M50 MATHEMATICA Policy Research

IssueBRIEF

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Improving Access to Early Care and Education: An Equity-Focused Policy Research Agenda

"Health equity means that everyone has a fair and just opportunity to be healthier. This requires removing obstacles to health such as poverty, discrimination, and their consequences, including powerlessness and lack of access to good jobs with fair pay, quality education and housing, safe environments, and health care" (Braveman et al., 2017).

Most families with young children need access to early care and education (ECE) to support children's development and parents' ability to work or attend school. However, many families struggle with program access because they cannot afford ECE or live in areas that lack services. Families from some racial and ethnic groups are also less likely to access ECE. To understand how to address such access barriers, we propose research that applies a **health equity** lens. This research will need to examine a diverse set of policies and programs because funding for ECE comes from a variety of federal, state, local, and private funding sources, including Head Start/Early Head Start, state and district pre-K programs, the Child Care and Development Fund (CCDF), the child and dependent care tax credit, and parent copayments. This brief highlights evidence about ECE access and presents a policy-focused research agenda designed to fill knowledge gaps in three areas: (1) documenting disparities in access to and participation in ECE, (2) identifying and testing innovations to reduce disparities, and (3) identifying and testing strategies to scale up effective ECE programs.

UNDERSTANDING DISPARITIES IN ECE ACCESS AND PARTICIPATION

Low- and middle-income families can face barriers in accessing ECE. Low- and middle-income families participate less frequently in any type of ECE when compared with higher-income families (Figure 1). Although public programs aim to increase ECE access for low-income families, funding is insufficient to serve all families who face financial barriers. For example, only about 11 percent of eligible children received CCDF subsidies in 2011–2012 (U.S. Government Accountability Office, 2016). Low-income families may also lack access to ECE because of unpredictable, inflexible, and nonstandard work hours (National Women's Law Center, 2016).

ECE use by federal poverty level (FPL), all children birth to age 5

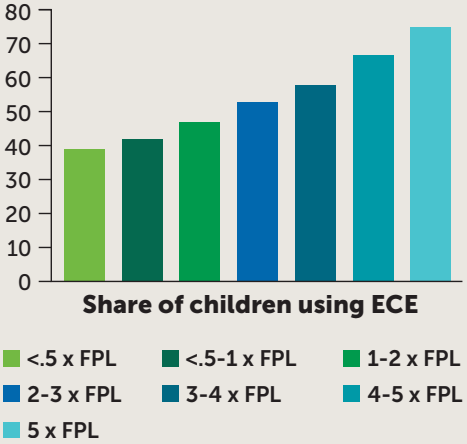

Figure 1

Source: National Academy of Sciences (2018). Committee-generated estimates of children in any regular non-parental care arrangement, using data from the 2012 National Survey of Early Care and Education [NSECE].

Note: This includes all children birth to age 5 who are not in kindergarten

Half of Americans live in child care deserts, defined as geographical areas with more than three children for every licensed ECE slot. Descriptive analysis shows that families in rural areas and Latino and American Indian/Alaskan Native families are most likely to live in these communities (Malik & Hamm, 2017).

Where children live can determine their access to ECE. There are disparities in the percentage of 4-year-olds served in state pre-K across the country (Figure 2). In addition, state child care subsidy policies differ in ways that may affect access for low-income families. For example, states differ in whether subsidies can be used for family, friend, and neighbor care and how those settings are regulated (Giannarelli, Minton, and Durham, 2016).

There are also differences in ECE participation by race/ethnicity. For example, in 2011-2013, 8 percent of eligible Latino children and 6 percent of American Indian/Alaskan Native children received CCDF subsidies, compared with 21 percent of eligible black children (Schmit and Walker, 2016). Lower participation in CCDF may be due to complex application, eligibility, and redetermination policies that are challenging for families with language barriers; unstable work that makes it burdensome to prove families meet work requirements; and limited supply of ECE that meets families' needs.

Percentage of 4-year-olds served in state pre-K

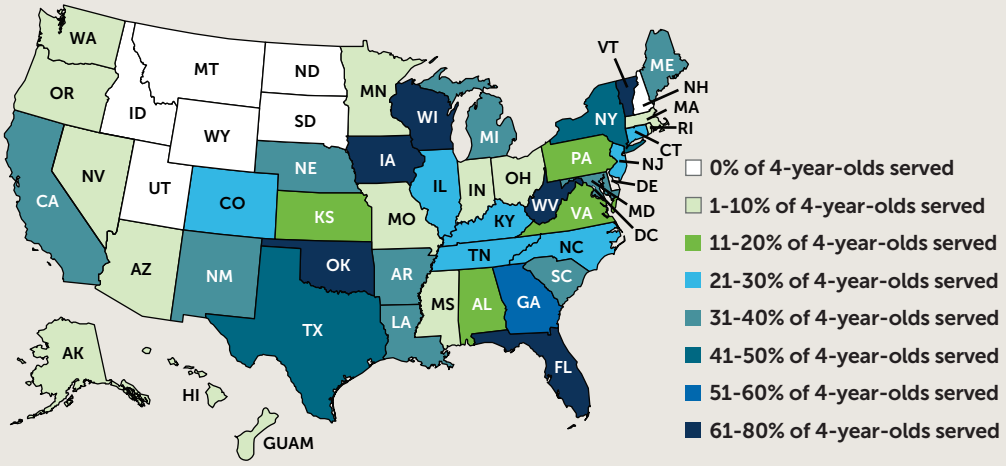

Figure 2

Source: Barnett et al. (2016).

To aid in developing solutions, policymakers need research to document the types and magnitude of disparities, as well as barriers to access that subgroups of families face. It is challenging to analyze disparities because no national data system exists to track ECE participation across programs and funding sources, and few states have early learning data systems. In addition, more research is needed to understand associations between current state subsidy policies and disparities in access. Potential research questions are listed in the box to the right.

To address such questions, research could use existing data sets (NSECE, Head Start Program Information Report, CCDF administrative "801" data) to examine participation rates by subgroup and create interactive maps to display participation levels. Researchers could conduct in-depth analysis of disparities in participation and access in one or more states that have ECE data systems. Qualitative research to understand reasons for disparities could include interviews with parents, Child Care Resource & Referral staff, and state and local ECE and subsidy administrators.

- What are the participation rates in different types of ECE (Head Start, pre-K, child care) for subgroups of children (race/ethnicity, income, rural/urban) across the country?
- What are the reasons for disparities in participation, such as lack of information, supply, affordability, transportation, or challenges with parental work hours? Do these reasons differ by state, ECE type, or race/ethnicity?
- How do state subsidy policies influence disparities in access to ECE?
- How do new CCDF regulations affect disparities in access to ECE?
- Do differences in how states provide and target pre-K services affect disparities?

IDENTIFYING AND TESTING INNOVATIONS TO REDUCE DISPARITIES

States have tried to increase supply and access to ECE through subsidy policies, behavioral interventions, and co-location of services that provide business supports to ECE providers.

Some state innovations may increase ECE supply in underserved areas to reduce disparities, and can serve as models in other states. For example, states have used the following strategies to increase the supply of ECE providers:

- Shared services alliances to provide business supports such as bookkeeping, bulk purchasing, and facility maintenance to ECE providers. Research has shown a positive return on investment for participating child care providers (Silverstein Hansen, 2012).
- Licensing support, training, and ongoing technical assistance to recruit new family child care providers (Early Learning Challenge Technical Assistance, 2017) or to incentivize providers to offer specific types of care, such as care for infants and toddlers and nonstandard hours (National Center on Early Childhood Quality Assurance, 2017).
- Loan guarantees and favorable interest rates to improve or expand ECE facilities (Sussman & Gillman, 2007; Zeidman & Scherer, 2009).
- Incentivizing shared facilities to create cost efficiencies. For example, a pre-K that finishes at 3 p.m. could share premises with an after-school program. In the United Kingdom, researchers estimate this strategy has the potential to save 3 to 5 percent of ECE centers' operating costs (Rutter, 2016).
- Coordinating diverse funding streams and providing a single grant to ECE providers to reduce the burden of managing funding sources. For example, EarlyLearn NYC combines CCDF, Head Start, New York State's Universal Pre-K program, and a city tax levy to fund grants to ECE providers (Gelatt & Sandstrom, 2014).

States can structure child care subsidy payment policies to increase the supply of ECE and families' access to ECE. States differ in requirements for family copayments and provider reimbursement rates (Stevens, Minton, Blatt, & Giannarelli, 2016). Many states use tiered reimbursement to offer higher payments to providers in low-income communities. Some states also use more stable forms of funding for some child care providers, such as grants and contracts (Banghart, King, Partika, & Perkins, 2018).

State subsidy administrative systems, and behavioral interventions within these systems, can impact ECE access. Many families exit and reenter the subsidy program quickly, suggesting that the break was unintended (Ha, 2009). States have tested behavioral interventions in subsidy administration to reduce this "churning". Providing detailed information to parents about how to show they are meeting their work requirements and providing appointment reminders increased parents' attendance at appointments and on-time renewals (Richburg-Hayes, Anzelone, Dechausay, & Landers, 2017).

More research is needed to assess strategies to increase supply and access to ECE. Many of these strategies are untested. In addition, addressing the needs of subgroups of families with access barriers, such as those who live in child care deserts or work nonstandard hours, may require innovative policy solutions. Research questions to identify and test potential policy solutions include the following:

- **Which state and local policies can increase supply of ECE in child care deserts and rural areas? Do these policies reduce disparities? Do these policies support economic development in low-income communities?**
- **What policies can improve access to ECE for families that need care during nonstandard hours?**
- **Can behavioral interventions encourage underrepresented subgroups of families to apply for subsidies? How can behavioral interventions reduce subsidy churning?**
- **Can state-level coordination of diverse ECE financing mechanisms decrease disparities?**
- **How do changes in subsidy reimbursement rates affect ECE supply and disparities?**

Potential research could describe the state policy landscape to identify innovations. It could then use rapid cycle evaluation to test innovations, such as examining a small number of providers' experiences when states coordinate diverse funding streams for them. Policy simulations could be used to model the effects of policy changes such as different reimbursement rates.

Some states have generated revenue and structured pre-K expenditures in ways that affect the predictability and sustainability of the funding.

STRATEGIES TO SCALE UP EFFECTIVE ECE PROGRAMS

The current supply of ECE programs is insufficient to meet the needs of all families and children who need ECE. Cost is a substantial barrier to increasing access to ECE. A National Academy of Sciences committee (2018) estimated the annual cost of offering accessible, affordable, and high quality ECE to all children birth to age 5 to be $82 billion in public funding, assuming family contributions based on income. This is $53 billion more than the current estimated public funding of $29 billion.

State pre-K expansions provide insight into ways to finance ECE. Many states use taxes on socially harmful goods, such as on lotteries and tobacco, to generate revenue. Funding can fluctuate annually, but the funding is less vulnerable to cuts as it is not part of states' annual budget processes. Other states and localities dedicate a portion of specific property, sales, or income taxes to pre-K (Parker, Diffey, & Atchison, 2018). Some states have obtained social impact bonds to fund ECE. Social impact bonds (or "pay for success" models) use private capital loans to fund ECE. They are based on the assumption that children will be less likely to use special education and remedial services if programs are effective, resulting in government cost savings. Governments are only responsible for repaying private loans if programs are effective, which reduces governments' risk (National Academy of Sciences, 2018).

State pre-K expansions also provide potential lessons about how to address equity while scaling up ECE. For example, some states have designed expansion efforts to target underserved areas while maintaining universal access by using the following strategies (The Brookings Institute, 2017):

- Offering universal pre-K in full- or half-day programs, but locating most full-day programs in lower-income neighborhoods (Tulsa).
- Providing universal pre-K, but requiring copayments from higher-income families (Denver and Seattle).
- Targeting pre-K to low-income districts, but allowing all children in these districts to enroll (New Jersey).
- Prioritizing low-income communities, with later expansions into higher-income areas (New York City's 3-K for All).

Another example of a decision that has implications for scaling ECE is whether programs are implemented in different settings. Some pre-K programs, such as Boston's, only offer pre-K in public schools, whereas others, such as in New York City and New Jersey, offer pre-K in public schools, Head Start, and child care. Including more providers can increase supply of enrollment spaces and parent choice, and support small business development. Limited research has examined the effects of such choices (Weiland, 2016), but a study of New Jersey's program found that classrooms in different settings scored similarly on measures of teaching quality (Frede, Jung, Barnett, Lamy, & Figueras, 2007).

Research is needed to glean lessons from states' experiences scaling up pre-K and to identify financing strategies for increasing supply. This research could focus on the following:

- What lessons have we learned from state and local pre-K expansions about how to scale up programs, as well as barriers to scaling?
- How have states used different delivery systems to scale up pre-K?
- What financing strategies, including pay-for-success models, have states used for pre-K programs? Which strategies best protect pre-K funding from budget fluctuations?
- Which funding mechanisms increase ECE supply? Reduce disparities? Are mechanisms that focus on families (tax credits, vouchers, copays) preferable to mechanisms that focus on providers (contracts, grants)?

Potential research could include comparative case studies of states, including of funding mechanisms, and the implications for disparities and access.

This brief was created by Mathematica Policy Research through a grant from the Robert Wood Johnson Foundation to develop a policy research agenda to support low-income children and families. Two other briefs present research agendas for income and nutrition supports. Another brief provides cross-cutting research ideas. For more information about this brief, contact Diane Paulsell, Senior Researcher, Mathematica Policy Research, (609) 275-2297; DPaulsell@mathematica-mpr.com.

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