

# What Does the Science Say About Child Care Licensing?

Child Care and Early Education (CCEE) licensing is the foundational system establishing the minimum standards for legal operation. It touches a vast and diverse array of providers who serve millions of young children across the United States.

Given its critical role in protecting children and setting a baseline for quality, a central question emerges for policymakers, researchers, and practitioners:

***What is the actual evidence base for how licensing works, what its impacts are, and where the science can guide us next?***

This presentation embarks on an investigator's journey through the landscape of regulatory science to answer that question.



# Our Map: A 20-Year Review of the Scientific Literature

To navigate this complex landscape, we will use the definitive map of the field: The OPRE Child Care and Early Education Licensing Literature Review. This is not a casual survey; it is a systematic synthesis of the state of the science.



**Timeframe:** 1999–2019, a critical two-decade period of policy evolution.



**Sources:** A comprehensive review of **229** peer-reviewed articles, government reports, and non-governmental organization reports.



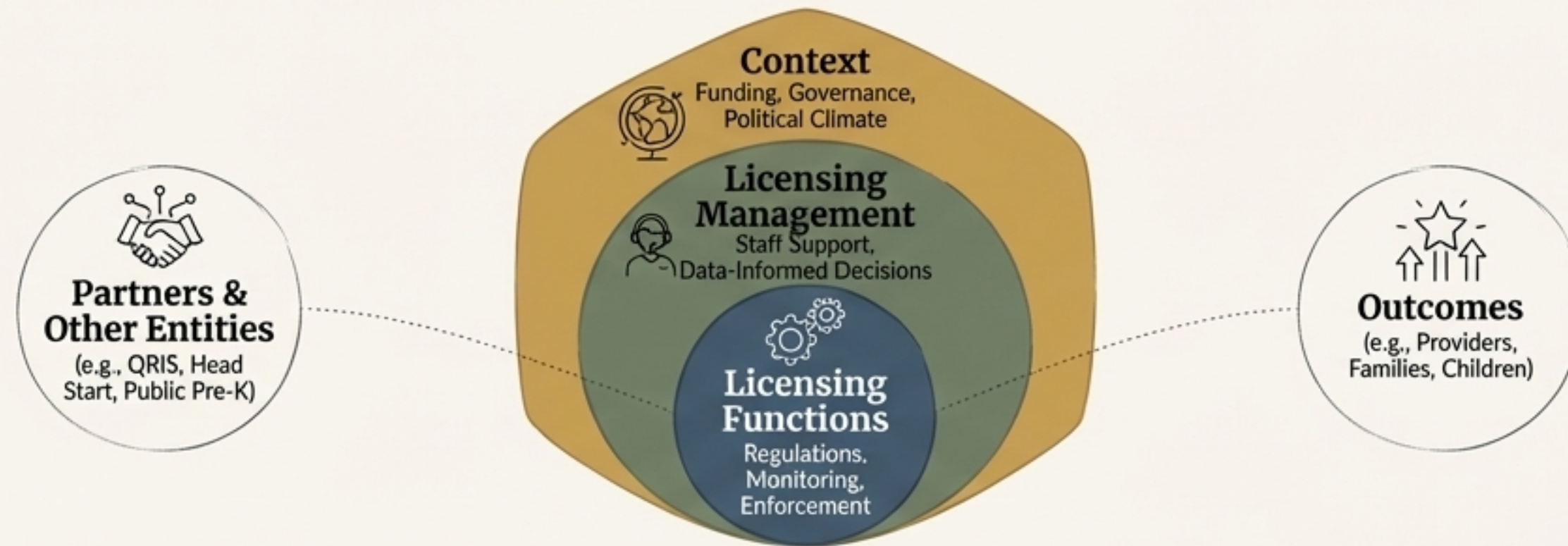
**Guiding Questions:** The review was structured to find what aspects of licensing are studied, what the findings are, what outcomes are addressed, and where the critical gaps in our knowledge lie.





# The Legend: Understanding the Licensing System's Components

The OPRE report provides a conceptual framework that organizes the multifaceted licensing system. This framework, developed with input from licensing staff, state leaders, and researchers, will be the legend for our journey.



It situates licensing within a broader context and identifies its core components:

- **Context:** External factors like funding, governance, and political climate.
- **Licensing Management:** The internal operations, from staff support to data-informed decision-making.
- **Licensing Functions:** The core activities of the system (e.g., Regulations, Monitoring, Enforcement).
- **Partners & Other Entities:** How licensing interacts with other systems like QRIS, Head Start, and public Pre-K.
- **Outcomes:** The ultimate goals for providers, families, and children.



# Landmark 1: The World of Regulations

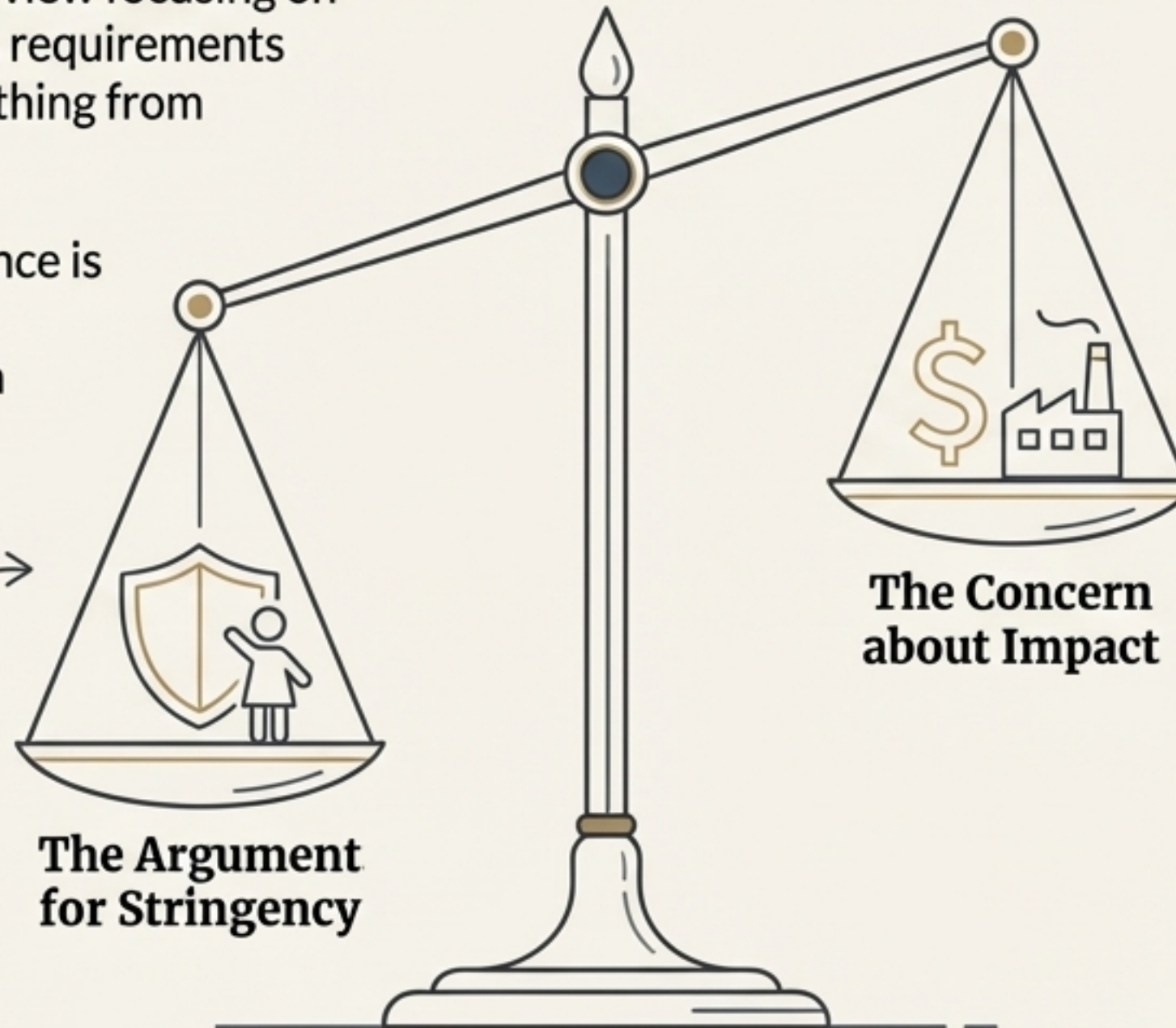


Regulations are the most researched component of licensing, with **118** articles in the review focusing on them. They represent the minimum requirements for legal operation and cover everything from staffing to health and safety.

A central tension in regulatory science is balancing child protection with market effects. Research explores a persistent scholarly debate:

Higher standards are linked to higher quality and better child outcomes (Helburn, 1995; Rigby et al., 2007).

**The Argument for Stringency**



**The Concern about Impact**

Stricter regulations—on ratios, group size, and staff qualifications—can increase the cost of care, potentially reducing supply and affordability for families (Gormley, 1991; Thomas & Gorry, 2015).

## SCHOLAR SPOTLIGHT | William Gormley (1991, 2000)

Pioneered the analysis of how the costliness and intrusiveness of regulations can affect the supply of licensed CCEE, framing the core economic tensions that researchers still grapple with today.



# A Clear Link: How Playground Safety Rules Reduced Injuries

While many studies find correlations, it is rare to find research that causally links a specific regulation to a direct child outcome. A key study from North Carolina provides this critical evidence.

## The North Carolina Playground Study

**Context:** In 1996, North Carolina announced a new, comprehensive set of playground safety regulations, implemented over a five-year period.

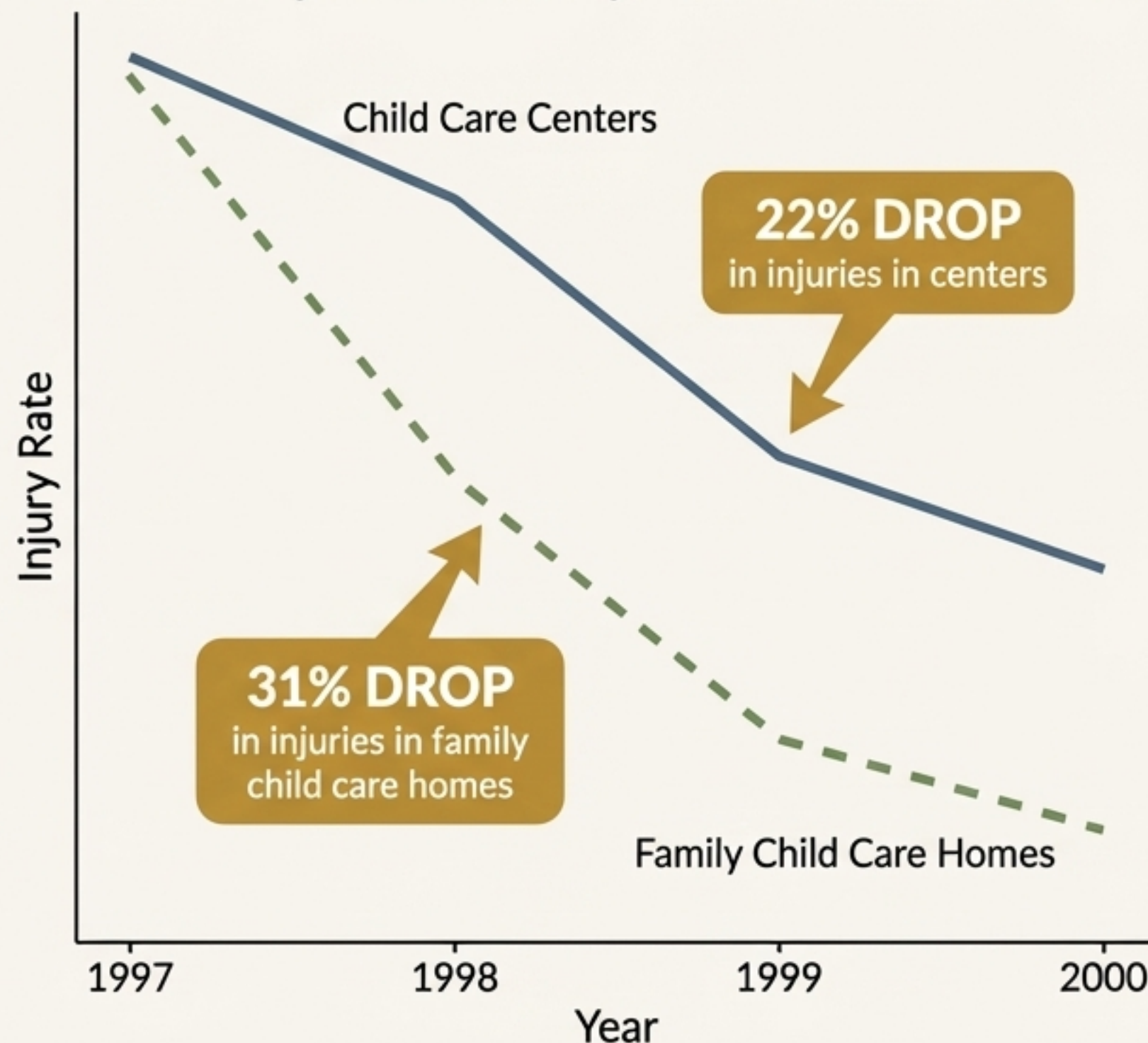
**Method:** Researchers tracked medically-attended injuries in licensed child care settings before and during the implementation period.

**The Finding:** The implementation of the regulations was directly linked to a significant drop in injuries.

### RESEARCHER SPOTLIGHT | Kotch et al. (2003)

This landmark study found that the new playground safety regulations were associated with a **22% drop** in medically-attended injuries in centers and a **31% drop** in family child care homes, demonstrating a clear, positive impact of a specific licensing regulation on child safety.

## Medically-Attended Injuries in NC Child Care







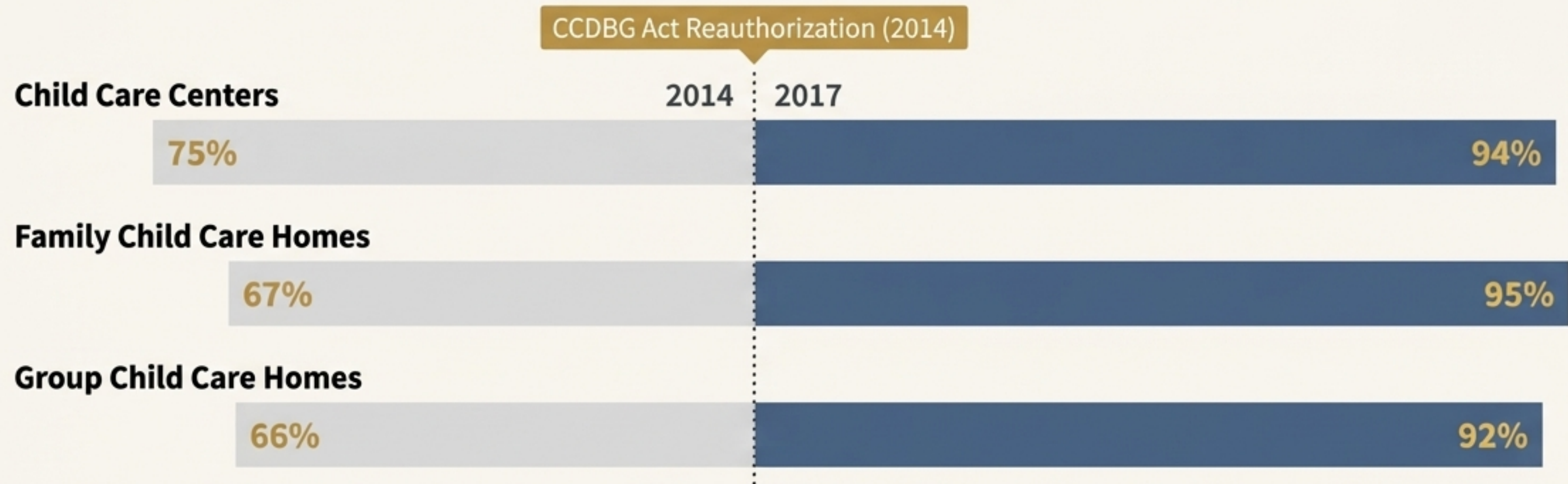
## Landmark 2: The Practice of Monitoring

Strong regulations are meaningless without effective monitoring. The research shows a significant evolution in how states approach this core function, largely driven by federal policy.

### The Post-2014 Shift to Unannounced Inspections:

The 2014 reauthorization of the Child Care and Development Block Grant (CCDBG) Act mandated annual *unannounced* inspections for licensed providers receiving federal funds. The impact on state practice was immediate and dramatic.

### Percentage of States Conducting *Unannounced Only* Routine Inspections



This reflects one of the most significant, system-wide shifts in licensing practice in decades.



# The Science of Monitoring: From Full Reviews to Targeted Approaches

To manage large caseloads and focus resources where they are most needed, many states have adopted more sophisticated monitoring strategies. As of 2017, 67% of states reported using some form of abbreviated compliance review.

## Two Dominant Methodologies



1. **Risk Assessment:** Licensing agencies and experts identify regulations that pose the greatest risk of harm to children if violated. Monitoring then focuses on this high-risk subset.



2. **Key Indicators:** A statistical approach to identify the specific regulations that best predict a provider's compliance with the *full* set of regulations.

### RESEARCHER SPOTLIGHT | Richard Fiene

Developed the foundational 'Key Indicators' methodology (Fiene & Kroh, 2016). His work demonstrated that a smaller, statistically-validated subset of regulations could effectively predict overall compliance, allowing for more efficient and data-driven monitoring. Some states now combine Key Indicator and Risk Assessment approaches for a more robust system.





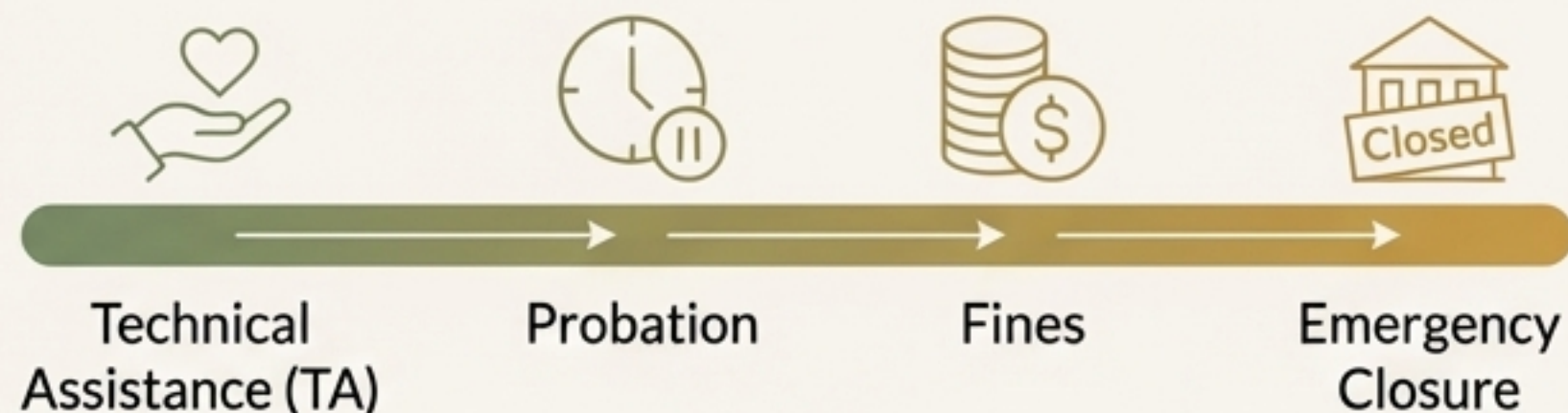
# Landmark 3: Compliance and Enforcement in Action

Monitoring determines a provider's compliance status, which is the trigger for the entire enforcement system. Research shows that higher-quality programs generally have better compliance records.

## What Predicts Higher Compliance?

- **Quality Markers:** Accreditation and higher QRIS star ratings are associated with fewer violations (Fiene, 2017; Winterbottom & Jones, 2014).
- **Funding & Support:** Publicly funded programs and FCC providers in professional networks tend to have better compliance (Doromal et al., 2018; Rosenthal et al., 2020).
- **Provider Education:** Compliance with continuing education requirements is a strong predictor of overall compliance (Crowley et al., 2013).

## Enforcement: From Support to Sanction



States use a continuum of enforcement actions, from providing technical assistance (TA) to emergency closure. The most common allowable actions are license revocation/denial, emergency closure, and civil fines.

- **Trend:** Between 2014 and 2017, the number of civil fines issued by states **more than doubled**, indicating a potential shift towards more intermediate financial sanctions.



# Broadening the Horizon: Lessons from Parallel Fields

The challenges and methodologies in CCEE licensing are not unique. Looking at parallel human services fields, like nursing home regulation, can provide valuable insights and tools for research.

## Case in Point: Nursing Home Research



- **National Data:** Unlike CCEE, nursing homes that accept Medicare/Medicaid must report to a national database, allowing for large-scale, cross-state research.
- **Quantifying “Stringency”:** Researchers developed a “stringency index” to score and compare the strictness of state inspection and sanction processes.

## Implication for CCEE



- While CCEE lacks a national database, the concept of creating an index to quantify and compare the stringency of state licensing systems could be a powerful tool for future research.

### RESEARCHER SPOTLIGHT | Harrington et al. (2004)

Developed the “stringency index” for nursing homes. In a subsequent study, Mukamel et al. (2012) used this index to find that higher state regulatory stringency was associated with higher quality on multiple patient outcome measures.



# The Known World: What the Evidence Confirms

Our journey through 20 years of research reveals a **scientific landscape** with several well-charted territories. The evidence base confirms several foundational principles of regulatory science in child care.

## Regulations & Quality are Linked

More demanding licensing standards are consistently associated with higher observable quality in CCEE programs (Helburn, 1995; Apple, 2006).

## Specific Rules Have Specific Impacts

Targeted health and safety regulations, such as those for playground safety and immunizations, can lead to measurable, positive child outcomes (Kotch et al., 2003; Hadler et al., 2014).



## Monitoring Frequency Matters

More frequent inspections are associated with better performance and compliance over time (Gormley, 1995).

## Federal Policy Can Drive Systemic Change

The CCDBG Act of 2014 dramatically and rapidly shifted state monitoring practices toward unannounced inspections, showing the power of federal levers.



# The Uncharted Territories: Where the Map is Blank

While much of the literature focuses on regulations, our journey reveals vast, uncharted territories where the evidence base is thin or non-existent. Understanding these areas is critical for building a more effective and equitable licensing system.

## Key Gaps Identified in the Literature:

### Enforcement ?

Beyond descriptive data, there is almost no research on what enforcement strategies are most effective, for whom, and under what conditions.

### Licensing Management ?

The "back office" of licensing—staff management, quality assurance, data-informed decision making—is significantly under-researched.



### ? Equity

We found no research studies that explicitly examined racial equity within licensing, a critical gap in understanding how the system impacts diverse providers and communities.

### ? Provider & Family Perspectives

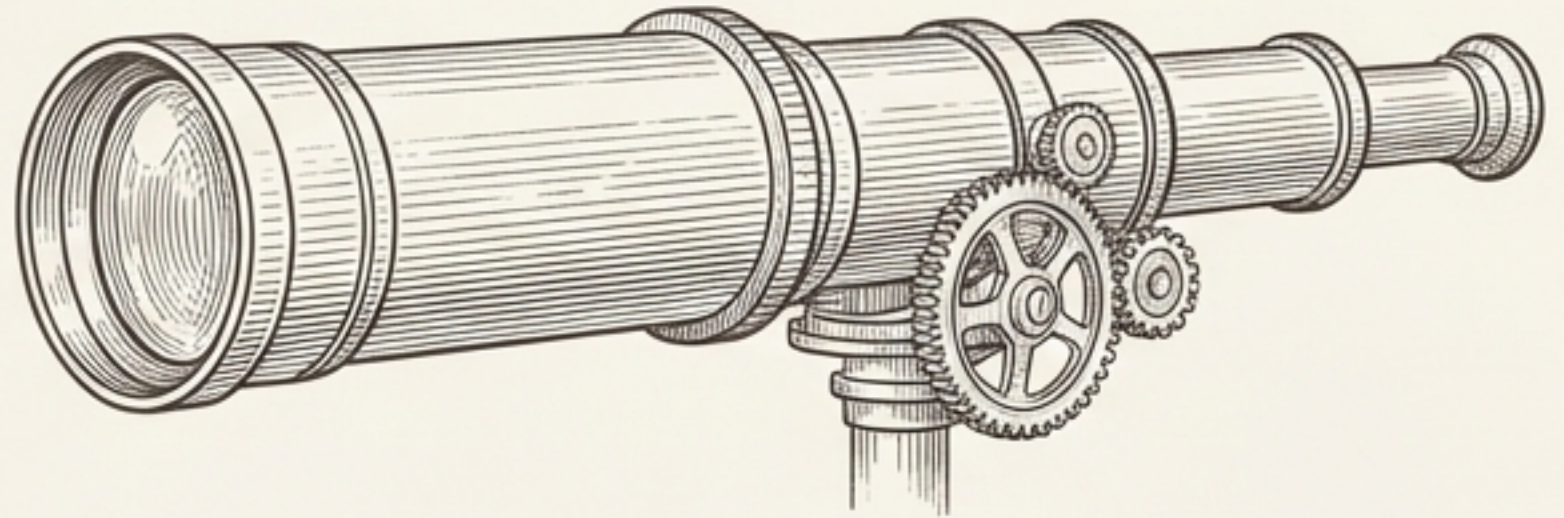
More research is needed to understand providers' perceptions of licensing and families' experiences with and use of licensing information.



# The Next Frontiers: A Call for Future Investigators

The gaps in our knowledge are not dead ends; they are the starting points for the next wave of **critical research**. The OPRE review points toward clear, high-impact questions for the field to tackle.

## Future Research Should Explore:



**Effectiveness:** How can we measure the effectiveness of enforcement? Can administrative data track the **impact of policy changes** on compliance and child safety?



**Equity:** Are patterns of compliance and enforcement consistent across provider types, settings (rural vs. urban), and racial/ethnic groups? *What **policies and procedures** support **equitable outcomes**?*



**Efficiency:** Are abbreviated monitoring systems as effective as full compliance reviews? What is the best **mix of methodologies** for **consistent**, strong, and efficient regulation?



**Experience:** How do families actually find, interpret, and use consumer education and inspection reports when choosing care? *What **supports** do providers find most helpful for maintaining compliance and improving quality?*

Answering these questions will help us draw a more complete map of the licensing world, ensuring the system works better for everyone.