



4184-01

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

[Docket No.: HHS-ACF-2019-0005]

RIN: 0970-ZA15

Improving Access to Affordable, High Quality Child Care: Request for Information

AGENCY: Administration for Children and Families (ACF), Department of Health and Human Services

ACTION: Notice; request for information.

SUMMARY: As part of the Administration for Children and Families (ACF) commitment to supporting working families and promoting the healthy development and well-being of children, ACF is seeking input from the public and interested stakeholders on strategies to improve access to high quality, affordable child care in the U.S. Child care is one of the biggest expenses a family faces and can be a barrier to work. The average cost of center-based infant child care in 28 states is more than college tuition. At the same time, child care settings are a place of learning and education for children from the time they are infants and toddlers through their school-age years. Access to high quality learning opportunities lays the foundation for children's development and, ultimately, their success in school and in life. Unfortunately, many families do not have access to the affordable, high quality child care their children need. This Request for Information seeks public comment on: identifying emerging and innovative practices to improve access to high quality child care, as well as identifying regulatory and other policies that unnecessarily drive up the cost of care or limit parents' choice of different

child care options; and identifying ways to improve funding of child care and other related early education programs to support quality and create a more streamlined, equitable, and sustainable financing framework for future generations. Information collected through this request may be used by ACF in the development of future rulemaking and technical assistance, formation of legislative proposals and research agendas, and/or strategic planning.

DATES: Submit comments by [insert date 60 days from date of publication].

ADDRESSES: You may send comments, identified by [docket number and/or RIN number], by either of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow instructions for sending comments. We prefer to receive comments via this method.
- *Mail:* Office of Child Care, Attention: Request for Information, 330 C Street SW., Washington, DC 20201.

Instructions: We urge you to submit comments electronically to ensure they are received in a timely manner. All submissions received must include our agency name and the docket number or Regulatory Information Number (RIN) for this notice. All comments will be posted without change to <https://www.regulations.gov>, including any personal information provided. We accept anonymous comments. If you wish to remain anonymous, enter “N/A” in the required fields.

FOR FURTHER INFORMATION CONTACT: Andrew Williams, Office of Child Care, Administration for Children and Families, 330 C Street SW, Washington, DC 20201; (202) 690-6782.

SUPPLEMENTARY INFORMATION:

Background

ACF is focused on finding innovative solutions to improve working families' access to affordable, high quality child care, as well as investigating how access to child care affects America's workforce, present and future. Child care is one of the biggest expenses a family faces and can be a barrier to work. The average cost of center-based infant child care in 28 states is more than college tuition.¹ Evidence on the effects of child care costs on labor supply suggests that some parents, particularly women, would enter the labor force, or increase their work hours, if the cost of child care was lower.² One study found that a 10 percent increase in child care costs is associated with a 7.4 percent decline in women's labor force participation.³ The impact of child care challenges extends beyond families. Employee absences and turnover resulting from lack of reliable and affordable child care can cost employers, and impact overall economic development by reducing productivity and constricting the labor market.⁴ Policies that reduce the cost of child care could help maintain and bring more Americans into the workforce, increase

¹ "The US and the High Cost of Child Care," Child Care Aware of America, 2018 Report. The term "states" includes the District of Columbia.

² "Work and the Cost of Child Care," Council of Economic Advisors, February 2019.

³ "How to Improve Economic Opportunity for Women," Aparna Mathur and Abby McCloskey, American Enterprise Institute, June 2014.

⁴ "Lost Opportunities: The Impact of Inadequate Child Care on Indiana's Workforce & Economy," Laura Littlepage, Indiana University Public Policy Institute, June 2018; "Opportunities Lost: How Child Care Challenges Affect Georgia's Workforce and Economy," Hanah Goldberg, Tim Cairl, and Thomas J. Cunningham, Georgian Early Education Alliance for Ready Students and Metro Atlanta Chamber, 2018.

opportunities for families, and ensure that strong economic growth is inclusive and sustained in the future.

At the same time, there is concern about the quality of child care and ensuring that child care settings are a place of education that promote and enhance child and youth development and well-being. High quality child care is a critical investment that pays off now, for parents by enabling them to work, and later, by supporting children's development and success in school and life. Research has shown that high quality learning environments are important for the cognitive, language, and social development of children,⁵ and that investments have the potential to generate economic returns in the long-run.⁶ State child care licensing and regulatory systems act as a foundation to ensure basic health and safety of child care settings, primarily based on structural and environmental factors. Many states have implemented quality rating and improvement systems with additional tiered requirements above those established by licensing and regulatory systems, in order to help child care providers strive toward higher quality care.⁷ The challenge ahead is making sure that standards of quality are dynamic and suited to different types of child care settings serving the full age and developmental range of children, so that parents continue to have choice, and quality standards are attainable by the full range of child care providers.

Respecting the role that parents play in choosing the care that is best suited to their child's needs, and their own values, culture, and work schedules (including non-

⁵ "Quality Thresholds, Features, and Dosage in Early Care and Education: Secondary Data Analyses of Child Outcomes," Edited by: Margaret Burchinal, Martha Zaslow, and Louisa Tarullo, Society for Research in Child Development, June 2016.

⁶ "Quantifying the Life-cycle Benefits of a Prototypical Early Childhood Program," Jorge Luis Garcia, James J. Heckman, Duncan Ermini Leaf, and Maria Jose Prados, May 2017.

⁷ QualityCompendium.org, A Catalog and Comparison of Quality Initiatives like Quality Rating and Improvement Systems (QRIS), Build Initiative.

traditional hours), is critical. One-size fits all directives on what constitutes high quality child care can be counter-productive if they effectively limit the number of child care providers left in the market from which parents can choose. The number of licensed, small family child care homes (with a sole caregiver in a residential setting) fell by 35 percent from 2011 to 2017.⁸ This request for information seeks public comment on innovative ways to address the affordability and access crisis of child care in the U.S., without compromising on quality.

What We Are Looking for in Public Comments

ACF is looking for an honest assessment of child care in the U.S. from the public and from a diverse array of stakeholder groups in order to inform the development of recommendations and/or future guidance. This includes parents who use child care, including parents of children with disabilities; small child care businesses, including family child care home providers; large and chain child care providers; pre-k groups; school administrators; child care regulators; state and local officials; employers; state and local chambers of commerce; foundations; faith-based and other community organizations; family child care networks; child care resource and referral agencies; universities and other institutions of higher education; child care workforce development organizations; economic development organizations; etc.

In order to make it easier for the public to comment, some of the questions on which ACF seeks public comment indicate specific stakeholder groups that might be particularly interested in the topic area. Commenters should identify the question to

⁸ “Addressing the Decreasing Number of Family Child Care Providers in the United States,” National Center on Early Childhood Quality Assurance, July 2019.

which they are responding by indicating the corresponding letter and number(s). We request commenters who identify barriers or policies to indicate, with a citation if possible, the source/level (e.g., Federal, State, local) of the barrier or policy, as well as the types of child care providers (e.g., centers, family child care homes) that are impacted.

A. Improving Access to Affordable, High Quality Child Care

1. Building Supply of Child Care. Many communities across the country are experiencing a shortage of child care providers, particularly for certain kinds of care, such as for infants and toddlers, for children with disabilities, in rural areas, and during non-traditional hours. The agency seeks public feedback on:

- a. Areas where there are specific barriers to child care providers entering the market, specifically what those barriers are (e.g. legislation, regulation, guidance, current practice, etc.), and the source of those barriers (e.g., federal, state, or local).
- b. Successful strategies for building the supply of high quality, affordable child care in underserved areas.

(Stakeholders: child care providers, child care regulatory agencies, employers, economic and community development organizations, community organizations, state and local officials).

2. Improving Child Care Regulations. Child care licensing, regulatory and monitoring frameworks are the basis for ensuring that child care settings are healthy and safe for children. However, policies to regulate the health and safety of child care settings are

created separately at the federal, state (e.g., child care licensing) and local levels (e.g., zoning laws), which can result in an overlay of sometimes contradictory policies and procedures.

- a. ACF seeks information on ways to ensure that regulatory and monitoring practices are not duplicative, inconsistent, and/or unintentionally driving up the cost of providing care, reducing availability, or pushing different types of providers, such as faith-based or home-based family child care providers, out of the market.
- b. We also seek comment on the degree to which licensing requirements need to be tailored to the unique structures of different types of providers, and how monitoring for compliance could be used to support providers in their pursuit of providing high quality care.

(Stakeholders: child care providers, child care regulatory agencies, economic and community development organizations, community-based organizations, state and local officials, parents).

3. Cultivating the Child Care Workforce. An important component of high quality child care, particularly for young children, is ensuring a nurturing, responsive relationship with caregivers.⁹ Removing barriers and introducing multiple pathways and career ladders for educators and caregivers to gain the skills and competencies they need to provide high quality care, without incurring undue student loan debt, can help to encourage more individuals to enter, and stay in, the child care workforce.

⁹ “Including Relationship-Based Care Practices in Infant-Toddler Care: Implications for Practice and Policy,” Network of Infant/Toddler Researchers, May 2016.

- a. ACF seeks public comment on what competency-based, short-term training models, apprenticeships, and stackable credentialing support (i) recruitment and (ii) professional development of early childhood educators.

(Stakeholders: child care providers, institutions of higher education, child care provider associations, workforce development organizations, community organizations, businesses, child care administrators).

4. Developing Better Child Care Business Models. Most child care providers operate as a small business and may be nonprofit or for-profit, home-based or center-based, religious/faith-based or public institutions.

- a. ACF seeks public comment on promising and innovative strategies for improving business practices and promoting business development of child care providers in the private sector. This includes improving access to financing for building facilities to assist new providers in entering the market.
- b. Specifically, the agency is interested in comments about shared services alliances and consortia established to share overhead costs, improve fiscal and program management, and support access to preexisting training and resources for improving quality (including technology and non-personnel resources).
- c. ACF is interested in learning how states and providers are adjusting in states and localities that have expanded public pre-kindergarten programs, and how child care providers are addressing the loss of preschool-aged slots which previously offset the costs of more expensive infant and toddler slots.

(Stakeholders: child care providers, child care regulatory agencies, economic and community development organizations, family child care networks, community organizations, businesses, state and local chambers of commerce).

B. Transforming Financing of Child Care and Early Education Programs

The public portion of financing for child care and early education in the United States involves multiple programs and funding streams, administered by various agencies at the federal, state, and local levels, often with different eligibility requirements and quality standards.¹⁰ This creates challenges to families and communities in navigating these differences, and can lead to overlap in some areas and gaps in services in others. The Every Student Succeeds Act (Public Law 114-95) requires the U.S. Department of Health and Human Services, in consultation with other federal agencies, to issue and annually update a report that outlines the efficiencies that can be achieved by, and specific recommendations for, eliminating overlap and duplication among all federal early childhood education programs. So long as Federal and State funding continues to be fragmented across multiple delivery systems, the challenges families face in accessing high quality and affordable care, will persist. Over the past decade, public support for child care and early learning programs has grown, at both the federal and state level, yet as these challenges are contemplated, more attention should be paid to our current system and whether it is the right foundation upon which to build.

¹⁰ “Transforming the Financing of Early Care and Education,” National Academies of Sciences, Engineering, and Medicine, 2018.

1. ACF seeks public comment on more effectively using existing federal and state resources to align and strengthen the delivery of child care and early education, and ideas for improving the financing framework to better support future investment. This includes recommendations to streamline or combine existing resources and programs in order to improve the overall participation of children in a mixed delivery system, improving program quality while maintaining availability of services, expanding parental choice, and enhancing access for children from low-income and disadvantaged families. The agency encourages commenters to think about the following:

- a. Barriers that exist in the governance and funding structures of current programs that limit the most efficient use of local, state and federal resources.
- b. Ideas for alternative financing frameworks or models that better leverage the significant investment in child care and early education funding already in place at the federal and state levels (outlined in the table below), including ideas that are outside the current framework or that re-envision existing programs.
- c. Examples of innovative models and practices, especially those that include private sector investments and partnerships, that help to maximize child care resources.

Major Sources of U.S. Early Care and Education Funding
<i>Direct Federal Funding*</i>

Child Care and Development Fund (CCDF)	\$8.2 billion
Head Start /Early Head Start /Early Head Start-Child Care Partnerships	\$10.1 billion
Temporary Assistance for Needy Families**	Approx. \$3 billion
Preschool Development Grants Birth through Five	\$250 million
Social Services Block Grant***	Approx. \$280 million
<i>Federal Tax Credits/Subsidies****</i>	
Child and Dependent Care Tax Credit	\$4.44 billion
Employer-Provided Child Care Exclusion	\$680 million
Employer-Provided Child Care Credit	\$20 million
<i>State Funding</i>	
State Match and Maintenance-of-Effort for CCDF	Approx. \$2 billion
State Pre-K Spending*****	\$8.4 billion
Total	Approx. \$37 billion
<p><i>*Funding represents fiscal year 2019 enacted unless otherwise indicated. The U.S. Department of Health and Human Services awards and oversees the funding sources listed in this section.</i></p> <p><i>**Based on FY 2017 financial data, the latest year for which data is available. Includes transfer to CCDF and direct spending on child care from the Temporary Assistance for Needy Families program:</i> https://www.acf.hhs.gov/sites/default/files/ofa/tanf_financial_data_fy_2017_12819_508_compliant.pdf</p> <p><i>***Spending on child care from the Social Services Block Grant as of FY 2016, the latest year for which data is available: https://www.acf.hhs.gov/ocs/resource/ssbg-fact-sheet</i></p> <p><i>**** FY 2019: https://www.whitehouse.gov/wp-content/uploads/2019/03/ap_16_expenditures-fy2020.pdf. Cost for exclusion includes income tax reduction only; does not include payroll tax reduction. The U.S. Department of the Treasury is the federal agency responsible for administering these tax policies.</i></p> <p><i>*****National Institute for Early Education Research: http://nieer.org/wp-content/uploads/2019/05/YB2018_Executive-SummaryR.pdf</i></p>	

Collection of Information Requirements

Please note: This is a request for information (RFI) only. In accordance with the implementing regulations of the Paperwork Reduction Act of 1995 (PRA), specifically 5 CFR 1320.3(h)(4), this general solicitation is exempt from the PRA. Facts or opinions

submitted in response to general solicitations of comments from the public, published in the Federal Register or other publications, regardless of the form or format thereof, provided that no person is required to supply specific information pertaining to the commenter, other than that necessary for self-identification, as a condition of the agency's full consideration, are not generally considered information collections and therefore not subject to the PRA.

This RFI is issued solely for information and planning purposes; it does not constitute a Request for Proposals (RFPs), applications, proposal abstracts, or quotations. This RFI does not commit the U.S. Government to contract for any supplies or services or to make a grant award. Further, we are not seeking proposals through this RFI and will not accept unsolicited proposals. Responders are advised that the U.S. Government will not pay for any information or administrative costs incurred in responding to this RFI; all costs associated with responding to this RFI will be solely at the interested party's expense. We note that not responding to this RFI does not preclude participation in any future procurement, if conducted. It is the responsibility of the potential responders to monitor this RFI announcement for additional information pertaining to this request. In addition, ACF will not respond to questions about the policy issues raised in this RFI.

We will actively consider all input as we develop future regulatory proposals or future sub-regulatory policy guidance. We may or may not choose to contact individual responders. Such communications would be for the sole purpose of clarifying statements in the responders' written responses. Contractor support personnel may be used to review

responses to this RFI. Responses to this notice are not offers and cannot be accepted by the U.S. Government to form a binding contract or to issue a grant. Information obtained as a result of this RFI may be used by the U.S. Government for program planning on a non-attribution basis. Respondents should not include any information that might be considered proprietary or confidential. This RFI should not be construed as a commitment or authorization to incur cost for which reimbursement would be required or sought. All submissions become U.S. Government property and will not be returned. In addition, we will publicly post the public comments received, or a summary of those public comments.

Dated: September 27, 2019.

Lynn A. Johnson,

Assistant Secretary

Administration for Children and Families

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