

Government Regulation of Child Care: Should it be increased in New York to include informal care?

The government has placed increasing regulations on child care over the last few decades. Until recently, informal care providers, those who care for only a few children in their home or the children's home, have been exempt from these regulations. Concerns over quality have led many states to consider increased regulation of this part of the child care market when government subsidized funding is being used. Studies on the effectiveness of current regulation of child care centers and group homes show, however, that regulation is a risky means of improving quality. It may not be effective and can negatively affect availability, cost, parental employment, and parental responsibility and self sufficiency. New York is currently considering a proposal for regulation of informal care that includes extensive background checks, fraud detection practices, and on-site visits. There are many concerns with the current proposal, even amongst those who believe that some regulations are necessary for informal providers. Recommended improvements include increased funding, simplification of the background checks and enhanced market rate scale, greater time frames for enactment, and further research. These improvements would increase the likelihood that the regulations would lead to better quality care and help limit any negative effects they might have on aspects of the child care market. However, our findings suggest that parental education/training and strengthening of families may be more successful at improving quality and have fewer negative consequences than regulation.

I. Introduction

The appropriate level of involvement of federal government in social services has always been debated. How much funding should the government provide toward the needs of low-income families? How much control should it have over the actions and conditions of the organizations that receive the funding? How much should be left to each state or district to determine? All of these questions enter any discussion on child care in the United States.

Currently the federal government offers support for child care through subsidies issued to low income-families. These subsidies can be used toward all types of child care, including informal care, where a provider cares for a small number of children in their home or the children's home, and licensed care, which includes child care centers and group homes. Until recently, only licensed providers had to meet strict government regulations in order to be eligible to receive subsidized funds. The main goal of these regulations was to insure that all children who receive government funding were in child care environments that met some minimum standards of quality. This would ideally insure that public money was being used toward the greatest social good, in this case positive early-childhood experiences that might help develop self-sufficient and productive adults.

Child care quality across the country has been shown by many studies, however, to often be of mediocre quality. The quality of informal care has particularly come into question. Thus, the recent move has been for increased federal government regulation of informal care when it is being subsidized through federal funding. While this increased regulation could ideally help improve the quality of child care, many are concerned that it will not have the desired effect. One of the concerns is that an increase in regulation also tends to bring decreased availability of child care and, thus, increased costs. Increased costs might serve as a disincentive to use child

care. This would work against one of the key reasons child care became such an important national issue: welfare reform.

Welfare reform in the 1990's occurred in part because of concerns that welfare was reducing the self-sufficiency of those receiving it. There were two major parts to their concerns. One was that low-income women saw welfare as a disincentive to work. The other was that they might even see it as an incentive to have children, in or out of wedlock. Instead of being employed, they could hypothetically stay home with the kids and live off of public funding. Thus, central to welfare reform was increased access and incentive to use child care so that single mothers on welfare could acquire employment. Studies have shown that there is a link between child care availability/affordability and employment of mothers. Yet, regulations can actually work against the welfare reform goals of personal responsibility and self sufficiency. If the government determines the quality of care low-income families can use, then parents are not having to take responsibility for their children. As these regulations only go towards those receiving government subsidies, the message coming across is that low-income parents are less able to choose quality child care than other parents.

The purpose of this paper is to look at what effects regulation of subsidized child care, particularly informal care, may have on factors such as availability, affordability, employment of mothers, selection of type of care, and parental responsibility. More specifically, it will look at the new regulations that are being considered in New York in the context of these broader findings. Are the new regulations feasible? Will they fulfill their desired purpose of improved quality? Will they have any negative affects on the child care market or on subsidy recipients? And is there a better solution? In order to answer these questions, it is first important to look at a brief overview of the history of child care, including its regulation and government funding. Then a detailed literature review will help draw some conclusions about the aforementioned questions. Based on these findings, general policy recommendations for improving quality of child care as well as more specific recommendations toward the proposed regulations in New York State will be made.

II. Background

Between 1970 and 1995, there was a dramatic increase in the number of young children as the baby boom generations of the 1950's were reaching adulthood and having children of their own. The number of children under age six reached an estimated 23 million in 1990, just short of the 24.6 million children in the post WWII baby boom. At the same time, the percentage of children under age six with mothers in the work force increased from 29% to 65%. These two factors-large numbers of young children and increased female work force participation-led to an ever greater need for child care. In 1982, between 70 and 75% of children under age six with employed mothers were in some type of non-parental child care (Hofferth and Phillips 559-560).

From 1965 to 1982 there was also an increased reliance upon centers whereas care by relatives and in-home providers declined (Hofferth and Phillips 561-562). Thus, the number of child care centers grew to correspond with the expanding market for this type of care, nearly doubling in the decade from 1975 to 1985 (565). Prior to 1981, large numbers of these centers received government subsidies which helped them keep costs low. In 1976, for example, government subsidies, primarily through Social Services Block Grants (Title XX), funded about 44% of child care centers. However, in 1981, these grants were cut by 21%. Thus, there was still a need for an alternative to expensive center care; many chose informal providers. There were an estimated 3.7 million children being cared for by a relative other than a parent or sibling,

and another 1 million children being cared for by a non-relative in 1982 (Hofferth and Phillips 565-567).

During the same time period, there was increasing concern over the role of government in child care regulation. In 1971, President Nixon vetoed the “Comprehensive Child Care Act,” Title V of the Economic Opportunity Amendments of 1971. The act included a comprehensive plan for federally funded child care, including money for educational, medical, nutritional and social services. It was the culmination of several child care related proposals that had been going through Congress. The reasons Nixon cited for the veto were that these programs were “family weakening” and that “good public policy requires that we enhance rather than diminish both parental authority and parental involvement with children—particularly in those decisive years when social attitudes and a conscience are formed and religious and moral principles are first inculcated” (Norgren 134-135). Many people felt that the government was encroaching too much on the individual rights upon which Americans pride themselves. Compulsory education, registration of births, mandatory immunization, chemical treatment of children’s clothing, prayer and religious holiday celebrations in schools, access to birth control and abortions, fluoridization of public water supplies, and child labor laws all were increasing the role of the state in limiting parental choice (Norgren 139). But what role should the government have in the safety and well-being of children?

This debate was never isolated to the United States. Other countries have been struggling to address their own child care needs. During the 1970’s, it was found that many societies support child care through paid maternity leave and child allowances, as opposed to day care which encouraged maternal employment. For example, prior to 1975, Norway’s approach included “family support” for men which discouraged maternal employment. Since then, however, pressure from women’s movements, financial problems with the original system, and the increase in maternal employment have led to an expansion of child care facilities. In 1975, the government of Norway planned to increase the number of day care centers from 40,000 to 100,000. These centers would be operated with financing from the state. Yet women in Norway would still be granted lengthy paid maternity leave and extended job security leave without pay (Norgren 137).

In the more recent years, there has been a shift toward greater utilization of child care worldwide. A 1999 study by Tietze and Cryer of 15 countries in the European Union showed a tendency toward government funded child care. Part of this shift may be, as it has been in the United States, due to the greater maternal presence in the work force. Maternal employment in the EU averaged 50% in 1995 for mothers with children under age ten (177-178). The 1992 Council of Recommendations for the European Economic Community (precursor to the EU) concluded that most countries were striving to provide for the health, safety, and social/educational needs of children at an affordable cost to all parents who needed or wanted to use them (Tietze and Cryer 177). Government funding for all or part of the child care is now common. Tietze and Cryer found that in 8 out of the 15 countries that they looked at, publicly funded child care is available for about 80% or more of the children from the time they are three until compulsory schooling begins. The availability of child care for children under age three was considerably lower, however. The other seven countries in the study were actively working toward similar measures, at least for children over age three. Some countries, such as Denmark, were aiming to do even better, however, with their central government looking to guarantee each child a publicly funded place from age one until the beginning of compulsory schooling (177-180).

The child care funding system in most of the countries in the EU is complicated due to its ties to both the welfare and education systems. The welfare systems often require some type of parental contribution whereas the funding from the education systems is usually provided by the government. On average, however, Tietze and Cryer found that 15-25% of the cost of child care was provided by parents in those countries where fees were required, though other studies found this to be significantly higher (183). Five countries have some type of tax reduction program available to ease the costs of child care, and four have different types of subsidies available (183). A significant problem facing most of the countries in the EU is under-funding which prevents all eligible children from having access to child care (191). As in the United States, most of the countries in the EU are still working to address this problem. They are trying to establish a system that provides flexible, high quality services to all families who desire them, while taking into account parental choice (191). The United States has always had similar goals.

It was in the 1980's that the debate about child care began to take center stage in the United States, coinciding with increasing concern over welfare. Welfare in the United States started in 1939 as part of the Social Security Act of Roosevelt's New Deal. It was originally called Aid for Dependent Children (ADC) but became Aid to Families of Dependent Children (AFDC) in the 1960's. This program was primarily designed to support women with children until they remarried, the children became independent, or widow's benefits began. By the 1970's, the federal spending on AFDC increased dramatically, by 50% from 1970 to 1990 (Alvord, Tiefenthaler, Fitzgerald 11). This was due to the participation of more families in the program and greater allowances being granted. However, there was concern over whether government involvement through monetary support was actually decreasing the independence and prospects of its recipients. Some argued that welfare payments encouraged women with children to remain unemployed and that this could even act as an incentive for having children out of wedlock. The welfare reforms of the 1990's were aimed at addressing these concerns. Child care held a prominent position due to its close ties to the ability of parents, particularly single mothers, to find and keep work and leave welfare.

By 1993, there was an overall consensus on the need for welfare reform. The 1996 Personal Responsibility and Work Reconciliation Act was the result. It replaced AFDC with Temporary Assistance for Needy Families (TANF) (Alvord et...11). It required mothers, even with children under age three, who received financial support from TANF funding to work (Public Law 104-193 sec. 407). The Child Care and Development Block Grant (CCDBG), also known as the Child Care and Development Fund, was established to help increase access to child care, enabling mothers to return to work as the new law required. One of its goals was to make the quality of child care that non-subsidized children were receiving available to subsidized children as well (Adams and Snyder 1). It also promoted parental choice, taking into account the ability and right of the parent to decide the type of care that best meets their families' needs. (Block Grant SEC658A). Thus, it allowed for federal funding subsidies toward licensed child care centers as well as license-exempt (informal family or in-home) care. Thus, between 1996 and 1999 there was an 80% increase in the number of children receiving the child care subsidies with \$9 billion in total state and federal expenditures in 2000, according to Janet Schalansky in a statement made to the American Public Services Association (online).

During the same time period, the debate was continuing about the role of government in child care. If it was going to be funded by the government, how were they going to insure that the money was being used appropriately? Attention was placed on government regulation as a possible means of insuring quality. Government regulation of child care can include a variety of

different standards. Some regulations include background checks on providers to insure that they do not have criminal or child abuse histories. Others include the establishment of minimum child/staff ratios, health and safety guidelines, and qualifications for licensing. Child care centers that serve a certain number of children (which varies by state) must be licensed to certify that they meet these standards. For example, in New York State, any provider planning on supervising three or more children for three or more hours a day on a regular basis must obtain a license. To obtain a license some of the requirements that must be met are presence of age-appropriate educational materials and minimum safety standards, such as fire-extinguishers. (New York "Social Services Law 390"). Across the United States, informal providers who serve smaller numbers of children do not need to be licensed. For example, parents can currently choose to pay anyone they wish to care for their children. Thus, the only way informal providers are regulated is through the incentive or threat of withdrawal of government funded subsidies. In order to be eligible to receive the subsidies, providers may be required to meet certain standards.

There has never been universal agreement, however, on the need for child care regulation. A September 2, 1984 New York Times article, "Increased Demand for Day Care Prompts a Debate on Regulation," describes the opposing arguments. One side argued that market pressure should be enough to insure that the child care centers maintain a decent standard of quality. The other side argued that the increasing need for inexpensive child care as mothers are returning to the labor market, may allow the existence of low quality establishments. Mervin Field, a public opinion analyst, worries that "women are going pell-mell into the labor force, and they've been desperate to get someone to take care of their kids. There has been such a demand that some of these day-care centers are no more than warehouses operated by untrained people who are just a notch above street people" (Lindsey 52).

Despite this concern, the federal government continues to leave most of the regulation of child care to each state. The role of the federal government in child care is currently the allocation of funding and the establishment of some eligibility requirements for receipt of funding. In 2003, the House and Senate both began considering bills that would reauthorize TANF and increase work requirements for parents receiving child care subsidies ("TANF Reauthorization"). The Congressional Budget Office (CBO) estimated an \$8.3 billion increase in costs necessary over five years to meet the new work requirements, as well as compensate for the costs of inflation, with the House bill. The estimate for the Senate Bill, which mandates a smaller increase in number of work hours, is \$6.3 billion. The bills would not increase the amount of funding available through block grants; this amount has remained constant since 2002. A stated intention of reauthorization is that it would allow more TANF carry-over funds to be used toward child care. However, most states are already relying heavily upon TANF funding to meet the costs of child care programs, averaging \$3.5 billion of TANF funds being used toward child care over the last three years (Greenberg 4). Thus, the estimated increase in available funding may not be enough to meet costs. One result may be a decrease in the number of children receiving subsidies. The number of children estimated to be receiving assistance in 2003 was 2.4 million, and this is expected to drop to 2 million by 2009 (Greenberg and Rahmanou 5).

With reauthorization, most of the regulation of child care would still be left to the state through their implementation of CCDF funds. According to a study done by Porter and Kearns, the types of regulations that the different states choose to maintain vary. The qualifications for whether licensing is required for a given provider are usually based on some combination of the number of children in child care, the number of families relying on the provider, and the amount

of time spent with the provider. The regulation of license-exempt providers who are recipients of government subsidized money also varies. Some states require background checks, self-certification, attestation, mandatory orientations and training, and/or home visitations (4-25). Since 1996, more than 23 special initiatives have been implemented in various states, designed to further regulate the informal child care practices within their boundaries, mostly involving government subsidized funds. Half of these are toward increased training and development, and the other half are split between increased distribution of materials/equipment and technical assistance (12-25).

In New York State, The Office of Children and Family Services (OCFS) is currently responsible for overseeing the administration of the New York State Child Care Block Grant through subsidies to 58 local social service districts. This Block Grant includes the funding from the Federal Child Care Development Fund (CCDF) in combination with some of the TANF funding (federal law dictates that 30% of it may be directed toward child care) and some funding from other state sources. In the fiscal year 2002, \$701 million dollars were allocated to districts from this fund. An additional portion of funding is also maintained by the state for implementation of statewide efforts to improve the quality and effectiveness of child care. As federal law encourages parental choice in selection of child care, New York state residents may choose to use these subsidies toward licensed (day care centers and group family day care homes) or license-exempt (informal or family day care where providers care for very small numbers of children in their homes) care. About 39% of the subsidies, according the 2002 fiscal year, go toward license-exempt care, affecting over 68,000 children in the state (Hevesi 8). Up until 2003, New York had some of the least extensive regulations for license exempt care, requiring only a self certification that health/safety features are present and specific practices are followed and that they have no criminal convictions or child abuse allegations (Porter and Kearn 9-10).

Recently, concern has been raised over the effectiveness of these state regulations. The Office of the State Comptroller (OSC), working alongside the OCFS, did an investigation of informal care providers and found some areas of concern. In a random sample of 162 case providers (of the total 4,027 active) in the three counties of Albany, Monroe, and Naussau, they found potentially hazardous conditions. For example, they found that 15 of these providers were convicted of crimes, 14 more were the subject of child abuse investigations, and that 32% could not be verified to actually be providing care even though they were receiving the subsidized funding (Hevesi 14). In 28 random health and safety inspections conducted, only 2 providers were in compliance with the seven standards suggested by the Bureau of Early Childhood Services (BECS) (Hevesi 18). Some of these violations include lack of sufficient fire exits and smoke detectors, no first aid kits, exposed electrical outlets, harmful materials, and providers in ill health (Hevesi 19). "We are therefore concerned with the impact that the absence of independent verification has on the health and safety of children in legally exempt care and on the propriety of payments." They released an audit to this affect (Hevesi 14).

In response, Governor Pataki announced an initiative to enhance safety and supervision of informal child care. The following is an overview of the proposed regulations:

- Each social service district will now be required to maintain an automated register of all legally-exempt providers that includes their name and address (415.f.6).
- Providers must sign, upon enrollment, that all their statements on any enrollment forms are accurate, and any false information provided may result in dismissal from the program, forfeiture of subsidy payments, or legal action (415.4.f.7.vi).

- Providers must be referred to the Child and Adult Care Food Program (CACFP) and each district may make it mandatory for providers who will be providing more than 30 hours of care per week (415.4.f.8.ia+b).
- Within thirty days of applying for enrollment, and as part of the annual re-enrollment process (including for those who were enrolled prior to the date these regulations went into effect according to 415.4.f.8.vi) the following four procedures must take place:
 - 1) Each provider or individual (age 18 or older) who will have substantial contact with the child must be checked against the county's criminal records to see if they have been convicted of a felony or misdemeanor (415.4.f.8.ii). The child's caretaker must be informed if the provider has been convicted of a crime and details of the crime must be provided. The caretaker and district will then determine if the provider "poses an unreasonable risk to the safety or welfare of the children" (415.4.f.8.iiia+d). Any convicted crimes against children by the provider or any individual in their home who will be in proximity to the child precludes that provider from enrollment by the district (415.4.f.8.iib+c).
 - 2) Each provider must be checked against the district's welfare data to see if they have had parental rights terminated or a child removed from their care (415.4.f.8.iii). If they are found to have had their rights terminated or a child removed, then the caretaker and district must be provided with full information about the reasons regarding the occurrence (including access to foster care records) from which it will be determined whether they are suitable for district enrollment (415.4.f.8.iiia+b).
 - 3) Each provider must be checked against the New York State Office of Children and Family Services Child Care Facilities System to determine if they have been denied or had suspended/ revoked a day care license or registration (415.4.f.8.iv). If such is found to be the case, then full information must be disclosed to the caretaker and social services district in order to determine whether they are suitable for district enrollment as an informal child care provider (415.4.f.8.iva).
 - 4) Each provider or individual (over 18 years of age) who will have substantial contact with the child must be checked against the New York State Sex Offender Registry. If the provider or individual who will be in frequent proximity to the child is found to be listed on the register, then that provider can not be enrolled by the district as a child care provider (415.4.f.8.v).
- Each social service district must also annually conduct on-site inspections including reviewing the immunization records of at least twenty percent of the providers who are not participating in CACFP to determine if they are in compliance with health and safety standards. (415.4.h.2.i). If the noncompliance rate is in excess of ten percent of those providers in a district, that district will be required to inspect thirty percent of the providers not participating in CACFP until the non-compliance rate drops below ten percent for a calendar year, at which point they can then return to inspecting twenty percent (415.4.h.2.ii).
- Each district must establish comprehensive fraud and abuse control plans for the subsidy program and provide details of it in the integrated county plan (415.4.i.i). This will include identifying the criteria to be used to determine which applicants should be referred to the district's front end detention system (415.4.ia), a

sampling method that will be used to verify continued need for child care possibly including verification of employment, education, and or other required activities ((415.4.ib), and a sampling method that will be used to determine which providers of child care need to be reviewed to determine whether the child was actually in attendance on days listed (415.4.ic).

-Two new market rates, a standard and enhanced rate, are established for the legally-exempt family child care and in-home child care provider. The enhanced market rate will apply to the providers who complete ten or more hours of training annually. The rates are established in five groupings of social service districts based on current regional market prices (415.9.j1-3).

These new regulations are seen as necessary to the health and safety of children receiving subsidized child care services from informal child care providers and help insure that public funds are being used as intended. The proposal states that the annual additional costs to the social service district to come into compliance with these regulations are approximately \$2.7 million for the background checks, \$1.1 million for the inspections, and \$1 million for enhancing their fraud and audit investigations. The proposal suggests that many of the new regulations will not require new funding, as the personnel and resources are already available. The State Department of Health administers the CACFP, so there will be no new costs to the social service districts in this respect. And the allocation of the New York State Child Care Block Grant to each district will be altered to reflect the implementation of these regulations and the new market rates. The State, however, will provide an additional \$500,000 to local Child Care Resource and Referral Programs to provide health and safety grants to informal child care providers to improve their services (“Draft New York”).

The New York OCFS has proposed a plan beginning October 1, 2005 and lasting through September 30, 2007 to address the new regulations. Public forums are being held to address this suggested plan (“Draft New York”).

Many of the districts have issued reports stating their concerns with the new proposal. Some of the concerns include whether the OSC audit was based on too limited of a study (and thus led to unnecessary regulations) and whether the proposal can address the concerns of rural districts. In addition, they question the usefulness of the CACFP program.

The main concerns, however, have to do with the background checks, particularly with the funding, staff, and time period they believe will be necessary for their completion. They point out the significant amount of paperwork that the background, welfare, and child abuse checks, along with the calculations of enhanced rates for individual providers, are going to require. Many of the districts claim that their staff is already loaded with more work than they can handle, and that the additional responsibilities these regulations require will be impossible without an increase in staff. They suggest that the amount of additional funding that they will receive will not be enough to cover the necessary hiring of new personnel.

Another concern has to do with district rights and liability for these checks. Several districts point out that they do not have the authority to complete all of the background checks that the new regulations mandate. Also, the background checks are limited to county criminal records which may not contain the full scope of past criminal activity. In addition, they are concerned with the liability they might face if brought to court. Where will the funding and legal support come from to deal with issues these new checks might raise?

Other concerns about the background checks are related to time frame. The districts do not believe they will have time to implement all the necessary changes in the time frame required

once the plan goes into affect. The technology is not available to quickly handle all the new information that must be collected for each provider. The time frame required for the completion of background checks on intended provider subsidy recipients is also seen as too short.

A related concern, and, in some ways the most serious one, is what these background checks and all the new regulations will do to the use of the program, whether the delays caused will discourage providers from the market and/or caretakers from using informal care. And if this is the case, some districts raise concerns about whether this will raise costs, limit female employment and the welfare-to-work program, work against self-sufficiency of low income families, or be harmful to children if it causes more child care to occur “underground.” These last concerns are what this article hopes to address.

II. Literature Review

Several studies done in the United States in the 1990’s found the quality of care to be poor. One important study was the 1995 *Cost, Quality, and Child Outcomes in Child Care Centers* study (CQO). The CQO studied a sample of 401 child care centers, evenly split between for-profit and non-profit establishments. They were randomly selected from lists of licensed centers in the diverse urban areas of Los Angeles County, California, the front range of Colorado, the Hartford-New Haven corridor in Connecticut, and the Piedmont Triad in North Carolina. Extensive data on center finances, personnel, and program characteristics was acquired in on-site interviews, and trained observers visited 749 classrooms to rate the quality of care. A total of 826 children were assessed in their second to last year of preschool, last year of preschool and at the end of their kindergarten year for the longitudinal aspect of the study. They found that only one in every seven centers provided good care, a level of quality that promotes healthy development. And child care in one in eight centers threatens health and safety. The overall center average was a mediocre 4.0 on the weighted ECERS scale they used, which ranges from a failing 1 to an ideal 7. (“Cost, Quality” 6-7). Another study found that only 1 in 30 non-regulated providers and 1 in every 60 relatives giving care received a good rating. And half of non-regulated family care and two-thirds of child care by relatives was rated inadequate or failing (Galinsky et...). These studies support the general finding that child care, especially informal care, needs improvement across the board.

Quality care is often considered to be a combination of structural and dynamic factors. Structural factors, such as child-staff ratio and level of education of the provider, are often the focus of discussions on child care quality. While they have been shown to have some direct impact on child development, their influence upon dynamic factors may be most important. Dynamic factors, such as how well staff work together, the type of attention they give the children, and the educational opportunities they are able to provide, are shown to have the most impact upon childhood development (Helburn and Howes 64, 66). Their quality has been attributed to increased school readiness, greater cooperation, and decreased behavioral problems and crime activity (see Love 1996 for overview of research on child care quality).

Despite the research that shows the importance of quality of child care to development, parents do not always choose child care that is optimal. Blau [2001] calls this the externality rationale for government regulation (162). One explanation for this behavior is that parents do not have enough information to select quality child care. Perhaps they cannot judge the quality based on the limited time they spend with the provider. The buyer has only indirect experience of quality through visible characteristics and events that transpire in the few minutes spent dropping off/picking up the kids upon which to base their judgments (Morris 140-141). In

addition, parents may have different views regarding what determines quality. The CQO study looked at quality ratings by both parents and expert observers. They found that in rating what characteristics make for quality, the parents largely agreed with the experts. However, in rating the actual care providers were offering, they seriously overestimated the quality. On questionnaires that parents were asked to complete, 90% rated child care centers between a 5-7 on the ECERS scale, the range for high quality care (“Cost, Quality” 2). Trained observers rated most of the same child care centers as mediocre or worse. Even the poorest quality centers were rated as providing high quality care by most parents (“Cost Quality 68-69). This shows that parents are not good at judging the quality of care centers are providing. While little research has been done, it is assumed that this discrepancy also extends to parental selection and monitoring of informal providers. Even if parents were able to recognize what is quality child care, even just the structural attributes, studies have shown that they may not choose higher quality for their children for reasons such as cost, convenience, and availability.

A study by Camasso and Roche [1991] on the willingness to switch to formalized child care arrangements shows that quality is not the only factor involved in choice. Cost of child care, age of the child, family income, convenience, and integral components of the child care arrangement (such as its declared goals about the educational or social environment that it is providing), are all factors. Cost certainly is significant. It was found that the amount parents are willing to pay over current payment levels is significant in accounting for their willingness to change to formal care (1079). A report on license-exempt care in Illinois found that people had many reasons for choosing license-exempt care. These include: trust in a known caregiver, shared values and culture, flexibility and convenience, financial considerations, barter payment options, pressure to find child care quickly, and lack of available licensed care (Lesser i). A study by Gordon [2001] found variability in the types of child care even available to certain groups and in certain regions of the country (311-314). These findings suggest that quality is not the only factor under consideration by parents when choosing child care.

Regulation, ideally, then establishes the quality available at a certain acceptable minimum, such that whatever parental choice is made, children are still reasonably comfortable and safe (Blau 180). Minimum standards exist regarding the treatment of children in all situations, even in the care of their parents. However, once public money is being used, many believe that more regulations must exist to insure that the funding is being used toward the greater social good. In the case of child care, the greater social good seems to be that with quality care the possibility increases that children will grow up to be successful parts of society as opposed to burdens upon it, for example as welfare-dependents, criminals, or addicts (“Guarantee Quality”). Due to the difficulty in measuring and regulating the dynamics factors, government policy tends to focus on structural factors which they hope will translate into environments with a quality of dynamics beneficial to the development of children.

But does regulation actually improve quality such that it should be expanded to include greater regulation of informal care? The CQO study found that the state with the weakest regulatory standards for child care centers (North Carolina) had the largest proportion of poor-quality centers: 27% compared to the other states in which 5-10% of the centers were poor-quality. The overall quality index rating, based on ECERS (Early Childhood Environment Rating Scale), was significantly higher in states with more strict regulations. The mean in Connecticut, which has the most regulations, was 4.3 compared to 3.6 in North Carolina. This suggests that regulation does have a significant impact on child care quality (“Cost, Quality” 2).

Blau's analysis of Current Population Survey, a set of data that can track an outcome of interest across time and across all fifty states and the District of Columbia, suggests that regulations may not have as large of an effect on quality of child care, however. The study used child care labor and wages as possible indicators of the impact of regulations on quality. They predicted that tighter regulations would reduce supply of child labor and increase wages. They looked at regulations such as group size, child-staff ratio, years of education, curriculum, and floor space. The models found nearly all of these variables to not or just barely reach the level of statistical significance. This implies that regulation has a minimal effect on the outcome of child care quality (204-205).

Even if affective at improving quality, there are some additional concerns with regulation of child care. Regulation tends to reduce the quantity of a service available, as some providers are forced out of the market when they cannot or will not meet the requirements. Lower quantities of a service tend to increase costs which may negatively affect the use of such programs. Child care across the board is quite expensive to begin with. A national study found that the cost of child care for infants is higher than the cost of public college tuition in every state. It is significantly higher in some states. For example, in Rockland County, New York in 2000 the average annual cost of child care for a 4-year-old in a center was \$8,060 while the average annual cost of public college tuition there was \$3,905 (Schulman 1). For low-income families this a particularly large burden, as one study showed that they spend almost one-fourth of their income on child care services compared to higher-income families that spend only seven percent of their income on child care (U.S. Department of Health and Human Services "Access").

Thus, as costs increase, many studies have shown that parents, mothers particularly, choose to remain unemployed at home with their children over working and paying high child care fees (Camasso and Roche 1072). A study by Blau showed that a 10% increase in cost would lead to a 3.4% reduction in the use of paid child care of all types. And it would lead to a 2% decrease in the employment of mothers. If prices for child care were cut by \$1.50 every hour there would be a 19.3% increase in paid care and a 9.5% increase in employment of mothers (74). Another study by Berger and Black showed that receiving a subsidy, which reduces the cost to the mother of child care, would cause a 12% increase in employment (638). Ever since the 1980's, child care has been closely linked to welfare. The welfare reforms strongly encouraged the return of welfare recipients to self-sufficiency by acquiring employment. Regulation of informal child care has the potential to work against this program if it results in increased costs, deterring mothers from gaining employment.

A study by Lowenberg and Tinnin looked at whether regulation is then actually more of a benefit to the producer (the provider) or the consumer (the parent or caretaker). They looked at consumption of child care service as the dependent variable. They expected licensure, a form of regulation, to cause an increase in the use of child care services if consumer interest in quality took precedence over provider interest in limiting the influx of competition (576). This hypothesis is based on the reasoning that licensure rules which increase marginal supply price by more than they increase marginal consumer benefits (quality) should be observed to decrease aggregate consumption (Lowenberg and Tinnin 576). Looking at the variables of center director education and child/staff ratio, they found that higher levels of education and lower state maximum's on child/staff ratio (more strict regulation), corresponded to lower levels of consumption. This finding suggests that regulations in the child care market tend to increase entry costs for producers by more than they benefit consumers by increases in quality. In other

words, licensure helps the producer by limiting the quantity of providers who enter the market without a sufficient increase in quality to merit higher costs to the consumer. The result for the consumer is decreased availability of child care and higher costs without significant quality improvements (Lowenberg and Tinnin 578-579).

This assumes that regulations are even followed by the providers; some may choose not to follow the established regulations to keep costs low. The disparate findings about the success of regulations in improving quality might be, in part, due to this variation in the way regulations are viewed. If the provider does not feel compelled to follow the regulations, or if it is a greater cost to them to do so than it is to not, then the regulations serve little purpose. The provider will only feel compelled to follow regulations if they are both binding and enforced (Blau 181). Most of the sanctions currently in place for not following regulations are extreme as opposed to intermediary. In other words, violations of regulations may lead to shut down of centers; something licensing agencies are hesitant to do (Gormley 123). In addition, state departments of justice are often reluctant to prosecute child care cases, especially as they are overwhelmed by other cases they deem more severe such as child abuse. The support, monetary and technical, available for making any improvements mandated by the regulations is also minimal in many states (Gormley 123). Thus, there may be a lack of incentive to follow regulations that are put in place, limiting their effect on quality.

Parents also may be willing to choose to use “underground” providers, even if they do not meet the established regulations in order to save money (Gormley 122). Informal providers could accept lower wages and, thus, keep costs low which could be an incentive for parents to choose this kind of care. And statistics suggest that child care workers are certainly willing to work for low wages. Marcy Whitebook found that most experienced child care workers made less than \$20,000 a year in 1999 (Whitebook, Howes, Phillips 14), with center providers making about \$15,000 per year and informal providers making even less, at about \$12,800 a year (Helburn and Howes 78). According to the United States Bureau of Labor Occupational Employment Statistics (OES), the mean annual salary for all child care workers was still only \$17,600 in 2003.

These salaries remain so low despite relatively high demand for child care for several reasons. One is that the market experiences such high turnover, where more than one in every three providers leaving their job every year (Whitebook 150). In addition, a large number of the people who enter the market are low-income, perhaps just coming off of welfare themselves, and 98% of them are women (“Current Data” 3). They lack experience and skills which drives wages down even for those who enter with higher qualifications. With wages so low, it is tempting for those with higher skill levels and experience to leave the market for higher paid jobs (Whitebook 152). In addition, the lack of parental knowledge or willingness to pay higher costs for quality helps to keep wages low.

Even government subsidies are not significantly improving wages for child care providers. The National Child Care Staffing Study [1999] found that for-profit chain centers that paid the lowest wages experienced a threefold increase in revenue from subsidies over nine years and revenue doubled for independent centers with the next lowest wages. Those that paid the highest wages noticed a 4 percent decrease in revenue from subsidies (Whitebook, Howes, and Phillips 17). As Whitebook poignantly describes: “in effect, our nation has adopted a child care policy that relies on an unacknowledged subsidy: the contribution that child care workers make by being paid much less than the value of their skilled and vital work” (159). The lack of

organization and leadership in the industry is also limiting any efforts toward higher wages and better working conditions in the child care industry.

Thus, quality of care does not improve by the addition of experienced workers, as those who continue to work in the child care market must accept low wages. Regulation could help to improve the wages received by child care workers, as it could limit the number of providers to those with more experience and qualification. But if it causes an increase in workers operating “underground,” wages in the child care market would be forced to remain low in order to compete. This would prevent regulation from being an advantage to either producer or consumer. It would not prevent new workers from entering the market nor would it be likely to significantly improve quality. It could also significantly increase costs.

Ideally, government subsidies, that are now available for both licensed and informal care, might help alleviate these additional costs to parents. However, a study by Mezey, Greenberg, and Schumacher found that states served only 14% of children who were federally eligible to receive a subsidy which is approximately 1 out of every 7 (2). And another study, one by the U.S. GAO in 1999 estimated, similarly, that states are only serving 10-15% of eligible recipients (Meyers 166). One possible explanation for these low percentages is that parents are unaware they are eligible for benefits. However, a welfare study in Madison County New York found that 70% of eligible families knew they were potentially eligible for child care subsidies even though only 14% were actually receiving them (Alvord et..2001). Another explanation is that not enough funds are available for all eligible families to receive subsidies. Many states have long waiting lists for potential recipients, and several states have even stopped accepting new applications (Henry 3). To make matters worse, reauthorization will not provide the additional funding necessary to help these shortages. The Congressional Budget Office even predicts that 200,000 additional children in low-income working families will lose access to child care assistance after reauthorization (“Cost Estimate” 2002). This is due to the additional work requirements and funding shortages that force states to choose how they allocate their resources (Henry 3). Thus, parents may be forced to bear the increased costs that correspond to any new regulations if additional subsidies are not made available.

A study by Henderson, Monroe, Garand, and Burts [1995] explored the feasibility of increased government spending on child care. They were particularly interested in looking at whether symbolic politics or self interest played a larger role in a person’s support for government spending on child care. They found that symbolic politics, specifically liberal beliefs, identifying with the Democratic Party, and positive opinions on feminism were more important than self interest in support for government spending. In other words, personal need for affordable child care seemed less significant of an indicator than political beliefs. Some self-interest factors that were also significant were that women, African-Americans and Hispanics, younger residents, lower-income families, and people who had lived in an area for only a short time were more likely to support government spending on child care. Interestingly, the presence of young children, marital status, and availability of child care did not seem significantly related to support for government spending. They also found that respondents from the Midwest and South are less likely to support such spending, while residents from urban areas were more likely to support it. Overall, 58% of respondents supported increased government spending on child care, whereas about 42% did not favor an increase in spending (42-43). This study suggests that a majority of the country would support increased government spending on child care, and that the support is not limited to those individuals who directly benefit from it.

Research has shown that there may be more effective means of improving the well-being of children than increased government spending on regulation, however. Organizations, such as the Healthy Families of America (HFA), are developing more comprehensive approaches to child safety and well-being. Instead of attempting to solve single problems, such as use of low quality child care, through regulation, these organizations recognize that many factors go into the development of positive or negative developmental situations. Their approach is to help educate and train parents from the time their children are born on everything from acquiring appropriate medical care to the development of strong parent-child relationships. In other words, they encourage parents to take responsibility for the healthy development of their children; this responsibility includes selection of quality child care. While no long-term research exists on the success of such programs, initial findings are promising. Daro summarizes the findings from 17 HFA studies in his report "Health Families America: Using Research to Enhance Practice." Lower levels of child abuse, increased utilization of medical services, and improved parenting styles were found to correspond to utilization of HFA programs. Parents were shown to have greater knowledge of appropriate discipline, greater sensitivity to their children, and a better understanding of development. All of these factors would contribute to parents making more informed and conscious choices of child care. In addition, there is some evidence that involvement in these programs decreases the amount of time that parents are enrolled in public assistance, suggesting greater self sufficiency and lower public expenditure (Daro 1999).

The government has also begun to consider programs that improve the overall well-being of the family. For example, in 2002, the Healthy Marriage Initiative was adopted and placed under the control of the Administration for Children and Family Services. The goal of this initiative was to support healthy, two-parent marriages. It was based on research showing that children growing up in healthy households are generally better off psychologically, emotionally, physically, academically, and economically (Department of Health and Human Services 2002). As opposed to focusing on specific concerns such as child abuse and poverty, initiatives such as this one show a more comprehensive understanding of the multitude of factors causing harmful situations for children. More research needs to be conducted to discover the best means for improving the overall well-being of children as well as to measure the success of the programs already in operation on specific behaviors such as choice of child care. Initial findings, however, are quite hopeful.

In summary, most agree that the quality of child care in the United States needs to improve. Parents have always been given the freedom to choose the type of child care that they wish to use, though only recently has the government begun to recognize informal care as a common choice by allowing subsidies to go toward its costs. Parents base their decisions about child care type only partially on cost; other factors such as availability are also significant. Quality of care is certainly one of their concerns, but it is unclear whether they place this high enough for the greatest social good. Thus, when government funds are used toward child care in the form of subsidies, greater regulations are used to establish a minimum quality that parents may choose.

Regulations may not be the most effective means of improving quality of informal care, however, as they run the risk of decreasing availability and increasing cost without actually improving quality. Increased costs of child care and decreased availability have been shown to decrease parental employment, one of the key goals of subsidized child care. Increased regulation could also have the effect of improving wages for child care workers by limiting the influx of unskilled, unqualified workers into the market. However, this might lead to more

providers choosing to work “underground” which would somewhat negate the purpose of the regulations. For regulations to be at all effective it is also important that they be enforced or that there is some incentive for all types of providers to follow them. For regulations to be enforced, for quality to improve, for subsidies to help those who need it most, increased government spending on child care may be necessary. This is something a majority of the country seems to support. However, educating parents so that they are prepared to take responsibility for the healthy development of their children may actually be a better use of these public funds.

III. Policy Recommendations

Many experts on the child care market have given policy recommendations that they believe will help improve its overall effectiveness. A common suggestion for improving quality is a reimbursement scale or enhanced rate system. This could be done in several ways. For example, Blau suggests that families who choose higher quality care could receive larger subsidies. This would offer the family incentive to choose higher quality as well as the provider incentive to offer it (221). An alternative would be a tiered rate system for providers such that those that met higher standards of quality or were accredited in some way, received larger subsidies for child care (Morris 143). Both of these options could be used for licensed and informal providers as long as some type of standard or licensing was established by which to determine the quality of each provider and, hence, what subsidy rate they should receive.

Another suggestion is to change the way regulations are enforced. Gormley proposes an increase in intermediary sanctions for providers. Many states only have the two extremes of a warning and facility closure/revocation of government subsidies. The use of monetary fines might help states enforce quality more effectively, such that providers would have more incentive to meet the standards (123). This might be especially important for informal providers as they are trying to meet any new regulations by giving incentive to improve without scaring them out the market entirely.

The third recommendation that has been proposed is increased education for both providers and parents. Studies have shown that parents may not have the knowledge necessary to choose high quality providers. Blau suggests that pamphlets and a video handed out to new mothers at the hospital might be effective (221). Training offered by local departments of social services or community organizations about what quality child care looks like, how to find it, and its importance perhaps could also be made available. Classes and resources should also be made more available to providers, particularly informal providers who often operate in near isolation from the rest of the market (Lesser 22). This could include education about child development, quality improvement techniques, and even business management.

None of these recommendations would be possible, however, without increased funding. Hence, most experts on the child care market agree that more money must be put into the system for it to become truly effective. One aspect of this monetary concern is that subsidies are not currently available for all eligible families. With the importance of child care to the healthy development of children, not to mention the impact it has on the employment opportunities of mothers, this is a great social concern (Henry 6). Just how great of a social concern it is, remains something of a mystery. Thus, many experts recommend more research on all aspects of child care including its significance to child development, market impacts of its availability, and on the affects of subsidies and regulations. There is a particularly great need for more research on all aspects of informal care.

This research offers some support for all of these recommendations. A tiered rate system could effectively offer an incentive for both parents to choose and providers to offer higher quality care. This would assist with enforcement, as it promotes a type of self regulation. Intermediate sanctions could then be used to insure that providers were offering care up to recognized standards without having to close facilities or revoke subsidies. This would decrease the concerns with availability that often corresponds to increased regulations. What these findings most strongly suggest, however, is that regulations may not be best solution to the problem of low quality child care. The unintended consequences of increased regulation of informal care may significantly outweigh the benefits, even if the recommendations of tiered reimbursement scales, intermediary sanctions, and increased funding are followed.

There are three dimensions to these unintended consequences. The first is the message that such regulations are presenting. Regulation of informal care has only been suggested for those receiving child care subsidies. In effect, this is saying that poor families are less capable of determining and choosing quality child care for their children. Suggesting that all grandparents be registered before they can be paid to watch their grandkids, for example, sounds like a radical imposition on parental freedom. Yet this is exactly what regulation of informal care is doing to low-income families. If it is decided that regulation is the most effective means of improving child care quality, why wouldn't it be applied to the child care arrangements of all families?

The psychological consequences such a message might have on recipients are also a concern. Welfare reforms have focused on encouraging self-sufficiency as opposed to permanent reliance on public funding and programs. Child care regulations, however, are actually promoting dependency on the government. They are not encouraging families to make informed choices; instead they are establishing rules by which they must abide. This reliance is not preparing families for when they leave welfare. In addition, it is giving parents a false sense of security about the quality of child care that their children are receiving. It is easy for parents to assume that all child care that is regulated by the government is safe and high quality. If something happens to their kids while in child care, then the government is to blame. Again, this is not encouraging parents to take responsibility for the healthy development of their families.

The final dimension is the unintended consequences of regulation on resource availability. In an ideal world, there would be no end to the funding available for social service programs. However, it is painfully obvious, especially to those families already on waiting lists to receive subsidies, that this is not the case. Since resources are limited, it is quite likely that the additional funding needed to meet any new regulations would directly take away from the number and amount of subsidies available. The Congressional Budget Office predicts that 200,000 children will lose access to child care upon reauthorization ("Cost Estimate" 2002). So even if regulation were to marginally improve quality of care, this higher quality would be available to fewer children; many would be left without any compensation at all. Perhaps if there was strong evidence that regulations did improve the quality of care, then these consequences would be worthwhile. The evidence, however, does not even suggest that this would be the case.

Quality of care likely would improve and these unintended consequences would be avoided if the money that was being used toward implementation of new regulations went instead toward education of parents about family relationships, healthy living practices, and child development. This is the recommendation that this study most strongly supports. In terms of child care, greater awareness about healthy environments for children and the importance of childhood experiences to elements of later life, such as education attainment, would encourage

parents to pay attention to the quality of child care they select. Parents would have greater knowledge upon which to base their choice of child care. This would be consistent with other government programs that encourage self sufficiency and personal responsibility. Not only could it improve quality of child care, but it might improve many aspects of life for these families. Parents would be more likely to remain off welfare after returning to work as they would have gained the skills and confidence needed to live independently.

In addition, if parents began to make better choices regarding quality of child care, then the quality of care across the market would be forced to improve in order to compete. As quality became a factor in the success/profitability of a child care practice, higher qualified providers would be encouraged to enter and remain in the market, improving wage levels. There would also be greater incentive to undergo training and take advantage of available educational materials. Thus, along with parental training programs, more funding and attention could be placed on training programs for providers. These could include such areas as child development, nutrition, and household safety. As opposed to regulating these practices, providers would be economically and intellectually motivated to offer higher quality care.

In short, the quality of child care could improve without the negative consequences of regulations with the implementation of educational programs. At this time, little research has been done to demonstrate the success of such programs. However, they offer the possibility to change lives of low-income families on a broad scale with little risk. Regulations offer little possibility for real change at a great risk. Further research should be done to determine the most effective types of educational and family-strengthening programs.

IV. New York Proposal Recommendations

Many districts in New York are concerned about the proposed new regulations on subsidized informal care. Some of their recommendations correspond to the more general policy recommendations described above including increased funding and availability of training. The current proposal does not increase funding to the degree most see necessary to cover the increase in staff, particularly, that will be necessary to handle the background checks and paperwork.

Another major concern pertains to the feasibility of the background checks that would be required, including the criminal, child abuse, and sex offender registries. While some dispute the need for such checks, believing that districts should have greater control over the concerns of their area, most agree that informal child care does need increased regulation. However, they believe that without some statewide changes these checks will be difficult and ineffective. One recommendation is improved database systems which can be used to expedite the checks. Also, they recommend that the legal framework be changed to allow districts access to all the information that will be necessary to complete the background checks as well to handle the increased liability. Another recommendation is that states have full control over the completion of the background checks, allowing districts to worry solely about the distribution of funds and other local concerns.

An overriding concern with the whole proposal is with its clarity and specificity. Many districts recommend that the state establish more of a protocol for inspections, background checks, funding allocations, and training. There was particularly concern with the means for determining whether the providers were meeting standards at the annual inspections and with the way the enhanced rate system was calculated. More guidelines established by the state would facilitate these processes

The last major concern has to do with the time frame they were given for implementation of the proposal and for completion of the necessary checks for each provider. Several recommend that a phase-in period would allow them to better handle the changes. Perhaps parts of the regulations could be implemented every 6 months over the next couple of years, which would allow districts time to adjust. In addition, many districts feel that the time period by which each provider must have been shown to pass the background checks is not long enough for their completion. A greater leniency period during which the provider could still receive subsidized funding would be more realistic. This would allow parents to still have quick access to child care, a feature that helps make informal care appealing.

The final recommendation is that more research be done on the probable affects of these new regulations on the child care market in the state: on quality, availability, etc... They are concerned that these regulations are the response to the single OSC study, which may not be representative of the conditions and needs of the districts, particularly those in rural areas. If the proposal is implemented, they also recommend that research immediately begin into its effectiveness and into what additional resources may be needed.

It is difficult to know how severely these problems might affect the districts upon implementation of the proposal. The concerns of funding and of the feasibility of the background checks seem particularly important. If the whole process becomes too confusing for informal providers, then they might choose not to participate, decreasing availability of child care and increasing market price. This would create additional cost that parents might be forced to cover if more subsidies are not made available. Also, if it is too confusing and unfeasible for those trying to implement it, then the regulations will not be enforced and the desired quality improvements will not occur. Better inspection guidelines, databases for background checks, and a clear means for determining the enhanced rate are at least recommended. However, increased regulation of the informal market may not be the best solution. Experimentation with educational programs for parents and follow-up research to determine their effectiveness might be a more productive solution to concerns over quality of child care.

V. Conclusion

Ever since the 1996 welfare reform, steps have been taken to encourage self-sufficiency and employment over reliance on government money. Availability and affordability of child care has been shown to impact employment choices of parents, particularly mothers. For low-income families, the costs of child care can be particularly overwhelming without government subsidies. Since there are many factors that go into selection of the type of child care, the government now offers subsidies towards both licensed and informal care, though only a small percentage of eligible children receive them. Licensed care has been regulated for some time now, but the need for increased regulation of informal care is a more recent consideration. Once public money is being used to fund child care, there is greater concern that it is being used toward the greatest social good. Research suggests that the greatest social good comes from quality care, as it may increase the likelihood children will grow up to be self-sufficient citizens. Quality care does not necessarily result from subsidized funding, however. The nature of the child care market, with low wages and high turnover, does not insure that the quality of care is even above mediocre. Regulations do not necessarily improve quality either, and they run the risk of decreasing availability and raising costs. The burden of these additional costs may often fall on the parents as not enough money is available for subsidies, or might be absorbed by the

providers who already work on near poverty-level wages. They also have unintended philosophical, psychological, and fiscal implications. Increased funding of parental education programs about healthy families and child development has greater potential for improvement of all aspects of children's lives.

New York, along with many other states, however, is suggesting increased regulation as the solution. If regulation is selected as the means for improving quality, then, at minimum, some changes need to be made to the New York proposal to maximize chances of success and minimize unintended negative consequences. It is primarily focused on verifying the background of the provider as opposed to the quality of care or training of the person. Also, the complexity and vagueness of certain aspects of the proposal may deter informal providers from entering the market, deter parents from choosing to utilize child care, and make enforcement by the districts unfeasible. Without additional funding, it is difficult to see how the district staff will be able to complete the paperwork and inspections mandated by the regulations in the requisite time periods. And a lack of funding could even force districts to decrease subsidies for current recipients. The enhanced rate system is an aspect of the proposal that corresponds most highly with expert policy recommendations. It could offer an incentive for improved quality to providers and an incentive to parents to use higher quality care. However, if the means of determining the rate is not made clear enough, the districts may have trouble following through. Perhaps some of these concerns could be minimized by increasing the time frame for implementation of the proposal, allowing greater time to improve databases, reassign staff, etc...

Before this proposal is implemented, however, consideration should go into whether regulation is the most effective means toward the desired end. Not only may it fail to improve the quality of child care in New York, but it could also have negative consequences on the child care market and on subsidy recipients. If the true goal is personal responsibility and self-reliance of parents, then regulation is not the answer. Whether or not this proposal is implemented, more research needs to be done on the informal market and the impact of regulation, subsidization, and parental education/training, on child care quality and parental employment. For what could be more important than the safety, well-being, and eventual self-sufficiency of our children?

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