. Data provided via email from Louisiana Department of Education, Nonpublic School Early Childhood Development Program (NSECD).

2. PARENTS HAVE MANY REASONS TO CHOOSE SMALL CHILDCARE SETTINGS.

Parents with long or unusual work hours prefer SCCs because they offer greater scheduling flexibility, including child care availability nights and weekends. Lower-income and rural families may choose SCCs because they are less expensive than child care centers (averaging \$20 to \$25 less per week for young children) and closer to home. Many parents believe their children receive more individual attention in these settings.

3. SMALL CHILDCARE SETTINGS ARE BUSINESSES THAT HELP LOUISIANA THRIVE.

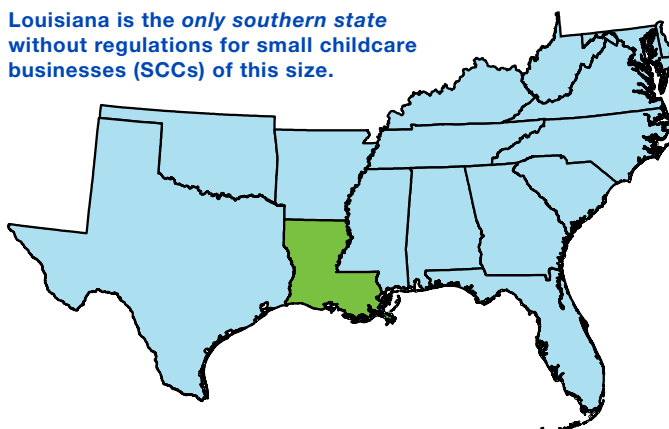
SCCs that provide care to unrelated children function as small businesses that sell a service and follow business rules and procedures. Many welcome increased regulation as it acknowledges and elevates their professionalism. SCCs bring a significant amount of funding into the state: combined gross receipts from all known SCCs are an estimated \$93.4 million to \$165.1 million a year. The number of small childcare settings have increased while licensed child care centers have declined.

4. LOUISIANA IS LAGGING BEHIND OTHER STATES IN REQUIRING SAFETY AND ACCOUNTABILITY AMONG SMALL CHILDCARE BUSINESSES.

The 2012 Child Care Aware (formerly NACCRRA) report scored the SCC regulations of states using 16 benchmarks on quality of child care and safety oversight. Louisiana ranked at the bottom along with seven other states that did not meet Child Care Aware standards.

Regulation of SCCs in the South

Louisiana is the only southern state without regulations for small childcare businesses (SCCs) of this size.



Source: Child Care Aware (NACCRRA), 2012

5. IMPROVING THE QUALITY OF SMALL CHILDCARE BUSINESSES WOULD BENEFIT LOUISIANA OVER THE LONG TERM.

Quality early education accrues benefits to society as a whole. Mission: Readiness, a national security organization of senior retired military leaders, points out that children with quality early education have higher high school graduation rates and lower rates of arrest, and estimates that quality early education programs would lower societal costs by \$15,000 per child.

Regulatory Options

The best way to protect Louisiana children and prepare them for kindergarten is to require all paid child care settings to meet minimum standards, while supporting and providing incentives for higher-quality programs.

Three options for holding SCCs accountable to minimum standards are discussed in this report. All three options require:

- Licensure of all SCCs receiving CCAP subsidies, in response to pending federal regulations.
- Enforcement of minimum standards that are higher than those established by the voluntary CACFP. New standards could be phased in over three years; health and safety standards would be followed by quality standards.
- Participation of licensed SCCs in Louisiana's Tiered Kindergarten Readiness Improvement System (TKRIS), which will provide incentives for quality improvement beyond minimum standards.



OPTION 1: LICENSE ALL SCCS SERVING 3-6 UNRELATED CHILDREN.

This option would require all SCCs serving three to six children unrelated to the provider to abide by the minimum standards of a new licensure class. Small childcare businesses would be subject to annual unannounced inspections, and would be integrated into the TKRIS and its early education efforts.

Required licensure for all SCCs provides the greatest benefit to children's safety and early education, but could be most costly to implement.



OPTION 2: COMBINE OPTIONAL LICENSING WITH REQUIRED REGISTRATION FOR SCCS SERVING 3-6 UNRELATED CHILDREN.

This option provides small childcare businesses serving three to six unrelated children with an option to become licensed, or at a minimum, to register with the state. Licensing and registration standards would be almost identical, but licensing would provide enhanced oversight through on-site inspections. Inspections are critical to ensuring child protection because significant health concerns, safety hazards, and quality issues can only be discovered through visual assessment. The licensure class would have access to benefits such as the TKRIS that are designed to provide incentives to choose licensure over registration.

Optional licensing allows self-selected SCCs to move along a pathway to higher quality while saving on inspection costs for registered SCCs.

OPTION 3: REGISTER ALL SCCS SERVING 3-6 UNRELATED CHILDREN.

Under this option, all SCCs serving three to six unrelated children would be required to register and meet standards higher than that of CACFP. However, SCCs would not have the option of licensure, except for those funded by CCAP. This option would be the least costly to implement, because oversight would be provided through desk audits rather than on-site inspections.

Required registration provides children with the least protection and standards for preparation for kindergarten, but it can be approached as a first step in assessing costs and building the infrastructure needed for licensing.

Conclusion

IN THE ABSENCE OF SCC
OVERSIGHT, WE CAN EXPECT
MORE TRAGEDIES TO
OCCUR, AND MORE PARENTS
TO BLAME THE STATE.

The research summarized in this report makes it clear that Louisiana needs to provide more support and oversight to SCCs. Louisiana's children do not all receive the same quality of care and protection. Moreover, Louisiana has created an uneven playing field for providers, where unregulated SCCs can provide child care without oversight and all other full-time, paid child care settings must meet minimum standards.

Governor Jindal, Superintendent White, and state legislators share the goal of high standards for Louisiana's earliest learners, yet kindergarten readiness implementation efforts under Act 3 (2012 Legislative Session) focus on just a minority of publicly-funded child care settings. As high standards are established under Act 3, minimum standards for SCCs should be a top priority. Implementing these standards now while incorporating SCCs into plans for Act 3, the TKRIS, and child care networks would be cost-effective and timely. It would also prepare Louisiana SCCs to meet pending federal regulations on CCAP.

The main report discusses in detail three viable options for implementing minimum standards in SCCs. These options do not strive to replicate best practices in states such as Oklahoma (which Child Care Aware ranked the highest in the country). Rather, they are intended to lift Louisiana from the very bottom of the rankings. The options are realistic, conservative strategies that balance Louisiana's goals for its children with its fiscal realities. Louisiana has every reason to take action to protect all children equally, safeguard parental choice, and provide a roadmap to school success.



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OVERVIEW



Definitions of terms used in this report

Many states, including Louisiana, refer to child care settings that care for small numbers of children as “family child care homes” or “family child day care homes.” This report uses the term “small childcare settings” (SCCs) because the term “family child care home” can be misleading.* The word “home” is ambiguous because, although SCCs generally operate within providers’ residences, they serve children outside of the children’s own homes. Moreover, the use of the word “family” in “family child care” is inaccurate since most SCCs serve children who are not related to the providers of care.

SCC providers that offer paid care to unrelated children operate as businesses because they must pay taxes and carry out other business duties. This report may at times refer to such providers as “small childcare businesses.”

The use of “related” or “relative” parallels existing Louisiana child care law: a natural or adopted child or grandchild of a caregiver, or a child in the legal custody of the caregiver. This report uses the term “unrelated” to refer to children who are not related to the provider, whether or not they are related to other children served by the SCC. More information on the relationship between children and providers is in the pages below.

In Louisiana, settings that serve seven or more unrelated children are required by law to be licensed as a “child care center” or a “child day care center.”¹ Therefore, this report refers to Louisiana SCCs as settings that provide child care and educational services to six or fewer children of all ages.

If qualified, Louisiana SCCs may voluntarily participate in public programs such as the Child and Adult Care Food Program or the Child Care Assistance Program. Each of these programs has limited oversight and standards for continuing participation. This report refers to “required” or “minimum” standards or regulations as requirements that apply to all SCCs, rather than to the subset that chooses to participate in these programs.

**For the term “small childcare settings” only, “child” and “care” are combined into “childcare” to clarify that the word “small” refers to the setting, not to the child.*

Entrusting children to someone else's care is one of the most difficult things a parent can do.

Yet economic realities demand that most parents of young children rely on child care so that they can work.² More than half of children under five years of age in the United States are in some type of regular child care arrangement.³

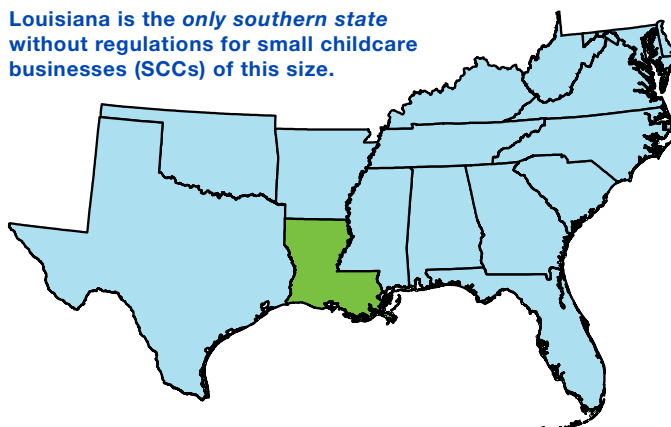
In many states, paid child care is well-regulated. State standards protect and prepare children for healthy lifestyles and school success, and elevate the professionalism and sustainability of child care providers. In Louisiana, however, the most common child care businesses – small childcare businesses serving six or fewer children unrelated to the provider – are not required to be licensed or even registered.

These businesses do not need to register with fire and health officials, undergo inspections, have criminal background checks, or meet any other safety or quality standards. In contrast, ordinary businesses such as beauty salons and florist shops must be licensed.



Regulation of SCCs in the South

Louisiana is the only southern state without regulations for small childcare businesses (SCCs) of this size.



Source: Child Care Aware (NACCRRA), 2012

How many SCCs are in Louisiana?

There are **8,288** known small childcare settings receiving state or federal funds, serving an estimated **40,000** children of all ages. Because Louisiana law does not require SCCs to be regulated, the total number of SCCs is unknown.

Under three options proposed at the end of the report, between **4,714** and **6,804** SCCs are estimated to become licensed or registered, serving an estimated **20,998** to **31,106** children.

Sources: Enrolled SCCs serving 1-6 children in Louisiana, April 2013. Digital data files provided by Louisiana Department of Education for CACFP and Louisiana Department of Children and Families for CCAP (excluding own children). Mean number of children per SCC, Care Solutions, Inc. data from Louisiana Market Rate Survey 2012. See Appendix for the sources of Insight estimates under each option.

Parents Expect the State to Protect their Children

THE MAJORITY OF CHILD DEATHS AND INJURIES IN THIS COUNTRY OCCUR IN CHILD CARE SETTINGS THAT LACK CONSISTENT STANDARDS OF CARE AND OVERSIGHT.

Many parents prefer to place their children in small childcare settings, commonly known as family child care homes, because these businesses tend to be more affordable, closer to home, and more flexible with scheduling arrangements than larger child care settings. Parents who prefer SCCs often believe their children receive more individual attention in these settings.⁴

These small businesses are generally worthy of parental trust, as they offer safe, nurturing, educational environments where children can thrive. However, some settings may contain health and safety hazards that can lead to tragic consequences. Adults may even be abusing or neglecting the children in their care.

A study by Julia Wrigley and Joanna Dreby found that the death rate in the United States from 1985 to 2003 for children in small childcare settings was three times higher than in licensed child care centers. The most common causes of death were drowning, violence, and fire.⁵

- In 2012, 27-year-old Ryan Reed was accused of beating two-year old Savannah Cross to death in his legal unlicensed child care program in Arizona, where three non-related children had been placed.⁶
- From 2007 to 2011, 54 preventable child deaths occurred in day care in Missouri; the vast majority occurred in unlicensed small childcare businesses.⁷

Overall, parents in the United States want and expect state protection for their children. Eighty-five percent of parents believe that all child care providers should undergo criminal background checks before being permitted to look after children. Parents assume that the state regularly inspects all child care settings to ensure safety, and eighty-one percent believe that all child care providers are licensed.⁸ Focus group research in Louisiana in 2013 confirmed this belief – parents were surprised to learn that Louisiana lacks required standards for small childcare businesses.⁹



Minimum Standards for SCCs Ensure Protection

Most child deaths and injuries that occur in child care settings in this country happen in facilities that lack consistent standards and oversight of fire, health and food services safety, emergency procedures, safe infant sleep practices, criminal background checks, and so on.

In the absence of an effective licensing process, parents face the nearly impossible task of assessing danger on their own.¹⁰ Few parents are prepared to conduct a comprehensive criminal background check, look for fire hazards, or inspect food safety. While parents certainly know what settings, activities, and schedules best suit their children's temperament and needs, they rely on the state to ensure basic health and safety for their children.

Parents value the opportunity to choose the type of child care setting that best meets their needs. Unfortunately, parents do not have the tools to be informed consumers in Louisiana. Due to Louisiana's differential treatment of SCCs, parents who choose settings that care for six or fewer children are placing their children at greater risk than if they had chosen regulated settings such as licensed child care centers. All child care centers must meet minimum standards, and their quality ratings are available to parents from the state's Quality Start Child Care Rating System.

In Louisiana, the size of a child care setting determines why one parent's child is protected over another's.¹¹

“With no licensing regulations or quality standards to meet, home-based child care providers cannot be properly evaluated for the success of their program.”

—Pat Crocker, Past President of the Child Care Association of Louisiana and owner of licensed child care centers for 17 years



Minimum Standards are Key to Kindergarten Readiness

“Only half of Louisiana’s children enter kindergarten ready to learn. We can change this situation if we have high standards for our earliest learners, clear information for parents, and support for teachers.”

—John White, Louisiana Department of Education Superintendent¹²

Most regulation of SCCs across the country includes standards that research has shown improves educational outcomes, such as maximum staff-child ratios and provider training on subjects such as child development, child guidance, and learning activities.¹³ Without such required regulations, SCCs in Louisiana may not be preparing children adequately for kindergarten.

Small childcare settings play a key role in the continuum of care and education. An estimated 59% of the 40,000 children served by known SCCs are three years old or younger, and are a key feeder source into pre-K programs.¹⁴ It is critical that the estimated 23,600 children in this young age group – even more including those in unknown SCCs – be prepared for further education. From birth to age three, children develop primary language, communication, social, and emotional skills that ready them for school. Quality care and learning during these years provide a bridge to success in later years. This quality must be supported by creating minimum standards for all SCCs, aligning these standards with those for kindergarten, and providing critical support and incentives for higher standards.

“Research-based data shows that quality care and early learning from 0 to 3 provide our children with the greatest opportunity to ensure success in elementary school and beyond. Waiting until Pre-K or kindergarten is too late. Investing early makes sense, and we must maintain quality programs while affording parents choice.

Not all providers are created equal, and a quality system will ensure that taxpayer dollars are well spent. If Louisiana requires child care centers to be licensed to receive government funds, then residence-based providers should be licensed as well – all child care businesses deserve a level playing field.”

—Ellyn Setnor Bogdanoff, former Republican member of the Florida Senate and House of Representatives (2004-2012), current Executive Director of the Florida Association for Child Care Management

Improving Child Care Standards is a State Priority



Under Governor Jindal's leadership, the 2012 Louisiana legislature passed Act 3, which calls for a definition of kindergarten readiness, performance targets aligned to the state's K-12 standards, and a uniform assessment and accountability system for all publicly funded child care programs.

For the first time, child care centers, Head Start programs, prekindergarten programs in public schools, and selected private schools will be assessed according to a single set of standards.¹⁵ The Louisiana Board of Elementary and Secondary Education (BESE) and others are tasked with carrying out and refining this plan. While Act 3 promises to provide an unprecedented level of alignment and accountability for higher standards across diverse early care and education settings, implementation plans are silent on the matter of SCCs — the only setting that lacks a mandate for its class to meet even the most basic of standards. This inequity in protection leaves tens of thousands of Louisiana children at risk every day.

A large number of SCCs receive public funding from two sources: the U.S. Department of Agriculture's Child and Adult Care Food Program (CACFP), which reimburses child care programs for nutritious meals and snacks based on the income of the child, provider or neighborhood, or the Child Care

Assistance Program (CCAP), which subsidizes the cost of child care for low-income families. Each program has limited standards and oversight mechanisms, but these do not apply to all SCCs in the state.

Because SCCs are the largest segment of early care and education in Louisiana, staying silent about their accountability has significant consequences for kindergarten readiness outcomes. There are five times more known SCCs than licensed child care centers. In fact, known SCCs make up more than 75% of all known child care settings combined (except for some private Pre-K schools) in the state.¹⁶ Even this percentage is likely low, since there is currently no mechanism for capturing the number of actual small childcare settings other than those that voluntarily participate in CACFP and CCAP.

Under Act 3 there is a lot of effort devoted to child care centers, yet there are five times more known SCCs than child care centers. Small childcare businesses must be aligned with the standards established for other settings and included in plans to prepare children for kindergarten to meet the Governor's goals under Act 3.

Louisiana legislators have considered improving SCCs in the past. In 2008, the Louisiana Legislature asked the Department of Social Services to explore the development of licensure standards for "family child day care homes," that is, small childcare businesses. The resulting 2009 report¹⁸ did not lead to further action, in part because a question about the number of SCCs subject to licensure remained unanswered.

The Insight Center team has now developed estimates to answer the question posed by the Legislature. The number of SCCs that are subject to licensure or other regulations can be found in the text box on page 2. These projections use the number of known SCCs as a minimum estimate and develop higher estimates of SCCs (including those that are unknown) using comparable states' experiences.

"The next great civil rights fight is really about making sure that every child has a great education. Look at all of the disparity numbers."

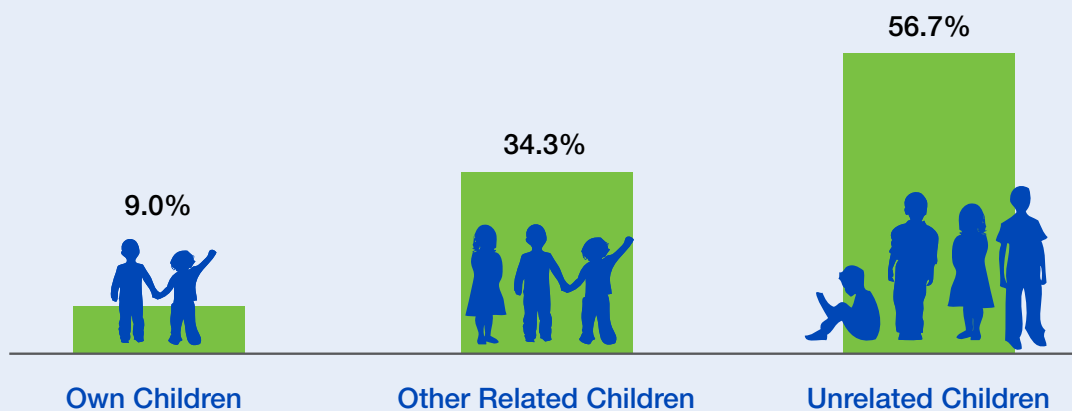
—Louisiana Governor Bobby Jindal ¹⁷

Informal Relative Providers Can Be Exempt from Minimum Standards

When they called for the study resolution in 2008, legislators expressed concern that new laws would regulate informal relative caregivers, such as grandparents. Solid research based on the 2012 Louisiana Market Rate Study's large sample of known SCCs shows that about three in four SCC caregivers (73%) serve children that are not members of caregivers'

extended families. The majority of Louisiana children being cared for in known SCCs (57%) are not related to the caregiver. The percentage of children that are unrelated grows significantly for SCCs serving three or more children.¹⁹

What percentage of all children in SCCs are relatives vs. non-relatives?



Source: Care Solutions, Inc. (email Aug. 2013) data from Louisiana Market Rate Survey 2012

Related and unrelated children served in each SCC



Source: Care Solutions, Inc. (email Aug. 2013) data from Louisiana Market Rate Survey 2012

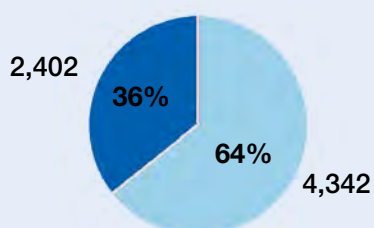
In addition, the regulatory options presented in this report only apply to settings that serve three or more unrelated children for pay. The small childcare settings that operate informally rather than as small businesses – do not receive pay, care for only one or two unrelated children, or exclusively care for related children – would remain informal and unregulated. Out of the known SCCs, 47 percent (3,946) operate informally and 53 percent (4,342) operate as businesses that serve between three to six non-relatives.

These small childcare businesses make up a majority of all the child care settings in the state, excluding informal SCCs. (See below.)



SCCs compared to other child care settings

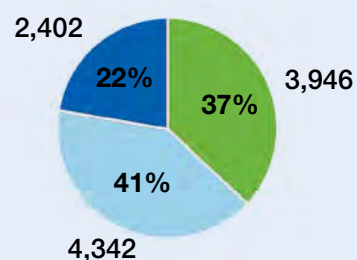
Excluding informal SCCs



■ Child care centers, public Pre-K, and private Pre-K NSECD

■ SCCs serving 3-6 unrelated children for pay

Including informal SCCs



■ Informal SCCs (unpaid, serving <3 unrelated children, or only relatives)

Note: Private Pre-K programs that do not receive NSECD funds are excluded from the total. Informal SCCs are SCCs that serve children without pay, serve only relatives, or serve <3 unrelated children. See sources under the "Type and number of child care businesses" chart within Key Finding One.

Pending Federal Regulations Seek Increased SCC Oversight

On May 20, 2013, the U.S. Administration for Children and Families (ACF) issued a Notice of Proposed Rulemaking for regulations that include new health and safety requirements and site inspections for child care settings receiving CCAP subsidies. The proposed regulations will impact 782 Louisiana SCCs, or 9% of known SCCs in the state. It will likely include requirements that are similar to licensing requirements in Louisiana.²⁰ According to ACF, the new rules will address “gaps in health and safety requirements and gaps in monitoring [that] represent vulnerabilities that could potentially lead to harm for children in care, including care financed by the Federal government.”²¹ In the near future, Louisiana will need to modify its policies for affected SCCs in response to these new rules.

WITH NEW FEDERAL REQUIREMENTS SOON TO BE IN PLACE, AND INTENSIVE KINDERGARTEN READINESS EFFORTS IN LOUISIANA FOCUSING ONLY ON A MINORITY OF ALL PUBLICLY FUNDED CHILD CARE SETTINGS, NOW IS AN OPTIMAL TIME TO CONSIDER CREATING MINIMUM STANDARDS FOR ALL CHILD CARE BUSINESSES. STANDARDS FOR SCCS WOULD PROTECT ALL CHILDREN EQUALLY AND SAFEGUARD PARENTAL CHOICE.

This report highlights five key findings of the Insight Center’s research, followed by a description of options for creating minimum standards. The options propose standards that serve as a basic floor to prevent children from harm. Other mechanisms, including participation in Act 3 and other quality improvement efforts, can encourage SCCs to achieve higher standards, building upon the floor of licensing or registration.

The five key findings are:

- 1. Small childcare settings outnumber all other child care settings in Louisiana.*
- 2. Parents have many reasons to choose small childcare settings.*
- 3. Small childcare settings are businesses that help Louisiana thrive.*
- 4. Louisiana is lagging behind other states in requiring safety and accountability among small childcare businesses.*
- 5. Improving the quality of small childcare businesses would benefit Louisiana for the long term.*

KEY FINDING ONE:

Small childcare settings outnumber all other child care settings in Louisiana.

“For those children that we can affect, we’ve got to get them ready for kindergarten. We cannot ignore children, put them in play school and assume they will come out ready to go to school and achieve success.”

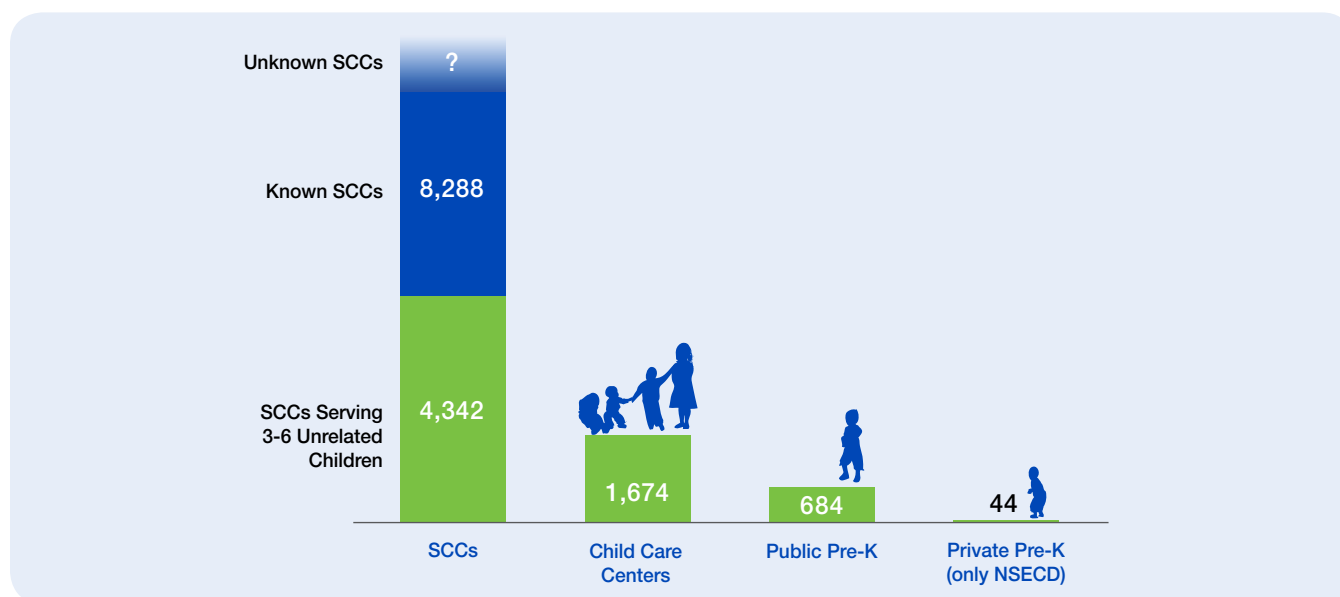
—Louisiana State Senator
Conrad Appel²²

Louisiana lawmakers have a history of commitment to improving health, safety, and quality standards for selected paid child care settings: child care centers, public pre-kindergartens, and private pre-kindergartens known as NSECDs (Nonpublic Schools Early Childhood Development programs). In 2012-13 alone, the state government passed numerous bills, held countless planning meetings, examined standards, marshaled safety and quality inspections, and held most child care businesses accountable to standards intended to protect children and prepare them for kindergarten.

Yet these efforts have not extended to the vast majority of paid child care settings, small childcare settings. The 8,288 known SCC settings in Louisiana constitute more than three times the number of other child care settings combined: a total of 2,402 public Pre-K programs, private Pre-K schools receiving NSECD funding, and licensed child care centers.²³

With an average of five children per setting, SCCs have lower enrollments than child care centers. Nevertheless, they serve an estimated 40,000 children of all ages — a significant number in Louisiana even without considering those children served by unknown SCCs.²⁴ These SCCs provide paid care to young children without being subject to required safety or quality standards.

Type and number of child care businesses



Data Sources: Known SCCs: Enrolled SCCs serving 1-6 children in Louisiana, April 2013. Digital data files provided by Louisiana Department of Education for CACFP and Louisiana Department of Children and Families for CCAP (excluding own children). Data unduplicated by Insight Center. Known SCCs estimated to serve 3-6 unrelated children: Data from Louisiana Market Rate Survey 2012 provided by Care Solutions, Inc. via email. Child Care Centers: Licensed Class A and Class B child care centers in Louisiana, July 2013. Digital data files provided by Louisiana Department of Children and Family Services, Licensing Department. Public Pre-K: Louisiana facilities offering Pre-K programs, August 2013. National Center for Educational Statistics, Institute of Education Sciences, Common Core of Data, Available at <http://nces.ed.gov>. Private Pre-K (NSECD only): Approved NSECDs, July 2013. Data provided via email from Louisiana Department of Education, Nonpublic School Early Childhood Development Program (NSECD).

...in three-quarters of parishes, SCCs make up **60% or more** of all the providers combined.



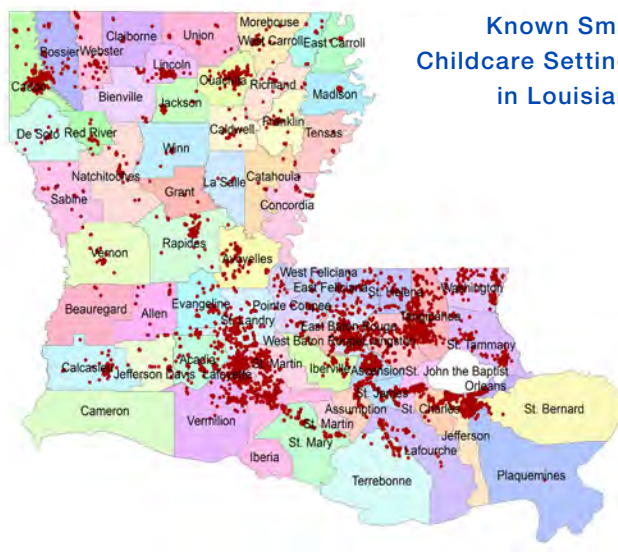
Licensed child care centers and unlicensed small childcare settings are the only two paid settings that offer child care outside of the home to a range of ages, including infants and toddlers. Pre-K programs, including public and private schools offering Pre-K, is targeted at four year-olds, although some three year-olds are served through funding for special education, Head Start and local funds.

Given the broader age range of children served by SCCs and licensed child care centers, the following two maps compare these two settings side by side.

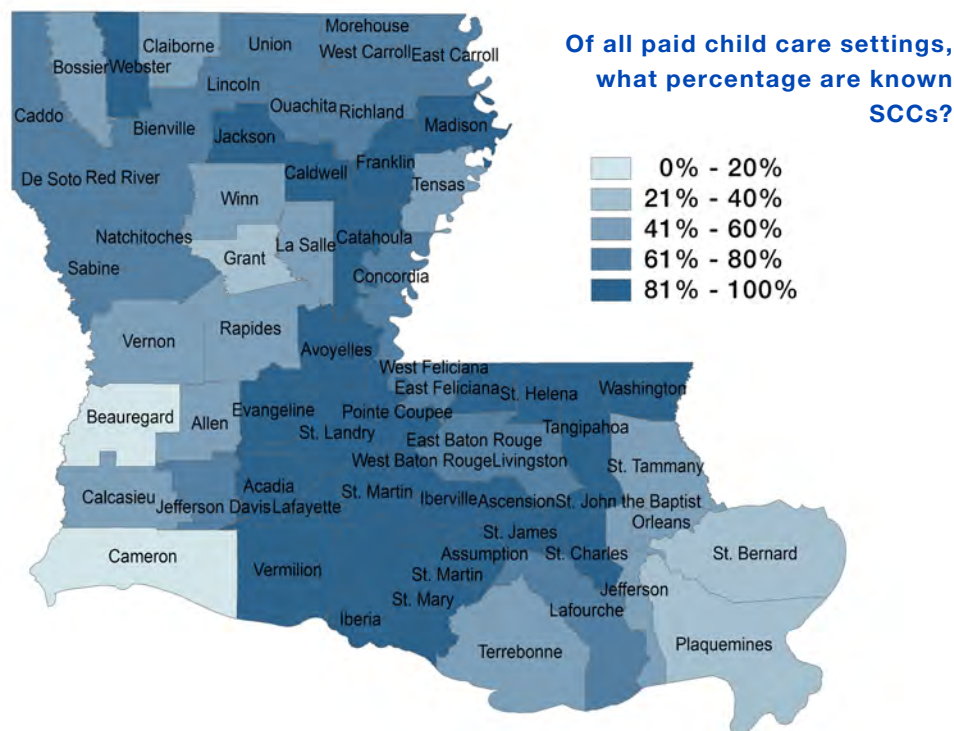
The maps reflect the significantly higher number and geographic reach of known SCCs, with only four parishes having more centers than SCCs — Beauregard, Grant, Plaquemines, and St. Bernard.

The last map shows the percentage of known SCCs in comparison to all other settings. With five parish exceptions – the ones just listed and Cameron – known SCCs make up 41% or more of all the providers combined, and in three-quarters of parishes, SCCs make up 60% or more of all the providers combined.

There are five times more small childcare settings than licensed child care centers.



SCCs are the predominant child care setting in most parishes.



The GIS maps above incorporate the majority of known child care settings in the state of Louisiana in 2013, including:

- Small childcare settings.** Small childcare settings provide child care and early education to up to six children of all ages. The maps show small childcare settings that are voluntarily enrolled in the Child Care Assistance and/or Child and Adult Care Food Program. Small childcare settings generally serve children in the providers' residences.
- Licensed Child Care Centers.** Child care centers provide child care and early education to seven or more unrelated children of all ages. Care is offered in a variety of facilities. This map shows licensed Class A and Class B centers. A small number of child care centers partner with the NSECD program (see Private Pre-K description below) or their school district to offer Pre-K services in a center setting.
- Public Pre-K Schools.** Louisiana operates several different types of public preschool programs for three and four year olds, primarily through the public school system, including LA4, Starting Points, programs funded through 8(g) grants, Even Start, Head Start, Rural Education Achievement Program, Excellence in Education, Early Head Start, Title I funds, and local funds.
- Private Pre-K (Nonpublic School Early Childhood Development Programs).** Some nonpublic schools operate pre-kindergarten programs for four year olds with the support of the NSECD program.

Excluded from the data in these maps were: private schools offering Pre-K that are not in the NSECD program, small childcare settings that have not voluntarily registered in public funding programs, private or public day schools serving children exclusively in grades one and above, certified Montessori schools, camps, and some exclusively part-day programs.

KEY FINDING TWO:

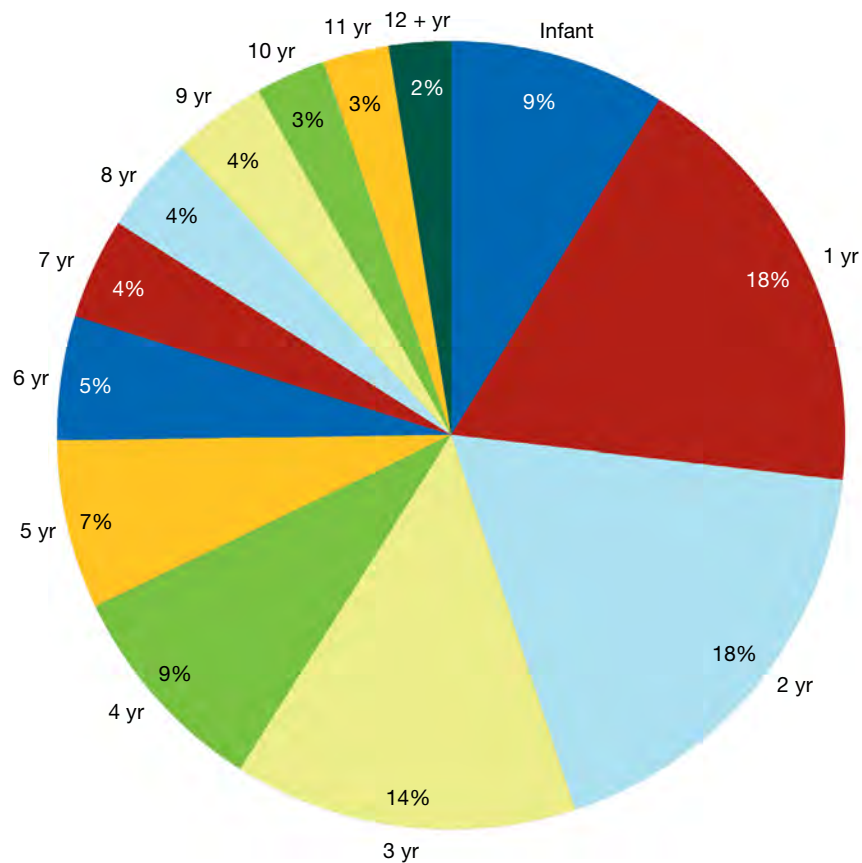
Parents have many reasons to choose small childcare settings.

“I teach at Grambling State University. Without my family child care provider, I’d have to drive to the next town to find child care.”

—M. Jones, parent²⁴

Many parents throughout the United States prefer small childcare settings for their infants and toddlers, and preschool and child care centers for their children between three and five years old.²⁵ In fact, about 59% of Louisiana’s children in SCCs are under four years old. (See below.)

Age of children in SCCs
Children in subsidized care



Note: 9% of known small childcare settings (not including providers serving their own children) are enrolled in the Child Care Assistance Program (CCAP), Louisiana’s subsidy program funded from the Child Care Development Fund.

Source: Louisiana Child Care Assistance Program Data, May 2013. Digital data provided by the Louisiana Department of Children and Family Services.

Outside of their child's age, other key factors influence a family's decision to choose a small childcare setting over other forms of care. According to an Urban Institute meta-analysis, factors include: household income, rural or urban family residence, work schedule, family structure, educational level, and availability of care at home.²⁶

Household income

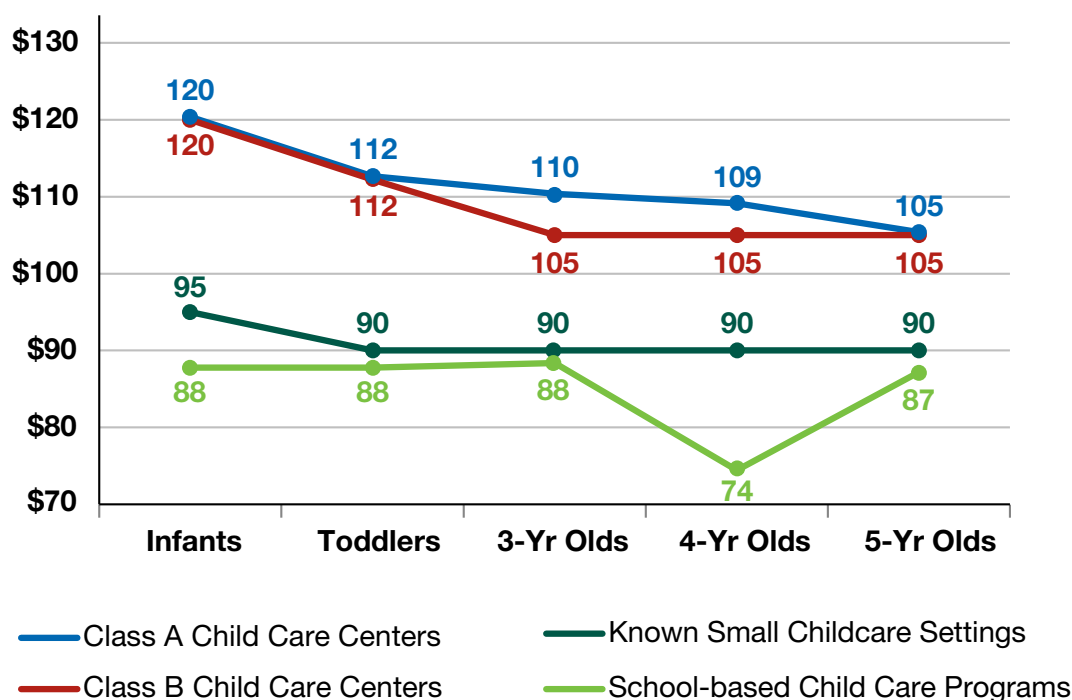
Lower-income families are more likely than higher-income families to use small childcare settings, partly because SCCs generally cost less for full-time care than other settings.²⁷ These lower costs are generally due to SCC owners' ability to combine their overhead costs with that of their residence. Child care centers nationwide cost more than 10% of the median income, while the cost of small childcare settings is only about 4% of median income.²⁸ In Louisiana, the difference in median costs between licensed child care centers and known SCCs is \$20-25 weekly for children ages three or younger.²⁹ This difference in cost amounts to 7-9% of full-time minimum wage earnings before taxes.

Rural or urban residence

Parents living in rural areas are more likely to choose small childcare settings as well.³⁰ More SCCs are available in rural areas in Louisiana. Child care centers are less common because they need to enroll more children to pay their bills, and rural areas offer fewer children per square mile. Rural families also face obstacles bringing children to distant facilities. Public transportation is not usually available in rural areas and traveling outside of existing commute routes can be difficult.³¹ Small, local child care settings are easier to get to.³² For these reasons, only 29% of rural families use child care centers, which is less than all parents nationwide (38%). They are more likely to use small childcare settings (21%) than U.S. parents overall (12%).³³

RURAL FAMILIES NATIONWIDE
ARE 9% MORE LIKELY TO USE
SMALL CHILDCARE SETTINGS.

Median weekly child care rate for children of different ages in different settings



Notes: School-based child care programs offer fewer hours per day than licensed child care centers and SCCs, which may account for their lower median weekly child care rate. Infants are defined as 3 weeks to 12 months old; toddlers are 13-35 months; three-year olds are 36-47 months; four-year-olds are 48-59 months. Class A child care centers have higher standards than Class B centers; these class designations have recently been revised under Louisiana Revised Statutes § 46:1403. Source: Louisiana Child Care Market Rate Survey 2012, Care Solutions, Inc.



Work schedule

Parents who are working long or unusual hours often prefer SCCs over other settings. Seven of the top ten occupations with the largest job growth nationwide are in the services sector, which frequently requires work outside of the traditional workday hours.³⁴ Low-pay occupations also tend to require flexible or unusual hours. A study found that close to 30% of employed TANF (Temporary Assistance to Needy Families) parents nationally needed child care before 6 a.m., after 7 p.m., or on weekends. Long commutes, common in rural areas, also require extended care hours.³⁵

The hours of operation of child care centers do not meet the needs of much of the country's workforce. Child care centers are typically open from 7 a.m. until 6 p.m. on weekdays and often charge monetary penalties for late pickup. More small childcare settings offer flexible hours than child care centers, including weekend hours, off-hour care, early drop off or late pick-up, or personalized schedules for parents.³⁶ SCCs more easily accommodate parents' schedules because the providers live in their own residences. The Louisiana Market Rate Survey found that about 20% of small childcare settings offered flexible weekend and evening or overnight child care, whereas almost none of the non-residential child care businesses did.³⁷



Family structure

Single mothers working full-time or part-time are more likely to prefer small childcare settings because of the flexibility afforded by SCCs. Two-parent families, on the other hand, are more likely to choose parental care or child care centers.³⁸

Parental education and availability

Parents with a high school education or less typically choose small childcare settings over child care centers, whereas parents (and particularly mothers) with at least some college education prefer child care centers.³⁹ A multi-state study found that mothers without high school diplomas were more likely to choose small childcare settings (46%) over child care centers (42%).⁴⁰

When both parents or one parent in a single-parent household are employed, they are unavailable to their children for extended periods of time and so often choose SCCs, which provide longer hours and greater scheduling flexibility.⁴¹

ABOUT 20% OF SMALL
CHILDCARE SETTINGS OFFERED
FLEXIBLE WEEKEND AND EVENING
OR OVERNIGHT CHILD CARE,
WHEREAS ALMOST NONE OF THE
NON-RESIDENTIAL CHILD CARE
BUSINESSES DID.

KEY FINDING THREE:

Small childcare settings are businesses that help Louisiana thrive.

“Licensing standards are important to define us as a business. People will view us as professionals and not just baby sitters!”

— Leisa Burns, Heart to Heart Child Development Center (SCC provider), Hammond area⁴²

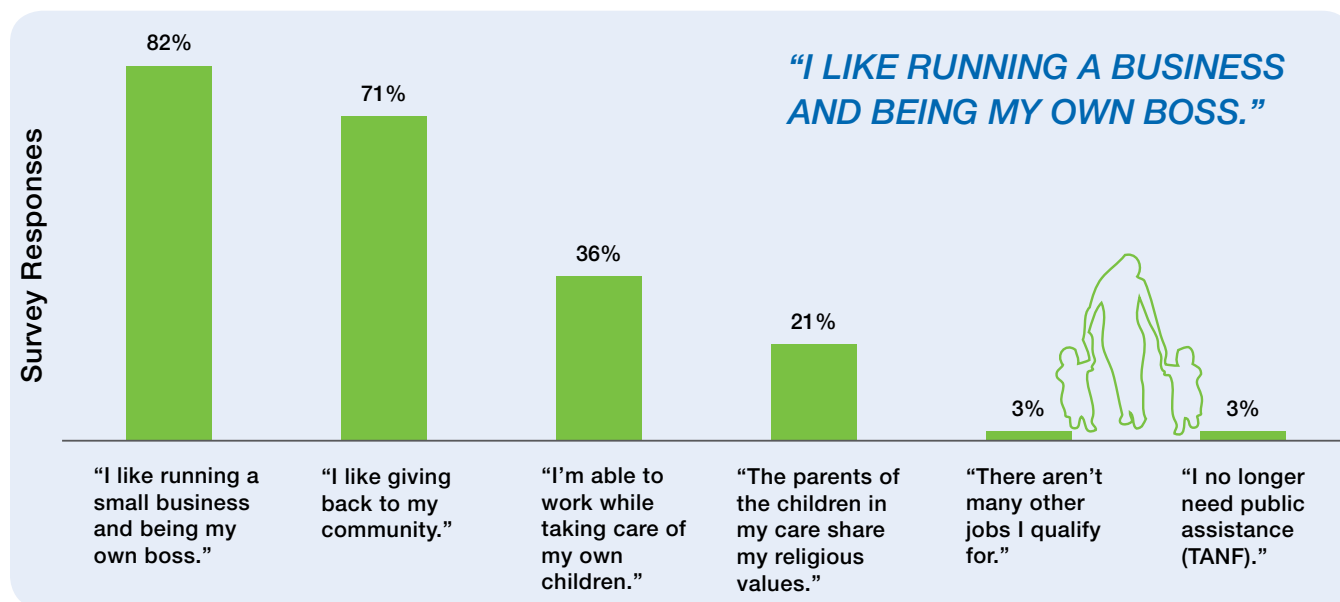
Paid SCCs that provide care to unrelated children function as small business entities that sell a service. As businesses, they are the responsible parties in any legal disputes. They must follow the special rules and procedures of any business, for example, when filing tax returns. They must meet certain standards and complete paperwork to draw funding from the CACFP or CCAP programs.

The owners of these small childcare businesses make ends meet through the service they provide. According to the Louisiana Market Rate Survey data, about 24% of owners raise their own children while operating their small childcare businesses.⁴⁴ The 2013 Insight Center and Forelle Consulting Group survey of 61 SCCs in two regions of Louisiana asked small childcare business owners to select the main reasons they liked their work. Over 80% reported: “I like running a small business and being my own boss.” Licensing would acknowledge their professionalism, which many providers welcome.⁴⁵

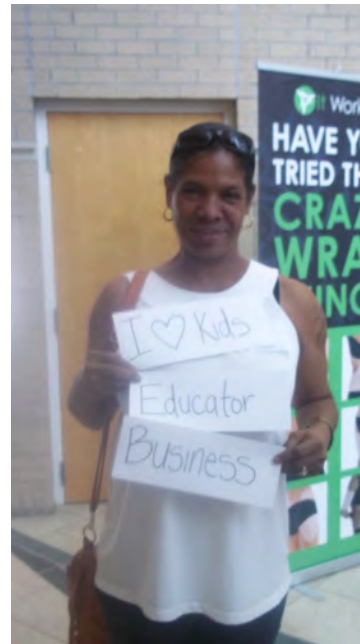
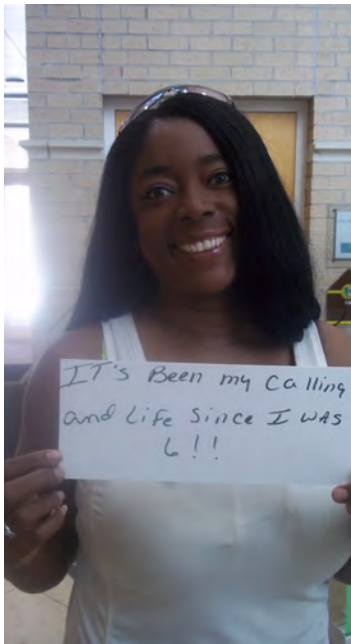
“Providers can better take care of the children with an increase in professionalism.”

—Anonymous child care provider, Calcasieu Parish⁴³

Why do SCC providers like their work?



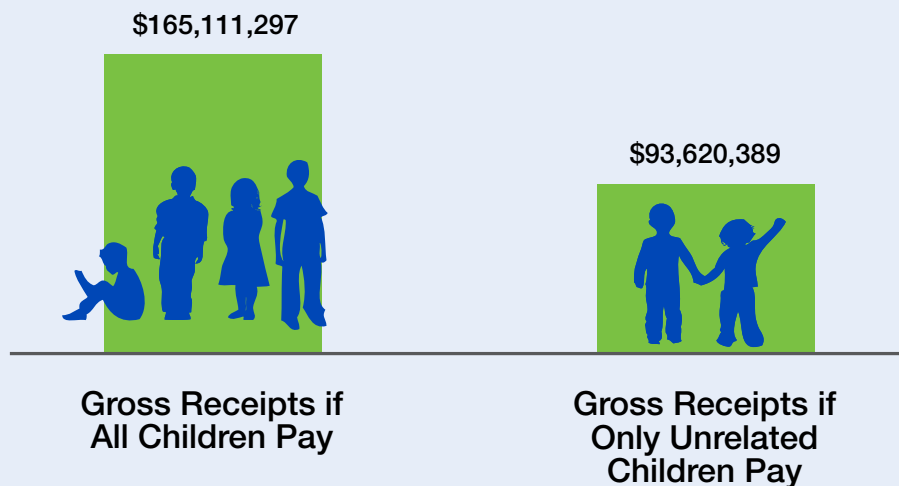
Source: 2013 Survey, Insight Center and Forelle Consulting Group



Child care plays a vital role in Louisiana's economy and workforce. Parents need access to safe, reliable child care in order to maintain a job and provide for their families. Not only do SCCs keep families and providers working, but they bring a significant amount of funding into the state.⁴⁶ Average gross receipts for small childcare settings

is \$4,120 per child.⁴⁷ The Insight Center estimates that combined gross receipts from all known SCCs range from \$93.6 million to \$165.1 million a year. The higher estimate includes paid care for children who are relatives of the provider, so actual gross receipts are likely to be between these two estimates.

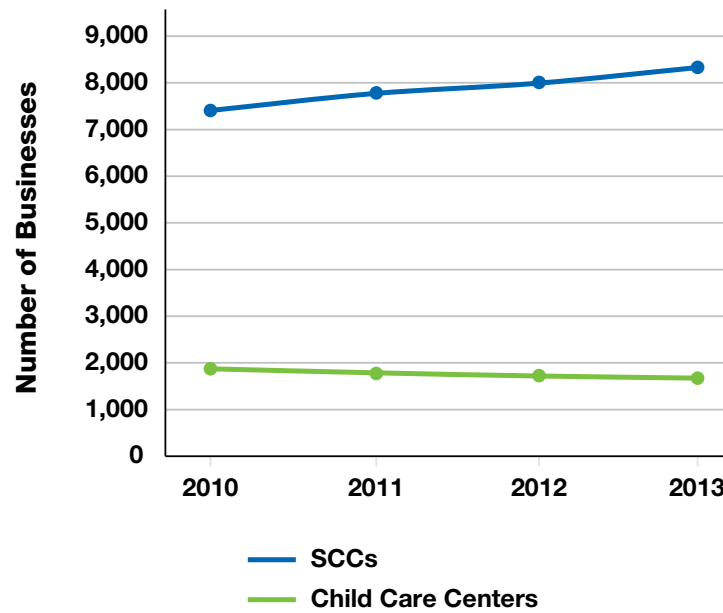
Estimated gross receipts from known SCCs



Note: It is unlikely that all children are paid for at the same rates. Parents often pay reduced rates for siblings, providers charge less for children of family members, neighbors, or friends, and not all children are enrolled in child care full time.
Sources: Child Care Aware (NACCRRA) January 2012 survey of Child Care Resource and Referral State Networks for data on annual costs by age; Louisiana Department of Children and Family Services Child Care Assistance Program for age breakdown (email 5/13); Care Solutions, Inc. Louisiana Market Rate Survey 2012 (email August 2013) for mean children per SCC and percent unrelated children.

The number of small childcare settings is increasing. The largest group of known SCCs, those in the CACFP, grew at a rate of 3-5% per year from 2010 to 2013. Meanwhile, the number of licensed child care centers decreased by 3-5% per year.

Known SCCs and licensed child care centers over time



Sources: Small childcare businesses — Louisiana Department of Education, CACFP Claims Data, December 31st of federal fiscal year; Child care centers, Kids Count Data Center 2010-2012; Louisiana Department of Children and Family Services Licensing Department, July 2013.

KEY FINDING FOUR:

Louisiana is lagging behind other states in requiring safety and accountability among small childcare businesses.

The only states that do not regulate SCCs serving six or fewer children are Louisiana, Ohio, Idaho, and South Dakota.⁵⁰

Louisiana can be proud of some of its child-related national rankings. For example, Louisiana ranks seventh highest in the country in immunization coverage⁴⁸ and sixth highest in the proportion of three and four year olds enrolled in preschool.⁴⁹

Louisiana has no such accomplishments for SCCs, however. Child Care Aware (formerly NACCRRA) works with state and local Child Care Resource and Referral Agencies to ensure that families have access to affordable and quality child care. The 2012 Child Care Aware report scored the SCC regulations of states using 16 benchmarks on quality of child care and safety oversight. Louisiana ranked at the bottom along with seven other states that did not meet Child Care Aware standards.⁵⁰

The Insight Center compared other southern states to Louisiana around factors that lead parents to choose SCCs over other child care settings. The eight southern states that are most demographically similar to Louisiana all license SCCs, with the exception of South Carolina, which enforces minimum standards through mandatory registration and optional licensing.

Oklahoma Case Study

Oklahoma's child care standards can be a model for the country. Oklahoma ranked number one nationwide in Child Care Aware (NACCRRA) ratings based upon 16 factors, including pre-licensing inspections, surprise inspections after licensing and when complaints have been filed, criminal background investigations of child care workers, access to learning materials, and training/educational requirements for providers.

When an SCC cares for one or more unrelated children in a residence for more than 15 hours a week,

the SCC must be licensed. In 2012, Oklahoma House Bill 2840 sought to increase the licensing threshold from one unrelated child to two, but the bill never made it to the Senate floor.

Throughout Oklahoma, there are 2,372 licensed SCCs. Since February 1998, Oklahoma has used a star rating system and tiered reimbursement program aimed at improving child care beyond the basic licensing standards, especially for children receiving state-subsidized care. Small childcare businesses are integrated into this star rating system.

What are minimum standards for SCCs?

Every state requires different minimum standards. This report does not recommend specific standards, but suggests that policymakers consider existing standards for child care centers that are appropriate for SCCs. The standards set by Child Care Aware⁵¹ are:

- ✓ All small businesses that care for unrelated children for a fee must be licensed.
- ✓ Inspections should occur before licensing, at least quarterly after licensing, and upon complaint.
- ✓ The ratio of SCCs to licensing staff should not exceed 50:1.
- ✓ Licensing staff should have a bachelor's degree in early childhood education or a related field.
- ✓ Online inspection and complaint reports should be available to parents on the Internet.
- ✓ The total number of children served in each SCC should be limited based on the ages of children in care.

- ✓ SCC providers should have:
 - A comprehensive background check using fingerprints, for the provider and others in the home
 - A GED or high school diploma and specific credentials, courses or degrees within 3 years of licensing
 - 40 hours of initial training
 - 24 hours of annual training

- ✓ Each SCC should:
 - Address health issues in 10 areas, such as hand washing
 - Address safety issues in 10 areas, such as SIDS prevention, electrical hazards, and emergency plans
 - Communicate with parents, including providing them with written policies
 - Provide toys and materials in 8 domains
 - Provide learning opportunities in 8 domains



KEY FINDING FIVE: Improving the quality of small childcare businesses would benefit Louisiana for the long term.

*“Our national security
in the year 2030 is
absolutely dependent
upon what is going
on in pre-kindergarten
today.”*

—Rear Admiral James Barnett,
U.S. Navy (Ret.)⁵¹

Louisiana has a defined goal of putting its students on a level playing field with students across the country. In order to accomplish that goal, the state licenses child care settings to enforce minimum standards and offers a Quality Rating and Improvement System (QRIS) to provide incentives for even higher quality early education. Louisiana is currently transitioning from the QRIS called Quality Start to a new QRIS called Tiered Kindergarten Readiness Improvement System (TKRIS), which should be implemented by 2015-16. Licensing is a prerequisite for participation in Quality Start and will likely remain so for the new TKRIS.

Since small childcare businesses are not licensed in Louisiana, they are excluded from the support and incentives that the QRIS provides. With 40,000 children in known SCC settings, it is hard to imagine Louisiana making significant headway in kindergarten readiness without improving early care and education for these children.

This can be achieved by creating minimum licensing standards for SCCs as a floor, and incentivizing SCCs to participate in higher quality educational efforts through the TKRIS. Numerous states have successfully incorporated SCCs into their QRIS programs, and the current process of designing the TKRIS creates a window of opportunity for SCC inclusion.

IT IS UNCLEAR WHY LOUISIANA IS DESIGNING A TKRIS THAT BENEFITS CHILDREN IN SOME CHILD CARE SETTINGS BUT NOT OTHERS.

Louisiana’s focus on improving early education is supported by evidence showing that quality early education accrues benefits to society as a whole. Researchers have documented the long-term benefits of high-quality early care programs on children’s development, school readiness, high school and college graduation levels, health, and teen pregnancy rates. Adults who received these benefits are more likely to have better job skills, higher savings, lower criminal activities, and reduced dependence on welfare.⁵² The Carolina Abecedarian Project and Michigan’s High/Scope Perry Preschool Program, both intensive early childhood programs for children in families with limited economic



means, used controlled longitudinal studies that provide strong evidence about these benefits.⁵³

Mission: Readiness, a national security organization of senior retired military leaders, reports that 75% of all young Americans cannot serve in the military because they are poorly educated, have serious criminal records, or are overweight. They point out that children with quality early education have higher high school graduation rates and lower rates of arrest, and estimate that quality early education programs would lower societal costs by \$15,000 per child.⁵⁴

A multi-state study by the Invest in Kids Working Group found that each dollar invested in a high quality program generated a \$1.18 return in Massachusetts, a \$1.43 return in Wisconsin, and a \$1.62 return in Ohio. Of this return, 42% came from savings across the criminal justice system, 30% from the K-12 school system (including reduced special education and increased grade retention), and 14% from higher earnings in adulthood.⁵⁵ Similarly, a Michigan study found that the return to state government alone in offering quality early childhood education was about \$67,000 in Detroit and \$27,000 statewide for each child at risk of academic failure.⁵⁶

A Brookings Institution study looked at the benefit to the state Gross Domestic Product (GDP). Researchers found that implementing a statewide high quality early education program that produced similar results to the Perry Preschool group predicted a GDP increase of approximately 3.5%.⁵⁷ If the returns to early education in Louisiana were

similar, Louisiana's economy would expand by \$8.5 billion in 2012 dollars for a single academic cohort.⁵⁸ In addition to long-term overall impacts on GDP, research has demonstrated other shorter-term fiscal benefits to investing in a quality early care programs. Benefits have been shown to outweigh costs in both educationally intensive and less intensive programs.

Some studies highlight the link between education and premature death rates. For example, St. Tammany Parish has the highest percentage of adults in the state who attended at least some college (61%) and a premature (before age 75) death rate of just 406 per 100,000 people, while Assumption Parish has the lowest percentage of adults who attended some college (25%) and a much higher premature death rate of 537 per 100,000.⁵⁹

Higher college attendance resulting from high quality early education could have a strong impact on both quality of life and the state's bottom line. For example, The Abecedarian Project study found that 17% more children completed at least four years of college and 2% more attended at least some community college if they had received intensive, quality child care, compared to those who had not.⁶⁰ The Chicago Longitudinal Study had similar results for completion of at least some college.⁶¹ Using similar figures to these studies for Louisiana, the Insight Center estimates that higher college attendance resulting from high quality early education could lead to an estimated 2% reduction in premature deaths and a savings of \$151 million associated with the care of diabetes.⁶²



WHERE DO WE GO FROM HERE?



The best way to protect Louisiana children and prepare them for kindergarten is to require all paid child care businesses to meet minimum standards, regardless of size, while supporting and providing incentives for high-quality programs. SCCs make up the majority of child care businesses, and are the only settings that do not need to abide by minimum standards. Below are three options that would establish minimum standards to support safe, high quality care and education for Louisiana's children.

The options were developed following conversations with Louisiana parents whose children are in child care, child care experts and advocates, the United Way Success By 6 Collaborative, and child care agencies in other states.

These options reflect the political and fiscal realities of Louisiana at this time. They do not emulate the best practice modeled by Oklahoma (see case study above), but they are better than continuing to do nothing. The options are discussed below in order of their greatest benefit to children.

Option 1: License all SCCs serving 3-6 unrelated children.

This option would require all SCCs serving three to six unrelated children to abide by the minimum standards of a new licensure class. Small childcare businesses would be subject to annual unannounced inspections, the exact number of which would be determined by law. All licensed small childcare businesses would be integrated into the TKRIS and its early education efforts, to provide a pathway toward higher quality care.

Licensing these SCCs affords all children in paid child care settings equal protection and educational benefit, but could be most costly to implement.

Option 2: Combine optional licensing with required registration for SCCs serving 3-6 unrelated children.

This option would provide small childcare businesses serving 3-6 unrelated children with an option to become licensed, or at a minimum, to register with the state. All SCCs that receive CCAP would be required to be licensed. Licensing standards and registration standards would be almost identical, but licensing would offer a critical advantage of enhanced oversight through on-site inspections, as described in the chart below. The licensure class would have access to benefits such as the TKRIS that are designed to provide incentives to choose licensure over registration.

Optional licensing allows self-selected SCCs to move along a pathway to higher quality while saving on inspection costs for registered SCCs.

Option 3: Register all SCCs serving 3-6 unrelated children.

Under this option, all SCCs serving three to six unrelated children would be required to register and meet standards higher than that of CACFP. However, SCCs would not have the option of licensure, except for those funded by CCAP. This option would exclude small childcare businesses from participating in the TKRIS, due to the anticipated minimum TKRIS requirement of licensure.

Required registration provides children with the least protection and standards for preparation for kindergarten, but it can be approached as a first step in assessing costs and building the infrastructure needed for licensing. It does provide a minimal level of oversight of all SCCs, and is the least costly to implement, because oversight would be provided through desk audits rather than on-site inspections.

All Options: License all small childcare settings serving 1-6 children on CCAP.

All three options include required licensing of all SCCs receiving CCAP subsidies. Licensing for CCAP SCCs would go into effect with a one-child threshold of a related or unrelated child. This requirement is in response to proposed rules for CCAP's federal Child Care and Development (CCDF) funding. SCCs are already expected to meet certain minimum standards to participate in CCAP; more standards are likely to be added following implementation of the proposed regulations. The existing and new standards, plus a new requirement for inspections, would probably be similar to or exceed requirements for a new SCC licensure class. Licensing CCAP SCCs would be a formal way of acknowledging that the federal requirements have been met and provide these SCCs with the minimum entry needed for participation in the TKRIS.

Florida Case Study: Optional Licensing

Florida Statutes [§ 402.313, F.S.] provide two options for SCCs serving two or more unrelated families for pay: Licensing or annual registration with the state. Licensing and registration requirements are identical to each other, with the exception of twice yearly inspections and a CPR/First Aid certificate for licensure. In counties with optional registration, 35% of SCCs choose to be licensed, in part due to incentives such as higher subsidy payments. However, 15 of 67 counties require licensure under county law.⁶³

The Florida Office of Early Learning and 31 community-level early learning coalitions provide oversight of most of the CCDF quality funding. Each community chooses how to spend the funds on providers. Eleven coalitions have created QRIS

systems unique to each community, with incentives that reward higher standards.

The Department of Children and Families administers the statutory Gold Seal Quality Care Program. It provides incentives to providers to become accredited by an approved accrediting organization that holds them to higher standards. There are currently 160 accredited SCCs in Florida.⁶⁴

Florida's SCC registration requirements include proof of screening and background checks, plans for substitute providers, proof of completion of 35 hours of training, proof of submission of a health and safety checklist to parents, criminal background screenings, and acknowledgement of compliance with staff-to-child ratios.⁶⁵

These options have almost identical standards for licensing and registration. The key differences are site inspections and participation in the TKRIS.

Under Options 2 and 3, in-person site inspections would be required for SCCs that are licensed, and omitted for SCCs that are registered — unless the licensing agency receives a complaint about a registered SCC. Omitting general inspections seriously undermines the safety and quality of child care businesses, but does reduce the cost of state licensing staff.

Unannounced inspections are critical to child protection because significant health concerns, safety hazards, and quality issues can only be discovered and monitored by careful visual inspection of the conditions in the facility. Research has shown that inspections reduce fatalities and increase compliance with standards.⁶⁶

Nevertheless, registration is an improvement upon what is already in place. Currently, small childcare settings participating in CACFP are the only SCCs that receive regular in-person inspections, but these inspections must by federal law focus only on conditions related to food program regulations.

New registration requirements would include most of the same health, safety and quality standards as licensing. Monitoring would occur through desk audits rather than inspections. To avoid fraud, available telecommunications technology could be used to send critical information such as the results of criminal background checks, immunizations records, and CPR certificates directly from administering institutions to the oversight agency.

A second key difference between registration and licensing is that registered SCCs cannot participate in the TKRIS without having met the minimum TKRIS participation requirement of licensing. Lacking TKRIS incentives to improve quality, SCCs are likely to lag behind the less numerous child care businesses in the state. They are also unlikely to be aligned with and integrated into the accountability system designed under Act 3. More may choose to operate illegally if they are denied access to the benefits that larger child care businesses enjoy.

FEATURES OF ALL OPTIONS

SCCs serving 3-6 unrelated children would be subject to regulations.

Aside from the CCAP exception, the options above apply to small childcare businesses that serve three to six unrelated children for pay. The licensing threshold of three children was chosen because it is the average adjusted threshold in which regulation begins in all southern states, as calculated by Child Care Aware (NACCRRRA).⁶⁷ For example, Georgia allows child care settings that care for one or two unrelated children to remain informal, only licensing those SCCs that receive payment to care for between three to six unrelated children.

A suggested legal definition for a small childcare business serving three to six unrelated to children, paralleling child care center licensing law,⁶⁸ is “a place or facility operated by any institution, society, agency, corporation, person or persons, or any other group for the purpose of providing care, supervision, and guidance of 3-6 children, not including those related to the caregiver, unaccompanied by parent or guardian, on a regular basis for at least 12.5 hours in a continuous 7-day week. ‘Related’ or ‘relative’ is defined as the natural or adopted child or grandchild of the caregiver, or a child in the legal custody of the caregiver.”

New minimum standards would be enforced.

Minimum standards need to be defined through new legislation and subsequent rules. Minimum standards should be almost identical for licensing and registration options, and include new minimum standards that are higher than those established by the voluntary CACFP. This report does not make recommendations for specific standards, but suggests that policymakers consider existing standards for child care centers that are appropriate for SCCs and that include health and safety requirements (such as immunizations, CPR and First Aid training, criminal background checks, and emergency preparedness) as well as educational requirements intended to prepare children for kindergarten (such as maximum staff-to-child ratios and provider training).

Licensing or registration fees would offset costs.

A licensing or registration fee equal to the licensing fee of small childcare centers (currently \$25) would be charged to partially offset the costs of oversight, bringing in an estimated \$118,000 to \$170,000 annually. As with child care centers, SCCs would pay for the costs of a provider criminal background check. SCCs that participate in CACFP may be able to receive CACFP reimbursement on a one-time basis for these and other costs associated with licensing.⁶⁹

Requirements could be phased in over three years.

The scope of licensing or registration could be phased in over a period of three years, beginning with health and safety standards, then moving on to increased quality standards in subsequent years. The phase-in period would allow SCCs and government oversight agencies time to make systemic changes that facilitate compliance with the new laws and regulations.

Policy decisions would impact costs.

The costs to the state of implementing these options may be partially or fully covered through the federal Child Care Development Fund.

Some initial costs are anticipated for startup, including costs for personnel, training, and system changes. On an ongoing basis, on-site inspections would be the highest-cost item. However, this cost would be lower than that of inspecting child care centers, because the small size of SCCs would warrant almost half as much time in the facility on average.⁷⁰ Decisions about the frequency of inspections would also impact costs. The cost of registering SCCs would be lower than the cost of licensing, because desk audits generate significant savings over on-site inspections.

In considering costs and benefits of each option, it is important to include a long-term view: better oversight through inspections leads to better outcomes, which in turn leads to long-term savings resulting from improved safety and kindergarten readiness. Impacts would be mostly positive – with some SCC attrition likely.

Impacts would be mostly positive – with some SCC attrition likely.

If Louisiana were to institute minimum standards for SCCs under any of these options, more children would be ready for kindergarten and the state would meet parents' expectations of protecting their children. Parents would be more confident that their choice of child care setting was treated equally by the state. SCCs would benefit from an increased level of professionalism and respect. Louisiana would rise from the very bottom of national Child Care Aware (NACCRRA) rankings, and would no longer be the only southern state without regulations for these smaller child care settings. Under Options 1 or 2, licensed SCCs would likely be able to participate in the TKRIS, which would raise participating SCCs to the quality standards that Louisiana needs for the workforce of tomorrow. These benefits are strongest in Option 1, and are reduced as regulations weaken in Options 2 and 3.

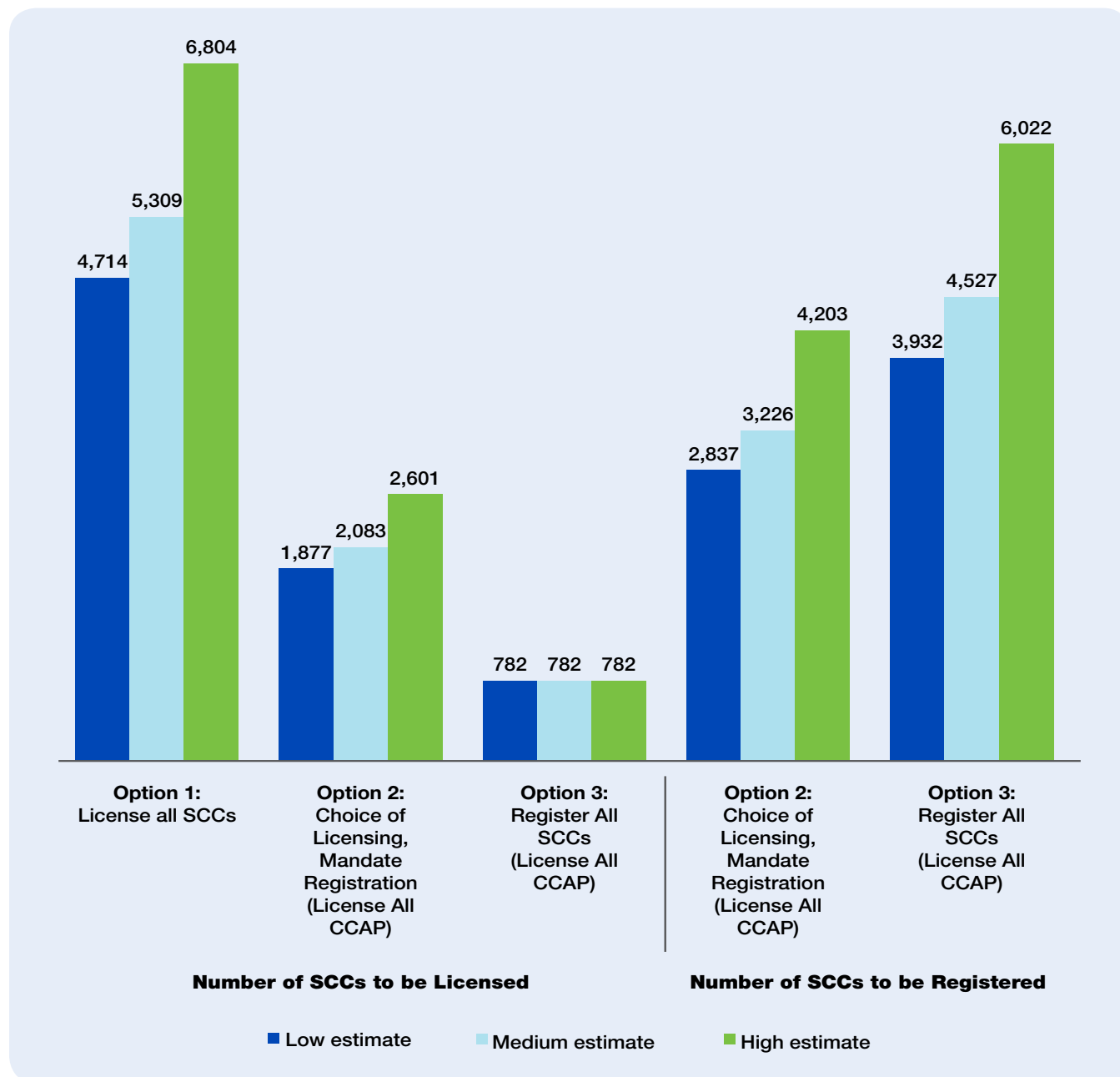
At the same time, attrition of some small childcare businesses is likely under any of these options. SCCs that cannot or choose not to meet minimum standards would either stop providing services or operate illegally. Those that operate illegally would no longer be able to obtain CACFP funding. Unintended consequences of illegal operation could include reduced child nutrition and reduced SCC financial stability following loss of CACFP dollars, along with reduced tax revenues for the state.

Louisiana has one of the highest rates of CACFP participation per capita in the country, in part due to the lack of licensure requirements. CACFP rules state that once licensing is in place, licensing becomes a requirement for CACFP participation unless the state creates clear categories of license-exempt child care.⁷¹ If Louisiana chooses Options 1 or 2, it must work to ensure that license-exempt categories remain able to access CACFP following the development of a licensure class, including those serving exclusively relative children or only one or two unrelated children. CACFP attrition is anticipated to be greatest for Option 2, as it entails a large group of SCCs that are not licensed by choice and therefore cannot be categorized as license-exempt.



PROJECTED NUMBER OF SCCs AND CHILDREN IMPACTED UNDER EACH OPTION

Number of SCCs likely to participate under each option



Notes: SCCs subject to regulation include those serving 3-6 unrelated children, with the exception of CCAP SCCs, in which all are subject to licensing. Methodology for low, medium and high estimates is explained in the Appendix.
Source: Insight Center.

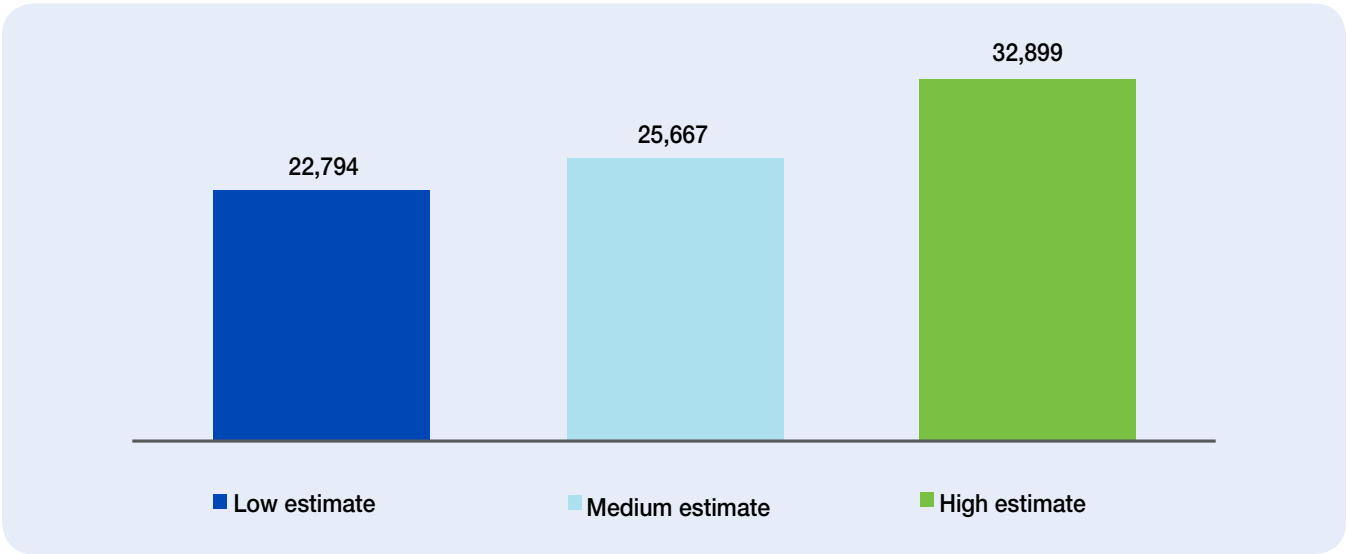
The Insight Center estimated the number of SCCs to be monitored and the number of children who would benefit under each licensing and registration option outlined above. The estimates used the existing SCCs in Louisiana on CCAP and CACFP as a baseline and as a low estimate of the number of SCCs, after excluding CACFP child care settings serving only related or 1-2 unrelated children.

However, some SCCs are currently not known to the state of Louisiana, since they do not qualify for or choose not to participate in public programs (CCAP or CACFP). In order to account for that unknown, the Insight Center analyzed data from demographically similar states that license small

childcare businesses (Alabama, Oklahoma, and Georgia), and applied relevant data to Louisiana's baseline of known SCCs to generate medium and high estimates (using Alabama's and Georgia's data respectively).

The number of children that would benefit under each option was generated using the low, medium and high estimates of SCCs along with the average number of children per SCC that came out of Care Solutions, Inc.'s 2012 Louisiana Market Rate Study. Please see the Appendix for more information on the methodology for these estimates.

Number of children likely to benefit from minimum SCC standards under all options



*Notes: SCCs subject to regulation include those serving 3-6 unrelated children, with the exception of CCAP SCCs, in which all are subject to licensing. Methodology for low, medium and high estimates is explained in the Appendix.
Source: Insight Center and Care Solutions, Inc. data from Louisiana Market Rate Survey 2012.*

OPTION HIGHLIGHTS

| | Option 1 License all SCCs | Option 2 Optional Licensure/ Mandatory Registration (All CCAP Licensed) | Option 3 Mandatory Registration (All CCAP Licensed) |
|---|---|--|---|
| Features | | | |
| CCAP Licensing for SCCs Serving 1 or More Children | Yes | Yes | Yes |
| Regulations for SCCs Serving 3-6 Paid Unrelated Children (CCAP Excepted) | Yes: Licensing | Yes: Optional Licensing and Mandatory Registration | Yes: Mandatory Registration |
| Minimum Standards | Yes | Yes | Yes |
| Inspections | Yes | Only CCAP SCCs and those that choose licensure; others only if complaints received | Only CCAP SCCs; others only if complaints received |
| TKRIS Participation | Yes | Yes for those that choose licensure and for CCAP SCCs | No except for CCAP SCCs |
| Optional Phase-In | Health and safety standards followed by quality | Health and safety standards followed by quality | Health and safety standards followed by quality |

Option 1
License all SCCs

Option 2
Optional Licensure/
Mandatory Registration
(All CCAP Licensed)

Option 3
Mandatory Registration
(All CCAP Licensed)

Costs and Impacts

| | | | |
|------------------------|---------|--------|--------|
| Financial Costs | Highest | Medium | Lowest |
|------------------------|---------|--------|--------|

| | | | |
|--|---------|--------|--------|
| Child Protection and Kindergarten Readiness | Highest | Medium | Lowest |
|--|---------|--------|--------|

| | | | |
|--|---------|--------|----------|
| Improvement in Child Care Aware (NACCRRRA) Rankings | Largest | Medium | Smallest |
|--|---------|--------|----------|

| | | | |
|----------------------------------|------|------|------|
| Potential CACFP Attrition | Less | More | Less |
|----------------------------------|------|------|------|

| | | | |
|--------------------------------|---------------------------|---------------------------|-----|
| Estimated SCCs Licensed | 4,714-6,804 (low-high) | 1,877-2,601 (low-high) | 782 |
|--------------------------------|---------------------------|---------------------------|-----|

| | | | |
|----------------------------------|------|---------------------------|---------------------------|
| Estimated SCCs Registered | None | 2,837-4,203 (low-high) | 3,932-6,022 (low-high) |
|----------------------------------|------|---------------------------|---------------------------|

| | | | |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Estimated Children Impacted | 20,998-31,106 (low-high) | 20,998-31,106 (low-high) | 20,998-31,106 (low-high) |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|

CONCLUSION

The research summarized in this report makes it clear that Louisiana needs to provide more support and oversight to SCCs. All other southern states have created regulations for SCCs serving six or fewer children. Instead, Louisiana has created an uneven playing field for providers, where unregulated SCCs can provide child care without oversight and all other full-time, paid child care settings must meet minimum standards.

Governor Jindal, Superintendent White, and state legislators share the goal of high standards for Louisiana's earliest learners, yet kindergarten readiness implementation efforts under Act 3 (2012 Legislative Session) focus only on a minority of all publicly-funded child care settings. SCCs serving three to six unrelated children that receive public funding must be included if the state is to make significant headway on kindergarten readiness.

As high standards are established under Act 3, minimum standards for SCCs should be a top priority. Implementing these standards now while incorporating SCCs into plans for Act 3, the TKRIS, and child care networks would be cost-effective and timely. It would also prepare Louisiana SCCs to meet pending federal regulations on CCAP.

In 2008, the Louisiana Legislature asked for a study about licensing SCCs. This report answers the questions raised at that time and provides regulatory options that exclude informal, unpaid relative caregivers. Five years have now passed without adequate standards. In the absence of SCC oversight, we can expect more tragedies to occur, and more parents to blame the state.

This report outlines three viable options for implementing minimum standards in SCCs. These options do not strive to replicate best practices in states such as Oklahoma (which Child Care Aware ranked the highest in the country). Rather, they are intended to lift Louisiana from the very bottom of the rankings. The options are realistic, conservative strategies that balance Louisiana's goals for its children with its fiscal realities. Louisiana has every reason to take action now to protect all children equally, safeguard parental choice, and provide a roadmap to school success. It simply makes sense.



ENDNOTES

- ¹ Louisiana Revised Statutes § 46:1403, Title 46, Public Welfare and Assistance. Retrieved from <http://www.legis.la.gov/legis/Law.aspx?p=y&d=100288>.
- ² Fifty-seven percent of parents of young children reported that child care was an economic necessity in 2010. National Association for Child Care Resources and Referral Agencies (NACCRRA) (2010). "The Economy's Impact on Parent Choices and Perceptions about Child Care," Retrieved from http://www.naccrra.org/sites/default/files/publications/naccrra_publications/2012/economysimpactonparentschoices.pdf.
- ³ 61% of children under 5 years of age were in formal and informal child care arrangements at least once a week in the U.S. in spring 2011. <http://www.census.gov/prod/2013pubs/p70-135.pdf>
- ⁴ Morrissey, Taryn W. (2007). Family Child Care in the United States: Literature Review. New York: Child Care and Early Education Connections. Retrieved from http://academiccommons.columbia.edu/download/fedora_content/download/ac:126547/CONTENT/text_720.pdf.
- ⁵ Wigley, J. & Dreby, J. (2005, October 5). "Fatalities and the Organization of Child Care in the United States, 1985-2003." Retrieved from <http://fcd-us.org/resources/fatalities-and-organization-child-care-united-states-1985-2003?destination=resources/search?page=23>.
- ⁶ Monier, J. (2012, December 15). "Father of 3-year-old who died at daycare speaks out," FOX 10 News. Retrieved from <http://www.myfoxphoenix.com/story/20354399/2012/12/15/father-of>.
- ⁷ Cambria, N. (2012, February 29). "Child Care Advocates Protest at Missouri Capitol," St. Louis Post-Dispatch. Retrieved from http://www.stltoday.com/news/local/metro/child-care-advocates-protest-at-missouricapitol/article_8ae4ea37-c327-56f9-81b1-ea843d071e7e.html.
- ⁸ NACCRRA (2010). "The Economy's Impact on Parent Choices and Perceptions about Child Care."
- ⁹ Focus group conducted by United Way of Southeast Louisiana in 2013.
- ¹⁰ Child Care Aware of America (2012, August).
- ¹¹ The only other child care situations that are not subject to minimum standards are ones that are unpaid, accompanied by a parent or guardian, provided in the child's home, provided irregularly, or offered for less than 12.5 hours per week. (Louisiana Revised Statutes § 46:1403, Title 46, Public Welfare and Assistance.)
- ¹² Office of the Governor Bobby Jindal: State of Louisiana. (2013). "Governor Jindal Announces Plan to Reform Early Education," Press release. Retrieved from <http://www.gov.state.la.us/index.cfm?md=newsroom&tmp=detail&articleID=3962>.
- ¹³ Phillips, D., C. Howes, & M. Whitebook. (1992). The Social Policy Context of Child Care: Effects on Quality. American Journal of Community Psychology 20 (1): 25–51. Helburn, S., ed. (1995). Cost, Quality, and Child Outcomes in Child Care Centers. Technical report. Denver: University of Colorado at Denver.
- ¹⁴ Source for the estimated 40,000 children served by SCCs is below the chart entitled, "How Many SCCs are in Louisiana" on page 2. Source for the percentage of children 3 years or younger is from Louisiana Child Care Assistance Program Data, May 2013. Digital data provided by the Louisiana Department of Children and Family Services.
- ¹⁵ Office of the Governor Bobby Jindal: State of Louisiana. (2013). "Governor Jindal Announces Plan to Reform Early Education," Press release.
- ¹⁶ This count includes licensed child care centers, public pre-K, and private pre-K receiving NSECD funding. It does not count private pre-K that does not receive NSECD.
- ¹⁷ Munsil, L. (2013). "Jindal sees education as next civil rights battle," Politico. Retrieved from <http://www.politico.com/blogs/politico-live/2013/08/jindal-next-civil-rights-fight-is-education-171187.html>.
- ¹⁸ Mitchell, (2009, February). "Initial Findings on Best Practices in Regulation and Quality Improvement of Family Child Day Care Homes." Retrieved from http://www.child-carelouisiana.org/files/FCDCH_STudy_Final_Mitchell_2_09.pdf
- ¹⁹ Data provided by email in 2013 from Care Solutions, Inc. based on their Louisiana Child Care Market Rate Survey in 2012.
- ²⁰ According to an electronic communication from the Louisiana Department of Children and Family Services, 782 businesses serving 0-6 children (excluding the provider's own children under 13 years old) were on the

CCDF program as of May 20, 2013.

²¹ Administration for Children and Families, (2013). "HHS Announces Actions to Improve Safety and Quality of Child Care." Retrieved from <http://www.acf.hhs.gov/programs/occ/child-care-rule>.

²² Bacon-Blood, L. (2013, May 14). "State lawmakers advance early childhood education bills," The Advocate. Retrieved from <http://theadvocate.com/home/5941892-125/state-lawmakers-advance-early-childhood>.

²³ These 2,402 providers do not include private Pre-K schools that do not receive NSECD funds.

²⁴ While this report did not estimate the number of children served in other settings, a 2005 report by Dr. Geoffrey Nagle estimated that 113,209 children were served in licensed child care centers, Head Start, Early Head Start, Public Pre-K and Private Pre-K. Nagle, G. "Investing in the Child Care Industry: An Economic Development Strategy for Louisiana," Louisiana Department of Social Services. Retrieved from http://www.dss.state.la.us/assets/docs/searchable/OFS/Investing_In_The_Chi1.pdf.

²⁵ Morrissey, T. & Banghart, P. (2007). Family Child Care in the United States. (Research Brief). Retrieved from http://www.nccp.org/publications/pdf/text_720.pdf.

²⁶ Capizzano, J., Adams, G., & Ost, J. (2006). "Caring for Children of Color: The Child Care Patterns of White, Black, and Hispanic Children under 5," The Urban Institute. Retrieved from <http://www.urban.org/publications/311285.html>.

²⁷ Johnson, J. O. (2005, October). "Who's Minding the Kids? Child Care Arrangements," United States Census Bureau. Retrieved from <http://www.census.gov/prod/2005pubs/p70-101.pdf>.

²⁸ NACCRRRA (2010). "Parents and the High Cost of Child Care," Retrieved from http://www.naccrra.org/sites/default/files/default_site_pages/2012/cost_report_2012_final_081012_0.pdf.

²⁹ Care Solutions, Inc. (2012, September). Louisiana Child Care Market Rate Survey. Retrieved from http://www.caresolutions.com/docs/2012-LAMarketRate_FINAL_100512.pdf.

³⁰ Smith, K. (2006). "Rural Families Choose Home-Based Child Care for their Preschool-Aged Children," Policy Brief No. 3, Carsey Institute, University of New Hampshire. Retrieved from <http://www.aecf.org/KnowledgeCenter/Publications.aspx?pubguid=%7B08FAE647-BA4D-4BA2-BC07-4E7CB961706E%7D>.

³¹ Atkinson, A. (1996). "Rural Mothers' Evaluation of the Strong and Weak Points of Child Care," Journal of Research in Rural Education 12 (2):83-91.

³² Smith, K. (2006). "Rural Families Choose Home-Based Child Care for their Preschool-Aged Children."

³³ NACCRRRA (2010). "The Economy's Impact on Parents' Choices and Perceptions about Child Care."

³⁴ Aguilar Y. F. & Stokley, J. (2010). "Child Care for Communities," The Annie E. Casey Foundation. Retrieved from http://www.aecf.org/upload/publicationfiles/child_care.pdf.

³⁵ Lerner, M. (1994). "In the Neighborhood: Programs that Strengthen Family Daycare for Low-Income Families," National Center for Children in Poverty. Retrieved from http://www.researchconnections.org/child_care/resources/1420/pdf.

³⁶ Adams, G., Tout, K., & Zaslow, M. (2007). "Early Care and Education for Children in Low-Income Families: Patterns of Use, Quality, and Potential Policy Implications," The Urban Institute. Retrieved from: http://www.urban.org/UploadedPDF/411482_early_care.pdf.

Aguilar Y.F. & Stokley, J. (2010). "Child Care for Communities."

³⁷ Data provided by email in 2013 from Care Solutions, Inc. based on their Louisiana Child Care Market Rate Survey in 2012.

³⁸ Chaudry, A., Pedroza, J. M., Sandstrom, H., Danzinger, A., Grosz, M., Scott, M., & Ting, S. (2011). "Child Care Choice of Low-Income Working Families," The Urban Institute. Retrieved from: <http://www.urban.org/UploadedPDF/412343-Child-Care-Choices.pdf>.

³⁹ Fuller, B., Kagan, S. L., Loeb, S., Chang, Y.W. (2004). "Child care quality: Centers and home settings that serve poor families," Early Childhood Research Quarterly 19:505-527.

Early, D. M. & Burchinal, M. (2001). "Early childhood care: Relations with family characteristics and preferred care characteristics," Early Childhood Research Quarterly 16:475-49.

⁴⁰ Kontos, S., Howes, C., Shinn, M., & Galinsky, E. (1994). Quality in Family Child Care and Relative Care. New York: Teachers Press.

- ⁴¹ Dex, S. & Ward, K. (2007). "Millenium Cohort Study," The Fatherhood Institute. Retrieved from: <http://www.fatherhoodinstitute.org/uploads/publications/257.pdf>.
- ⁴² Focus group conducted by Forelle Consulting Group in 2013.
- ⁴³ Focus group conducted by Forelle Consulting Group in 2013.
- ⁴⁴ Care Solutions, Inc. (2012, September). Louisiana Child Care Market Rate Survey.
- ⁴⁵ Survey conducted by Forelle Consulting Group and designed/analyzed by Insight Center for Community Economic Development, 2013.
- ⁴⁶ U.S. Census, 2007 Economic Census.
- ⁴⁷ NACCRRRA (2012). "Leaving Children to Chance: NACCRRRA's Ranking of State Standards and Oversight for Small Family Child Care Homes. 2012 Update." p. 221. Retrieved from http://www.naccrra.org/sites/default/files/default_site_pages/2012/lcc_report_full_april2012.pdf. The \$4,120 average annual cost of child care was calculated based on NACCRRRA 2012 data on annual costs for an infant (\$4,680), 4-year-old (\$4,291), and school age child (\$3,219). Each was multiplied by corresponding age data from CCAP (see chart) for 0-2 year olds (45%), 3-4 year olds (23%), and school-age children (32%).
- ⁴⁸ America's Health Rankings. (2012). "2012 Annual Report: State Rankings." Retrieved from <http://www.americashealthrankings.org/LA/2012>.
- ⁴⁹ Louisiana Department of Children and Family Services. (2013). "Children Ages 3 to 4 Not Enrolled in Preschool, 2009-2011," Kids Count Data Center. Retrieved from <http://datacenter.kidscount.org/data/tables/7188-children-ages-3-to-4-not-enrolled-inpreschool?loc=1&loct=2#ranking/2/any/true/995/any/14231>.
- ⁵⁰ NACCRRRA (2012). "Leaving Children to Chance: NACCRRRA's Ranking of State Standards and Oversight for Small Family Child Care Homes." Idaho, Indiana, Mississippi, New Jersey, Ohio, South Dakota, and Virginia are the other states that score at the very bottom. Idaho, Ohio and South Dakota are the only other states that do not regulate SCCs serving 6 or fewer unrelated children.
- ⁵¹ Mission: Readiness Military Leaders for Kids (2009). "Ready, Willing, and Unable to Serve," Retrieved from <http://cdn.missionreadiness.org/MR-Ready-Willing-Unable.pdf>.
- ⁵² Belfield, C. R., Nores, M., Barnett, S., & Schweinhart, L. (2006). The High/Scope Perry Preschool Program: Cost-benefit analysis using data from the age-40 follow-up. *Journal of Human Resources* 41(1):162-190.
- ⁵³ Child Partnership Policy (2008). "Economic Impact of the Early Care and Education Industry in Georgia." Retrieved from <http://www.cviog.uga.edu/pdf/child-care/report>.
- ⁵⁴ Mission: Readiness Military Leaders for Kids (2013). A Commitment to Pre-Kindergarten is a Commitment to National Security. Retrieved from http://missionreadiness.s3.amazonaws.com/National_prek_report.pdf.
- ⁵⁵ Belfield, C. R. (2006). "The fiscal impacts of universal pre-K: Case study analysis for three states." (Invest in Kids Working Paper No. 6). Washington DC: Committee for Economic Development, Invest in Kids Working Group.
- ⁵⁶ Chase, R. & Diaz, J. (2011, December). "Cost Savings of School Readiness per Additional At-Risk Child in Detroit and Michigan." Wilder Research. Retrieved from <http://www.wilder.org/Wilder-Research/Publications/Studies/Detroit%27s%20One%20Child%20School%20Readiness%20Dividend/Cost%20Savings%20of%20School%20Readiness%20per%20Additional%20At-Risk%20Child%20in%20Detroit%20and%20Michigan.%20Full%20Report.pdf>
- ⁵⁷ Dickens, W.T., Sawhill, I. & Tebbs, J. (2006). The Effects of Investing in Early Education on Economic Growth. Washington, D.C: The Brookings Institution.
- ⁵⁸ U.S. Bureau of Economic Analysis. (2013). Table 4. Current-Dollar GDP by State, 2009-2012.
- ⁵⁹ Virginia Commonwealth University Center on Human Needs (2013). County Health Calculator: Louisiana. Retrieved from <http://countyhealthcalculator.org/location/122000/>.
- ⁶⁰ Campbell, F. A., Pungello, E. P., Burchinal, M., Kainz, K., Pan, Y., Wasik, B. H., Barbarin, O. A., Sparling, J. J., & Ramey, C.T. (2012). Adult outcomes as a function of an early childhood educational program: an Abecedarian Project follow-up. *Developmental Psychology*, 48(4):1033-43. Data on attendance in at least some community college from participants in the Abecedarian Project came from an electronic file from Frances A. Campbell, Ph.D., Frank Porter Graham Child Development Institute, University of North Carolina Chapel Hill [email August 2013].
- ⁶¹ Reynolds, A. J., Temple, J. A., Ou, S., Robertson, D. L., Mersky, J. P., Topitzes, J. W., & Niles, M. D. (2007).

“Effects of a School-Based, Early Childhood Intervention on Adult Health and Well-being: A 19-year Follow-up of Low-Income Families,” *Archives of Pediatrics & Adolescent Medicine* 161 (8): 730-739.

⁶² Virginia Commonwealth University’s Center on Human Needs. (2013). County Health Calculator: Louisiana.

⁶³ Digital data provided by Florida Child Care Program Office, Department of Children and Families (2013 August).

⁶⁴ Digital data provided by Florida Office of Child Care Regulation & Background Screening, Department of Children and Families (2013 August).

⁶⁵ For more information on specific topics, see below:

Registration requirements: <http://ccrain.fl-dcf.com/documents/-99/894.pdf#page=1>

Gold Seal Quality Program: http://www.dcf.state.fl.us/programs/child_care/goldseal.shtml

Family Child Care Licensing Standards: <http://ccrain.fl-dcf.org/documents/2/469.pdf>

Family Child Care Home Standards Summary: http://www.dcf.state.fl.us/programs/child_care/laws.shtml

Family Child Care Laws: <http://ccrain.fl-dcf.com/documents/1/451.pdf#nameddest=402.26> (pages 33-39).

⁶⁶ Child Care Aware of America (2012 August). “Effective Inspection Policies Promote Children’s Safety and Healthy Development in Child Care,” White Paper.

⁶⁷ NACCRRA (2012). “Leaving Children to Chance: NACCRRA’s Ranking of State Standards and Oversight for Small Family Child Care Homes. 2012 Update.”

⁶⁸ Louisiana Revised Statutes § 46:1403, Title 46, Public Welfare and Assistance.

⁶⁹ Reimbursement of up to \$300 would be at the food sponsor’s discretion and would only be available if this one-time option has not already been claimed. CFR § 226.18 Day care home provisions. Retrieved from <http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=0b85ee8db9f396cfa828b5b3c0ab498e&rgn=div8&view=text&node=7:4.1.1.1.5.5.1.5&idno=7>.

⁷⁰ States interviewed for this report spent anywhere from 1.25 to 6 hours less for SCC site visits relative to child care center visits, and averaged almost half as much time.

⁷¹ CFR § 226.18 Day care home provisions.

(a) Day care homes shall have current Federal, State or local licensing or approval to provide day care services to children ... If licensing or approval is not available, a day care home may participate in the Program if:

(1) It receives title XX funds for providing child care; or

(2) It demonstrates compliance with CACFP child care standards or applicable State or local child care standards to the State agency.

U.S. Government Printing Office (2013, September 19). “Electronic Code of Federal Regulations.” Retrieved from <http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=0b85ee8db9f396cfa828b5b3c0ab498e&rgn=div8&view=text&node=7:4.1.1.1.5.5.1.5&idno=7>

APPENDIX

Coalition Participants

Child Care Settings within Parishes - Public and Private Pre-K

Child Care Settings within House Districts

Child Care Settings within Senate Districts

Methodology for Projecting the Numbers of Impacted SCCs and Children under Each

Option of the Main Report

Coalition Participants

In 2012, the United Way of Southeast Louisiana's Success By 6 Collaborative convened a broad group of advocates and concerned citizens interested in improving the quality of what is currently known as family child care in Louisiana. The goal of the resulting coalition is to improve oversight and support for providers across the state so that all of Louisiana's children in paid child care settings enter kindergarten ready to learn. Below is a list of organizations that have helped guide the coalition's conversations.

- Agenda for Children
- Child Care Association of Louisiana (CCAL)
- Children's Coalition of Northeast Louisiana
- Children's Defense Fund
- Coaxum Enterprises
- Dillard University
- Education Consultant
- Education's Next Horizon
- Entergy
- The First Three Years
- Forelle Consulting Group
- K&K Providers
- Key Community Volunteers
- Kids Count Data Center
- Kingsley House (Child Care Center)
- Louisiana Association of United Ways
- Louisiana Partnership for Children and Families
- New Orleans Outreach
- NSU Child and Family Network
- OAJ Enterprises
- OPEN
- Orleans Parish Health Department
- Partnership for Youth Development
- Picard Center
- Royal Castle Child Development Center (Child Care Center)
- Seamless Transitions
- SSG Consulting Services
- United Way of Southeast Louisiana (UWSELA)
- Volunteers of America Partnerships in Childcare
- Whitney Bank
- Women's Leadership Council (WLC)

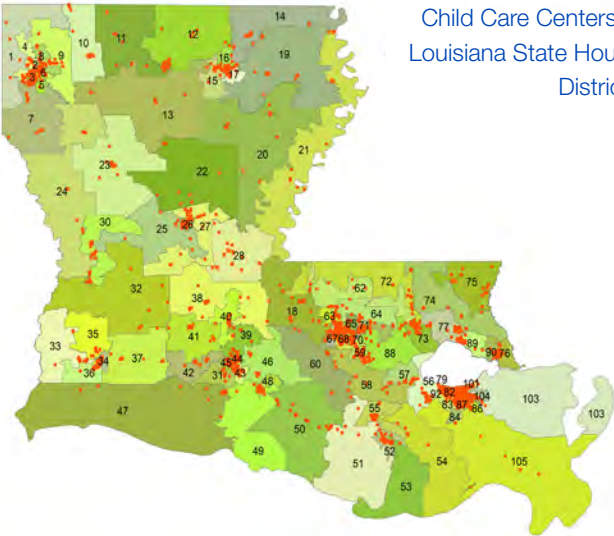
The following maps show the distribution of child care providers by Louisiana parish, house district, and senate district. The sources for this data are cited below the “Type and Number of Child Care Businesses” chart in the main report. As shown in that chart, there are 8,288 known SCCs, 1,674 licensed child care centers, 684 public Pre-K programs, and 44 private Pre-K programs (with NSECD funding) in Louisiana.

Child Care Settings within Parishes - Public and Private Pre-K (NSECD)

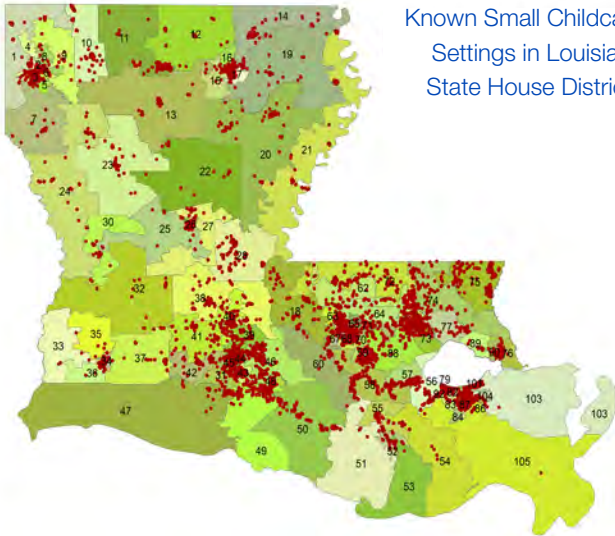


Note: SCCs and licensed child care centers within parishes are shown in the main body of the report.

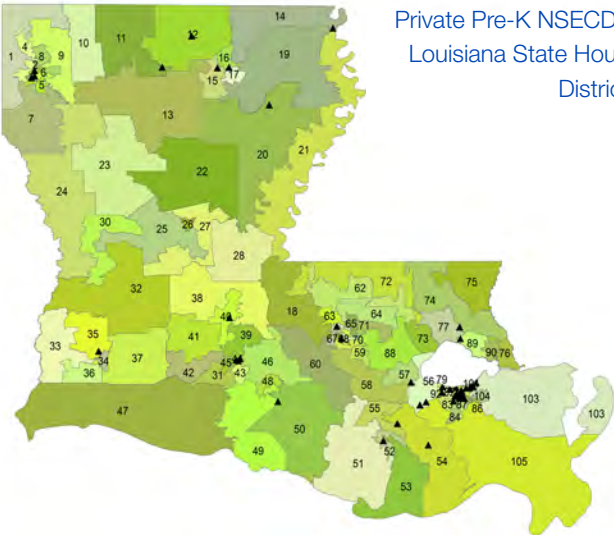
Child Care Settings within House Districts



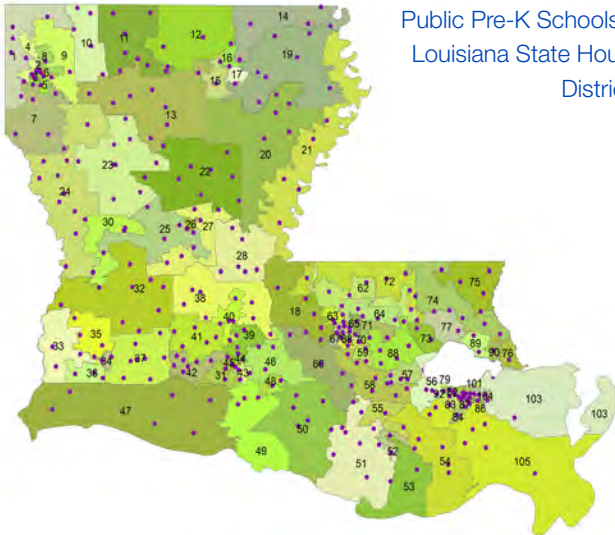
Child Care Centers in Louisiana State House Districts



Known Small Childcare Settings in Louisiana State House Districts

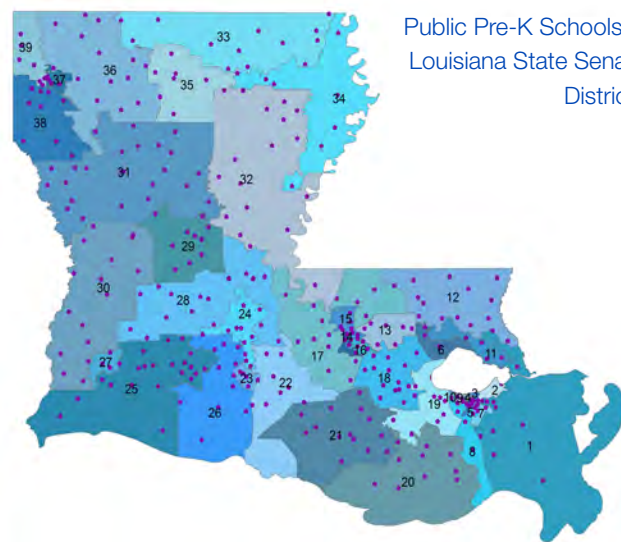
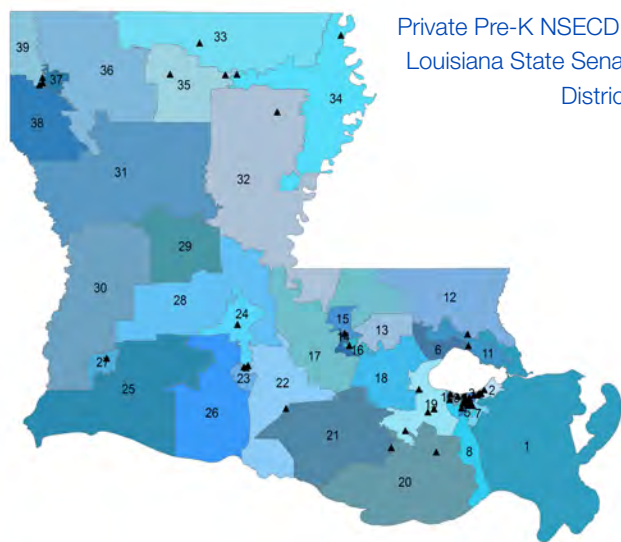
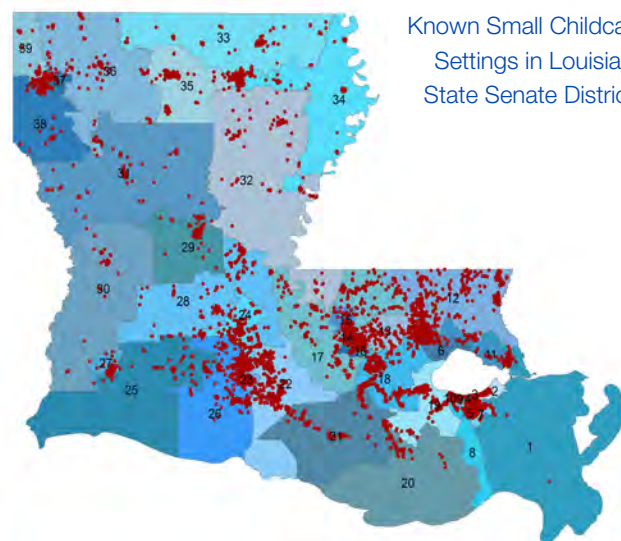
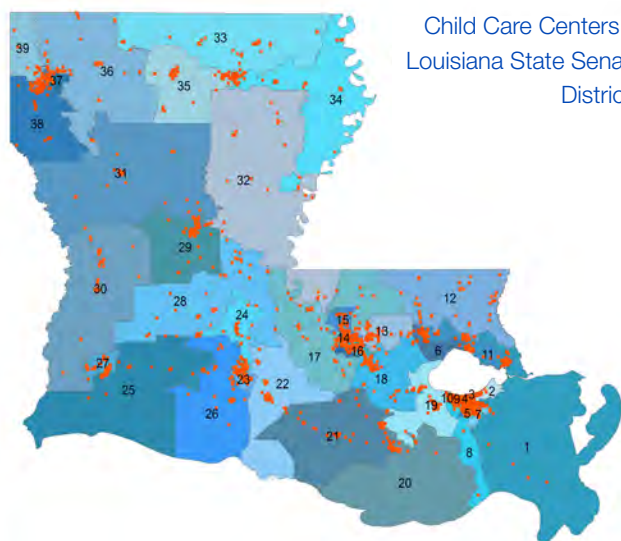


Private Pre-K NSECD in Louisiana State House Districts



Public Pre-K Schools in Louisiana State House Districts

Child Care Settings within Senate Districts



Methodology for Projecting the Numbers of Impacted SCCs and Children under Each Option of the Main Report

Determining the number of SCCs subject to regulation and the number of children in those settings is key to understanding each option's impact and costs. The research team, with input from a regular Data Work Group consisting of Louisiana experts in the field of research and child care, used the following methodology to project these numbers. Sources for the narrative explanation that follows are beneath the corresponding tables at the end of this Appendix.

The research team used the number of known SCCs in Louisiana that participate in two public programs, CACFP (Child and Adult Care Food Program) and CCAP (Child Care Assistance Program, which subsidizes child care), as a base for triangulation. The number of known providers, 8,288 is undoubtedly too low, since SCCs that are not accessing publicly funded programs are not consistently documented. Therefore, the total number of SCCs operating as businesses in Louisiana remains unknown. The National Survey of Children's Health (NSCH) conducted a computer-assisted telephone interview of roughly 2,000 households in Louisiana and determined that 102,000 children under the age of six were in family-based care in 2007. However, this number included children who were cared for by unpaid family members, friends, or neighbors for as little as once a week.ⁱ Such data is too imprecise for the purposes of this project.

The research team triangulated the probable number of SCCs currently operating in Louisiana based on ratios from demographically comparable states. The team used the ratio of SCCs that participate in CACFP to SCCs that are licensed. These ratios were then applied to the number of CACFP providers in Louisiana. The U.S.

Department of Agriculture CACFP is available in all states. The ratio between CACFP and licensing was used rather than simply the numbers of CACFP participation because licensing numbers vary from state to stateⁱⁱ and CACFP participation rates also vary (Louisiana has one of the highest per capita rates of SCC participation in CACFP).ⁱⁱⁱ However, the ratio of CACFP to licensed SCCs is assumed to be relatively stable. SCCs that are licensed but not in CACFP often do not qualify for CACFP based on income or choose not to participate for cultural reasons. These factors were accounted for in selecting similar states as described below. Indeed, the ratio of licensed SCCs to SCCs participating in CACFP turned out to be relatively similar across three comparable states.

Comparable States

Three comparable states – Alabama, Georgia, and Oklahoma – were chosen based on a number of factors. First, Southern states were the only states that were considered, due to similarities in culture and history that tie Louisiana to this region. Research has shown that geographic region influences choice of child care setting.^{iv} Second, only states that had a licensing threshold of three or fewer children were selected for comparison since the options discussed in the main report are all based on a threshold of three children. Third, states were compared across factors that impact families' need for child care and choice of SCCs over other child care settings. These factors were identified through a comprehensive literature review, as referenced throughout the main report.

The following cross-walk explains the comparison factor identified in the research and the variables used as a basis for comparison with Louisiana.

Factors from Literature Review

Variables and Data Sources

Household Income and Costs

Household income was measured by the percentage of families with children under six that are at or below 200% of federal poverty level in 2011 (U.S. Census Bureau; American Community Survey or ACS).

Income was related to costs by the following measures: average annual infant cost for SCCs in 2011/Median family (with child under 18) income in 2011 (NACCRRRA^v and ACS); average annual cost for four-year-old in SCCs in 2011/Median family (with child) income in 2011 (NACCRRRA^{vi} and ACS); and annual cost differential in 2011 between SCCs and Child Care Centers (CCCs) for infants as well as for 4-year olds (NACCRRRA^{vii}).

Rural or Urban Residence

A family's geographic area of residence was measured by the percent that live in a rural setting in 2010 (U.S. Census Bureau^{viii}).

Work Schedule

The primary caretaker's work schedule was measured by percent of children under six with parent working part-time in 2010 (ACS).

Other important aspects of work schedule that were not available for measurement in this study for multiple states include traditional or non-traditional hours (after 6 p.m., on weekends, and inconsistent schedules).

Family Structure

Family structure was measured by percent of children under five with female householder, no husband in 2011 (ACS).

Parental Education

Parental education was measured by the percent of children under six with parent education less than a high school degree in 2010 (ACS).

Parental Availability

Parental availability was measured based on the percent of children under six where all adult family members were in the labor force in 2011 (ACS).

In addition to the factors identified in the literature review, an additional factor was added: “total population” (ACS 2012). While the size of a state is not a high predictor of SCC utilization, high-population states have economies of scale that allow them to access resources that can impact child care delivery.

For each factor, the difference in values between the states and Louisiana were normalized on a

scale from 0 to 1, with 1 being most similar. Each factor was weighted as high, medium, or low (3, 2, or 1 respectively) based on their importance in accounting for parental choice of child care settings (following the literature review). The normalized scale was multiplied by the weightings and then scored, with the highest possible score being 24. The following table shows the factors used for comparison and the scores for each state.

Factors Used to Identify Comparison States

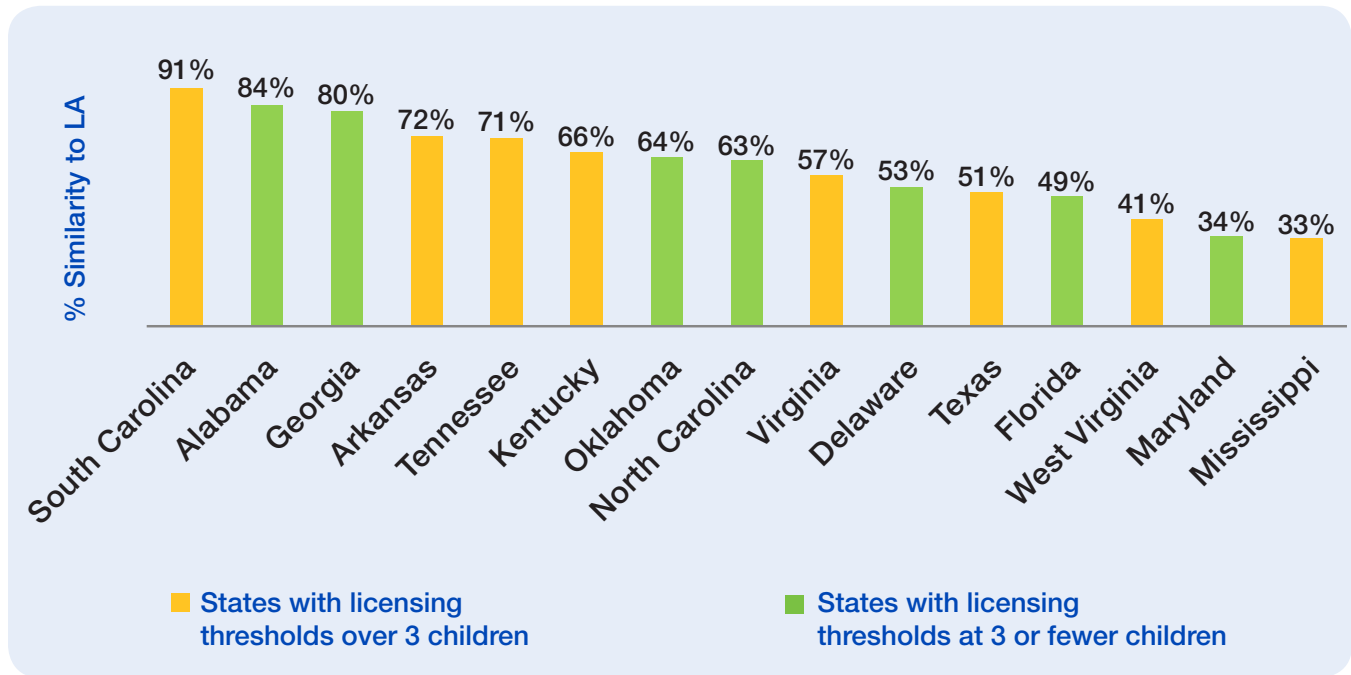
| STATE | % children <6 Below 200% Poverty Level | Infant Cost SCC/ Median Family (w/child) income | 4-yr Cost SCC/ Median Family (w/child) income | Difference in SCC and Child Care Center (CCC) Cost for Infant | Difference in SCC and CCC Cost for 4-year old |
|----------------|--|---|---|---|---|
| Weight | High | High | Medium | High | Medium |
| Alabama | 51.7% | 9.5% | 9.7% | \$728 | \$910 |
| Arkansas | 58.2% | 10.3% | 9.3% | \$886 | \$564 |
| Delaware | 41.5% | 10.7% | 9.9% | \$2,860 | \$1,352 |
| Florida | 49.1% | 14.4% | 12.2% | \$871 | \$310 |
| Georgia | 50.3% | 10.7% | 9.7% | \$1,466 | \$1,029 |
| Kentucky | 52.9% | 11.2% | 10.3% | \$938 | \$581 |
| Louisiana | 52.1% | 9.4% | 8.4% | \$1,073 | \$1,073 |
| Maryland | 30.9% | 11.2% | 9.5% | \$3,717 | \$1,556 |
| Mississippi | 59.0% | N/A | N/A | N/A | N/A |
| North Carolina | 50.4% | 14.1% | 12.3% | \$2,079 | \$1,547 |
| Oklahoma | 54.8% | 11.9% | 10.2% | \$1,418 | \$350 |
| South Carolina | 52.6% | 9.3% | 8.4% | \$1,311 | \$1,360 |
| Tennessee | 52.5% | 11.1% | 10.3% | \$2,276 | \$1,483 |
| Texas | 52.3% | 12.2% | 9.6% | \$1,927 | \$1,401 |
| Virginia | 35.0% | 11.7% | 10.1% | \$2,048 | \$849 |
| West Virginia | 50.4% | 12.8% | 11.7% | \$663 | \$76 |

| | COUNTY | | | | | Total Population (in thousands) | STATE SCORE FOR SIMILARITY WITH LOUISIANA (MAX=24) |
|--|-----------------------|---|--|--|---|--|---|
| | % Rural Population | % Children <6 with Parent Working Part Time | % Children <5 with Female Householder, No Husband | % Children <6 with Parent Education <HS Degree | % Children <6, All Family in Labor Force | | |
| | High | Low | Medium | Medium | High | Low | |
| | 41.0% | 5.9% | 31.9% | 13.5% | 64.8% | 4,780 | 20.2 |
| | 43.8% | 8.6% | 29.5% | 13.2% | 63.5% | 2,916 | 17.4 |
| | 16.7% | N/A | 31.4% | 12.8% | 72.6% | 898 | 12.7 |
| | 8.8% | 10.6% | 27.8% | 12.0% | 67.6% | 18,801 | 11.8 |
| | 24.9% | 12.7% | 28.9% | 13.0% | 63.5% | 9,688 | 19.6 |
| | 41.6% | 28.7% | 27.4% | 11.5% | 64.3% | 4,339 | 15.9 |
| | 26.8% | 8.9% | 38.2% | 14.1% | 65.6% | 4,533 | 24.0 |
| | 12.8% | 14.8% | 27.1% | 9.5% | 72.7% | 5,774 | 8.2 |
| | 50.7% | N/A | 40.0% | 15.3% | 68.8% | 2,967 | 8.0 |
| | 33.9% | 6.2% | 29.2% | 14.0% | 65.0% | 9,535 | 15.2 |
| | 33.8% | 16.0% | 26.4% | 12.0% | 62.2% | 3,751 | 15.4 |
| | 33.7% | 10.4% | 35.0% | 13.6% | 67.3% | 4,625 | 21.8 |
| | 33.6% | 6.9% | 28.7% | 10.9% | 65.3% | 6,346 | 17.2 |
| | 15.3% | 4.6% | 25.8% | 18.2% | 58.4% | 25,146 | 12.3 |
| | 24.6% | 5.8% | 22.9% | 8.7% | 66.4% | 8,001 | 13.8 |
| | 51.3% | 4.9% | 27.4% | 9.9% | 59.5% | 1,853 | 9.8 |

The table below ranks southern states by similarity to Louisiana based on the scores listed above. The three states with the highest degree of similarity

to Louisiana and that have a threshold of three or fewer children are Alabama, Georgia, and Oklahoma. These states were selected for comparison.

Louisiana's Similarity to Southern States on factors that influence parental choice of SCCs over other settings



Source for licensing threshold: NACCRRA (2012) ^{ix}

After conducting in-depth interviews with each of the three states' licensing agencies and CACFP administrators, the research team confirmed that each state was appropriate for comparison.

The ratio of licensed SCCs to CACFP claims in each state was multiplied by the base of existing CACFP claims in Louisiana to project how many more SCCs would be licensed in Louisiana above the base.

Three estimates were then developed and adjusted based on the policies described under each option:

- A low estimate that used the number of known SCCs in Louisiana
- A medium estimate that used Alabama's ratio of 1.14 licensed SCCs to SCCs claiming CACFP
- A high estimate that used Georgia's ratio of 1.49 licensed SCCs to SCCs claiming CACFP

Oklahoma's ratio was very similar to that of Georgia and was therefore excluded from further projections.

These ratios used readily available CACFP claims data rather than data on those enrolled in CACFP (some enrollees do not make claims in any given month). The SCCs enrolled in CACFP and not making CACFP claims in Louisiana was added back in later to ensure that final calculations would more accurately reflect the number of SCCs that would be subject to oversight.

In order to estimate the numbers of SCCs serving three to six unrelated children that would be subject to regulation under all three options, the team eliminated SCCs serving solely their own or other related children or serving just one or two unrelated children, using unpublished data from the 2012 Louisiana Market Rate Survey. SCCs on CCAP serving solely related children or just one or two

unrelated children were then added back in, as they are subject to licensure under all three options.

The Louisiana Market Rate Survey data did not provide the Insight Center with data on the number of parents and grandparents caring exclusively for their children or grandchildren without pay. This omission of data would lead the estimates in this report to be slightly high with regard to the percentage of unrelated children. On the other hand, the Survey's definition of "relative" is general and could include cousins, nieces and nephews, etc., whereas the options outlined in this report maintain the definition of "relative" as found in child care center licensing: a natural or adopted child or grandchild or a child in the legal custody of a caregiver. The resulting overcount of "relatives" in the Market Rate Survey relative to the options' definition of "relatives" likely balances out the undercount from the omission described above.

Numbers of licensed and registered SCCs were then calculated for each option based on their respective policies. For Option 2, the percentage of SCCs in counties in Florida that chose licensing versus registration was used to project how many SCCs would become licensed in Louisiana given the choice. Florida provides incentives toward choosing licensing over registration, including a higher subsidy rate. If similar incentives were not provided in Louisiana, the number of SCCs that choose licensing over registration would likely be smaller than in Florida.

The number of children impacted by SCC regulations was derived by multiplying the mean number of children per SCC (4.8 as determined from 2012 Louisiana Market Rate Survey data) by the low, medium, and high estimates of impacted SCCs. The estimated number of impacted children remained the same for each option because the estimates did not distinguish between licensed and registered settings.

The following tables explain the process and data sources in greater depth.

Projections for the Number of Small Childcare Businesses and Children Impacted Under Three Regulatory Options

Table 1: Similar States

Ratio of Licensed Small Childcare Businesses (SCCs) to CACFP claims

| | |
|---|-------------|
| Ratio of licensed SCCs to CACFP claims, AL (2013) (small homes, 1-6 children) | 1.14 |
| Ratio of licensed SCCs to CACFP claims, GA (2013) (small homes, 3-6 children) | 1.49 |
| Ratio of licensed SCCs to CACFP claims, OK (2012) (small homes, 1-7 children) | 1.45 |

Sources: Alabama Departments of Human Resources and Education, Bright from the Start: Georgia Department of Early Care and Learning, Oklahoma Departments of Human Services and Education

Table 2: LA CACFP SCCs Serving 6 or Fewer Children: Enrolled vs. Claiming

| | |
|-----------------------------------|--------------|
| Enrolled in CACFP | 8,106 |
| Claiming CACFP | 7,800 |
| Ratio of SCCs enrolled to claimed | 1.04 |

Source: Louisiana Department of Education (email and call 4/24/13)

Table 3: Percent LA SCCs Serving 3-6 Children from Louisiana Market Rate Survey

| | |
|---|---------------|
| % SCCs serving unrelated children | 72.98% |
| % of above serving 3-6 unrelated children | 71.78% |
| % of all SCCs that serve 3-6 unrelated children | 52.39% |

Source: Care Solutions, Inc. (email 8/13) based on Louisiana Market Rate Survey data 2012

Table 4: Unduplicated Known SCCs Serving 1-6 Children

| | |
|---|--------------|
| Enrolled CACFP SCCs serving 6 or fewer | 8,106 |
| CCAP SCCs serving 6 or fewer (not including own children) | 782 |
| SCCs on CCAP and not CACFP | 182 |
| Unduplicated CACFP and CCAP SCCs | 8,288 |

Source: Louisiana Department of Children and Family Services and Department of Education (computer files 4/24/13), unduplicated by Insight Center

Table 5: Known SCCs Serving 3-6 Unrelated Children

| | |
|---|---------------|
| Unduplicated CACFP and CCAP SCCs | 8,288 |
| % of all small childcare businesses that serve 3-6 unrelated children | 52.39% |
| Known SCCs Serving 3-6 unrelated children | 4,342 |

Source: Tables above and Care Solutions, Inc. (email 8/13) based on Louisiana Market Rate Survey data 2012

Table 6: Estimated Number of SCCs Serving 3-6 Unrelated Children Subject to Regulation

| | Ratio multiplied by LA CACFP Claims (Table 1) | Previous column multiplied by LA Claims to Enrollment ratio (Table 2) | Previous column plus unduplicated CCAP (Table 4) | Previous column with just 3-6 unrelated children (Table 3) | Total projected SCCs serving 3-6 unrelated children subject to regulation |
|---|--|--|---|---|--|
| Using AL ratio of SCC licensed to CACFP claims | 8,892 | 9,240 | 9,422 | 4,936 | 4,936 |
| Using GA ratio of SCC licensed to CACFP claims) | 11,639 | 12,095 | 12,277 | 6,432 | 6,432 |
| Using OK ratio of SCC licensed to CACFP claims | 11,322 | 11,766 | 11,948 | 6,259 | 6,259 |
| Using known Louisiana SCCs | 7,800 | 8,106 | 8,288 | 4,342 | 4,342 |

Note: For other states, we used LA SCCs serving 6 or fewer children that claimed CACFP (4/24/13) multiplied by other state ratios of SCCs licensed to CACFP claims to estimate # licensed SCCs
Sources: Tables above

Table 7: Estimated Number of SCCs on CCAP and Serving Just 1-2 Non-Relatives or Up to 6 Relative-Only Children (To Add to Table 6 Estimates)

| | |
|--|---------------|
| CCAP SCCs serving 6 or fewer children | 782 |
| % of children serving 1-2 unrelated children or up to 6 relative-only children | 47.61% |
| Number of CCAP SCCs serving 1-2 unrelated children or up to 6 relative-only children | 372 |
| Number of CCAP SCCs serving 3-6 unrelated children | 410 |

Sources: Tables above

Table 8: Option 1, License All SCCs Serving 3-6 Unrelated Children (and All CCAP)

| | SCCs serving 3-6 unrelated children | CCAP SCCs serving 1-2 non- relatives or up to 6 relative-only children | Total to be Licensed |
|---------------------------------|---|--|-------------------------|
| Low Estimate (Known LA SCCs) | 4,342 | 372 | 4,714 |
| Medium Estimate (Alabama ratio) | 4,936 | 372 | 5,309 |
| High Estimate (Georgia ratio) | 6,432 | 372 | 6,804 |

Sources: Tables above

Table 9: Option 2, Provide Choice of Licensing, Mandate Registration for SCCs Serving 3-6 Unrelated Children (License All CCAP)

| | Licensing: SCCs Choos- ing Licensing Plus All CCAP | Registration: Remaining SCCs Serving 3-6 Non- Relatives |
|---|---|--|
| % Choosing Licensing vs. Registration (based on Florida example) | 34.7% | 65.3% |
| Low Estimate (Known LA SCCs) | 1,877 | 2,837 |
| Medium Estimate (Alabama ratio) | 2,083 | 3,226 |
| High Estimate (Georgia ratio) | 2,601 | 4,203 |

Source: Tables above and Florida Department of Children and Families' Data on Providers Choosing Licensing
(computer file August 2013)

Table 10: Option 3, Register All SCCs Serving 3-6 Unrelated Children (License All CCAP)

| | Licensing: All CCAP | Registration: Remaining SCCs Serving 3-6 Non-relatives |
|---------------------------------|------------------------|--|
| Low Estimate (Known LA SCCs) | 782 | 3,932 |
| Medium Estimate (Alabama ratio) | 782 | 4,527 |
| High Estimate (Georgia ratio) | 782 | 6,022 |

Sources: Tables above

Table 11: Summary Table
Estimated Number of Louisiana Small Childcare Businesses Under Each Option

| | | Low Estimate | Medium Estimate | High Estimate |
|--|--|-----------------|--------------------|------------------|
| Number of SCCs to be Licensed | Option 1: License All SCCs | 4,714 | 5,309 | 6,804 |
| | Option 2: Provide Choice of Licensing, Mandate Registra- tion (License All CCAP) | 1,877 | 2,083 | 2,601 |
| | Option 3: Register All SCCs (License All CCAP) | 782 | 782 | 782 |
| Number of SCCs to be Registered | Option 2: Provide Choice of Licensing, Mandate Registra- tion (License All CCAP) | 2,837 | 3,226 | 4,203 |
| | Option 3: Register All SCCs (License All CCAP) | 3,932 | 4,527 | 6,022 |

Sources: Tables above

Note: SCCs subject to regulation include those serving 3-6 unrelated children with the exception of CCAP SCCs, in which all are subject to licensing

Table 12: Estimated Number of Children Benefiting from SCC Minimum Standards

| | Low Estimate | Medium Estimate | High Estimate |
|---|-----------------|--------------------|------------------|
| Number of children in all CCAP SCCs and SCCs that serve 3-6 unrelated chil- dren (cohort proposed for regulation) | 22,799 | 25,673 | 32,906 |

Source: Tables above and Care Solutions, Inc. (email 8/13) based on Louisiana Market Rate Survey data 2012

Appendix Endnotes

- ⁱ Determining the number of SCCs through surveying is even more difficult because much of the population of SCCs is hidden, with providers often not knowing each other and parents likely to withhold information on their SCC. More information on the NSCH study is available at: www.childhealthdata.org
- ⁱⁱ Each state has a different scope of licensing and a different threshold of children that are served before SCCs are subject to licensure. They also have different incentives for participation in alternative settings. These factors and others make the number of SCCs that would qualify for and choose to be licensed vary from state to state.
- ⁱⁱⁱ Cooper, R., & Henchy, G. (2012, March.) Child & Adult Care Food Program: Participation Trends 2012. Washington, D.C.: Food Research and Action Center. Retrieved from http://frac.org/newsite/wp-content/uploads/2009/05/cacfp_participation_trends_report_2012.pdf
- The research team determined that a key contributing factor to the high rate of participation is the relatively easy requirements for CACFP enrollment in Louisiana (such as the low cost of fire marshal inspections.) This conclusion was based on conversations with national CACFP experts and administrators in the U.S. Department of Agriculture, the Louisiana Department of Education, other state CACFP programs, and local child care experts.
- ^{iv} Capizzano, J., Adams, G., & Ost, J. (2006). Caring for Children of Color: The Child Care Patterns of White, Black, and Hispanic Children under 5. The Urban Institute. Retrieved from http://www.urban.org/Uploaded-PDF/311285_OP-72.pdf
- ^v The National Association for Child Care Resources and Referral Agencies (2012). Parents and the High Cost of Child Care. Retrieved from http://www.naccrra.org/sites/default/files/default_site_pages/2012/cost_report_2012_final_081012_0.pdf
- ^{vi} The National Association for Child Care Resources and Referral Agencies (2012).
- ^{vii} The National Association for Child Care Resources and Referral Agencies (2012).
- ^{viii} The United States Census Bureau. (2010). Percent Rural and Urban Population. Retrieved from http://www2.census.gov/geo/ua/PctUrbanRural_State.xls
- ^{ix} NACCRRRA (2012). "Leaving Children to Chance: NACCRRRA's Ranking of State Standards and Oversight for Small Family Child Care Homes. 2012 Update." Retrieved from http://www.naccrra.org/sites/default/files/default_site_pages/2012/lcc_report_full_april2012.pdf



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