



Best Practices for Infant and Toddler Childcare Programs

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Executive Summary of OLO Report Number 2018-6

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Summary: The Council tasked OLO to develop this report as follow up to last year's pre-k report by OLO. This report synthesizes the research describing best practices among high-quality infant and toddler childcare programs and the prevalence of these practices. Four key findings emerge from OLO's review:

- High-quality programs employ best practices and local licensing requirements for staff ratios and group sizes as well as accreditation requirements overall align with best practices.
- Few local childcare programs, however, are accredited or rate at the highest levels in Maryland EXCELS (quality rating and improvement system) that reflect the use of best practices.
- The cost of high-quality childcare often exceeds what low- and moderate-income families can afford to pay for childcare, even with the support of government subsidies.
- Expanding publicly supported pre-k without significant investments in infant and toddler care could undermine the quality and quantity of current infant and toddler programs.

Characteristics of High Quality Childcare Programs

High-quality infant and toddler childcare improves school readiness and poise children for educational and economic success. OLO's review identified eight best practices in early care and education:

- Developmentally appropriate physical environments and materials
- Curriculums for early learning
- The use of assessments and evaluations
- Small group sizes (<6) and adult-to-child ratios (1:3 for age 0 to 18 months)
- Continuity of care (same provider for at least a year)
- Training and professional development for staff
- Staff credential requirements (CDA, AA or BA in early education)
- Staff compensation and benefits comparable to peers in public schools

Researchers, however, have found mixed empirical support for some of these best practices: there is strong empirical support for physical environment and materials, use of curriculums, small group sizes and adult-child ratios, and consistency of care but weaker empirical support for staff training, use of assessments, staff credential requirements, and higher wages. This does not mean that these best practices do not improve outcomes among children. Instead, evaluations have either not (a) considered the impact of these factors or (b) consistently demonstrated a favorable impact of these approaches.

Prevalence of Best Practices in Infant and Toddler Childcare

Locally, licensing standards for infant and toddler group sizes and adult-to-child ratios for childcare align with or exceed best practices. However, only a small share of the County's providers are accredited or demonstrate high levels of quality as part of Maryland EXCELS. In 2017, regulated childcare programs had the capacity to serve up to quarter of the 25,000 children in Montgomery County between the ages of 0 and 2. However, childcare providers who were accredited or earned quality ratings of 4 or 5 on Maryland EXCELS only had the capacity to serve one in 20 infants and toddlers in the County.

Challenges to Scaling Up Best Practices

OLO identified three significant challenges to scaling up best practices in infant and toddler childcare: affordability, low wages, and expanding publicly supported pre-k without making commensurate investments to improve the economic feasibility/profitability of high-quality infant and toddler care.

- **Affordability.** The gap between the costs of high-quality infant and toddler childcare and what parents can afford to pay for such care is the most significant challenge to scaling up best practices. Beyond to the average price of infant and toddler childcare of *any quality* in the County often exceeding what families with median incomes can afford, out-pocket childcare costs for lower-income families receiving childcare subsidies often exceed 10 percent of their income as well. To align their operating costs to what families can afford, childcare providers may sacrifice program quality to lower their program costs. The high cost of regulated vs. unregulated care also fosters demand for unregulated care that creates an additional disincentive for regulated programs to scale up best practices that add to their program costs and undermine their profitability.
- **Low Wages.** Low wages within the childcare industry, both for teachers with and without higher education credentials, fail to incentivize childcare teachers to earn college degrees and credentials. Since market-based childcare programs – especially those that serve infants and toddlers – often establish prices that are below the true cost of delivering quality services, providers are often forced to underpay their staffs and/or themselves. In turn, childcare teachers and operators can earn poverty level incomes. According the U.S. Bureau of Labor Statistics, the average wage of a childcare teacher in Maryland qualified her for Supplemental Nutrition Assistance Program benefits.
- **Pre-K Expansion.** Efforts to expand public pre-k without commensurate investments to improve the quality and quantity of infant and toddler childcare slots can also undermine efforts to scale up best practices for infants and toddlers. More specifically, the supply of high-quality infant and toddler slots and staff for those programs could diminish if these programs and personnel shift from serving infant and toddlers to serving preschool-age children in better-funded, less costly pre-k programs. Research suggests that this shift occurred in Washington, DC as an unintended consequence of its universal pre-k program for three- and four-year-old children.

Promising Practices in Other Jurisdictions

Several jurisdictions have invested in efforts to scale up the use of best practices in infant and toddler childcare. These include four jurisdictions with dedicated revenues for children and youth programs profiled in ***OLO Report 2016-11, Out of School Time and Children's Trusts***. These four jurisdictions - San Francisco, Seattle, Portland (OR), and Miami-Dade County – have funded strategies aimed at enhancing:

- The economic viability of high-quality infant and toddler programs and/or
- The quality of current programs through greater staff credentialing and program improvements.

The use of six promising practices for scaling up best practices in infant and toddler childcare among the four jurisdictions with children's trust revenue are summarized in the chart on the top of the next page.

Promising Practices in Four Jurisdictions with Children’s Trusts

Promising Practices for Scaling Up Best Practices in Infant and Toddler Childcare	San Francisco	Seattle	Portland	Miami-Dade
• Supplement the wages and benefits of childcare personnel	X	X		X
• Increase subsidy rates for childcare, especially for infants and toddlers	X	X	X	
• Contract directly with childcare providers to fund infant and toddler programs	X		X	X
• Invest in strategies to enhance program efficiencies and lower program costs	X			
• Professionalize childcare workforce with training and credentialing	X	X		X
• Incentivize childcare programs to seek accreditation and higher QRIS ratings	X			X

Local Efforts and OLO Recommendations

Montgomery County’s Early Care and Education (ECE) Strategic Plan recognizes many of the challenges to scaling up best practices in infant and toddler childcare noted in this report. In turn, the plan offers several recommendations aimed at enhancing the quality of childcare offerings in the County. These include:

- Increasing technical assistance for early care and education programs to progress in EXCELS
- Expanding investments to high-quality programs serving children between the ages of 0-5
- Completing a quality of care study for high-quality infant and toddler care to inform rate setting
- Expanding the WPA program to reach all eligible children
- Allocating additional County staff to support the credentialing of childcare staff
- Subsidizing staff and director wages among childcare programs
- Increasing licensing among informal family-based childcare providers

Recommendations: OLO recommends that the County Council request an update from the Department of Health and Human Services (DHHS) on the status of the County’s ECE strategic plan and its recommendations aimed at increasing the quality and quantity of infant and toddler childcare programs. OLO also recommends two additional questions to guide the Council’s discussions with DHHS representatives regarding their efforts to scale up best practices in infant and toddler childcare:

- *What promising practices have been considered for scaling up best practices in infant and toddler childcare? What strategies would be undertaken if additional funding were available?*
- *Which promising practices might be especially effective at enhancing the quality and quantity of infant and toddler childcare slots if publicly funded pre-k programming expands in the County?*

For a complete copy of OLO-Report 2018-6, go to:
<http://www.montgomerycountymd.gov/OLO/Reports/CurrentOLOReports.html>

Chapter 1. Authority, Scope, and Organization

A. Authority

Council Resolution 18-882, FY 2018 Work Program for the Office of Legislative Oversight, adopted July 25, 2017.

B. Scope, Purpose, and Methodology

The County Council tasked the Office of Legislative Oversight to develop this report to describe best practices among high-quality infant and toddler childcare programs.¹ The Council tasked OLO with this project as follow-up for OLO Report 2016-7, *Pre-K in Montgomery County and in Other Jurisdictions*², which showed that public investments in preschool for four-year-old children can more than pay for themselves over a lifetime. This latest report is aimed at expanding the Council's understanding of early care and education. In addition, it:

- Serves as a companion to OLO Report 2018-3, *Impact of Infant and Toddler Childcare Programs*³, that shows that high-quality childcare for infants and toddlers (children ages 0-3) can generate benefits for low-income children, their parents, and society that more than exceed the initial costs; and
- Follows up OLO Report 2016-3, *Child Care in Montgomery County*,⁴ which described the gap between the supply and need for affordable, regulated childcare slots in the County, especially for infants and toddlers (children ages 0-2) and in high-poverty communities.

The purpose of this report is to describe the practices of high-quality infant and toddler childcare programs (best practices) that generate the favorable returns on investment described in OLO Report 2018-3. As such, this report synthesizes research describing the characteristics of high-quality programs, their prevalence, and the challenges associated with expanding high-quality infant and toddler childcare, particularly for low-income families. This report also considers Montgomery County's strategic plan for early care and education and offers insights on how expanding publicly-funded pre-kindergarten programs may impact the quality and quantity of infant and toddler childcare slots in the County.

This report is organized as follows:

- **Chapter 2, Infant and Toddler Childcare Best Practices**, describes why quality in infant and toddler childcare matters, the markers of high-quality programs, and research regarding the impact of specific best practices on child and program outcomes.
- **Chapter 3, Prevalence of Infant and Toddler Childcare Best Practices**, describes the use of best practices in infant and toddler childcare, the use of childcare licensing and accreditation to promote best practices, challenges experienced by providers in promoting best practices, efforts in other jurisdictions, and the potential impact of pre-k expansion on infant and toddler childcare.

¹ This report defines infants and toddlers as 0- to 3-year-old children when describing best practices for childcare programs and as 0- to 2-year old children when describing the prevalence of high-quality childcare slots to align with available data.

² https://www.montgomerycountymd.gov/OLO/Resources/Files/2017%20Reports/OLOReport2017_7PreKinMontgomeryCountyandinOtherJurisdictions.pdf

³ <https://www.montgomerycountymd.gov/OLO/Resources/Files/2017%20Reports/OLOReport2018-3.pdf>

⁴ https://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/Report2016-3ChildCare.pdf

- **Chapter 4, Project Findings and Recommended Discussion Issues**, summarizes this report’s major findings and offers recommended discussion issues for the County Council to consider with DHHS.
- **Chapter 5, Agency Comments**, provides the director of the Montgomery County Department of Health and Human Services on the final draft of this report.

Overall, this report finds empirical support for several characteristics of high-quality infant and toddler childcare recognized by researchers as best practices – small group sizes, low caregiver to child ratios, and education for caregivers in early childhood development. These program elements can be regulated to encourage the use of developmentally appropriate practices that support responsive caregiving and children’s development. Empirical support for other recognized best practices varied, with most reviews finding a positive impact of curriculum on children’s development but limited support for the use of assessments and evaluations. Overall, however, only a small share of infant and toddler childcare programs, both nationally and locally, fully align with recommended best practices likely due to the high-cost of implementing best practices for infants and toddlers.

Moreover, this report finds that there is a fundamental mismatch between the costs of high-quality infant and toddler care and the ability of low- and middle-income families to pay for such care. Without significant funding to subsidize the costs of high-quality infant and toddler care for low- and middle-income families, childcare participants and the public at large will be unable to access the full benefits of high-quality infant and toddler childcare. As noted in OLO Report 2018-3, the benefits of high-quality infant and toddler care include improved school readiness and educational outcomes, and long-term earnings for childcare participants, especially for low-income children, as well as improved employment outcomes and earnings for their parents.

Finally, this report finds that other jurisdictions have engaged in promising practices aimed at scaling up the use of best practices in infant and toddler childcare, but that the impact of these promising practices have yet to be evaluated. These promising practices include supplementing the wages of personnel in high-quality childcare programs, increasing subsidies for infant and toddler childcare in high-poverty communities, contracting with childcare operators for programs rather than exclusively funding slots, and providing specialized professional development and technical assistance to childcare personnel and programs to scale up best practices.

OLO recommends that the County Council discuss with the Executive Branch opportunities for increasing the use of best practices among current infant and toddler childcare providers and increasing the number of affordable, high-quality infant and toddler childcare slots. OLO also recommends that the Council discuss with the Executive Branch its strategy for maintaining current high-quality infant and toddler slots if the anticipated expansion of public pre-k occurs. Many local childcare providers rely on delivering profitable, lower-cost preschool programs to offset the higher cost of operating infant and toddler programs at a financial loss.⁵

⁵ Childcare providers also often rely on providing profitable, low-cost before- and after-care programs to help offset the high costs of delivering infant and toddler care.

C. Acknowledgements

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- Ms. Vivian Yao, Legislative Analyst, Montgomery County Council

Chapter 2. Infant and Toddler Childcare Best Practices

This chapter describes the characteristics of high-quality infant and toddler childcare programs based on a synthesis of the research literature describing best practices for infant and toddler childcare. This chapter describes best practices identified by experts, what the research says about best practices, and the theory of action of how best practices in infant and toddler childcare contribute to child development.

This chapter is presented in three parts to describe:

- A. Why quality infant and toddler childcare matters;**
- B. The characteristics of high-quality infant and toddler childcare programs; and**
- C. Empirical research on the impact of childcare best practices on children and programs.**

Overall, this chapter finds empirical support for three features of high-quality infant and toddler childcare programs that can be regulated by public agencies and accreditors: small group size, low caregiver to child ratios, and education of caregivers in early childhood development. These best practices promote the use of developmentally appropriate practices among childcare providers, including the use of responsive caregiving, which is the most consistent predictor of child development. Empirical reviews also support the use of curriculums and continuity of caregivers as best practices in infant and toddler childcare.

A. Why Quality Infant and Toddler Childcare Matters

In response to the question of whether all childcare programs are the same, researchers at the University of Georgia respond that child care programs vary quite a bit on measures of quality.⁶ High-quality early learning experiences help children start school ready to succeed, while poor-quality services can actually do harm. This applies to programs providing home visiting and parenting education, family support and strengthening services, health and nutrition services, childcare, and preschool.⁷

As noted in OLO Report 2018-3, high-quality infant and toddler childcare programs can favorably contribute to child outcomes and reduce future government spending when targeted to low-income children. In addition to enhancing school readiness, high-quality early childhood programs can reduce the use of special education, increase high school graduation rates, increase labor force participation, and lower criminal justice costs.⁸ They can also offer two-generation benefits that include increase labor force participation and earnings among low-income parents.

Researchers with the Education Development Center (EDC) summarize the importance of the first three years of children's development, and why high-quality infant and toddler child care matters, as follows:⁹

⁶ <http://www.fcs.uga.edu/extension/ccqm-why-does-quality-matter>

⁷ State Early Childhood Policy and Technical Assistance Network, School Readiness Briefing Paper 6 Quality Matters

⁸ See Table 1 on page 9 <https://www.montgomerycountymd.gov/OLO/Resources/Files/2017%20Reports/OLOReport2018-3.pdf>

⁹ See Resnick, Broadstone, Rosenberg, and Kim (2015), State policies and practices supporting child care for infants and toddlers. Waltman, MA: Education Development Center, Inc.

“Research has clearly demonstrated the critical importance of high-quality care focused on parent-child (home visiting programs) as well as parent-caregiver interactions during the children’s earliest years,¹⁰ particularly for children whose families face challenges related to poverty and other adverse conditions. Providing low-income working families with access to high-quality care for their infants and toddlers increased the likelihood that the children will be healthy and will enter kindergarten ready to succeed. Research evidence for the association between quality infant and toddler care and language and other cognitive benefits is strong.”¹¹

B. Characteristics of High-Quality Infant and Toddler Childcare

Best practices, defined as the key elements of high-quality infant and toddler childcare programs that contribute to desired program outcomes, can be grouped into two categories:¹²

- *Developmentally appropriate practices*, also known as process features, describe the essential features of a child’s day-to-day experience in high-quality childcare settings, such as the nature of relationships between providers, children, and their families.
- *Regulable features*, also known structural features, provide agencies policy levers for impacting the day-to-day experiences of children in childcare.

The relationship between these two sets of practices in high-quality infant and toddler childcare programs can be described as micro- and macro-best practices. As micro-best practices in childcare, developmentally appropriate practices shape the relationships experienced by children and their caregivers, while regulable features, as macro-best practices, describe structural features of childcare programs that contribute to the use of developmentally appropriate practices. These two sets of best practices are described in detail below.

Developmentally appropriate practices. Measures of developmentally appropriate practices, known as process features, focus on children’s day-to-day experiences in childcare. More specifically, data on developmentally appropriate practices provide information about children’s social interactions with adults and with other children, as well as their activities with toys and other items.

Elements of developmentally appropriate practices for early childcare identified by researchers include:¹³

- Responsive caregiving and interactions between child and caregiver, including caregiver’s attitudes toward children;
- Presence of learning activities;
- Presence of appropriate furnishings, equipment, and curricular materials; and

¹⁰ Shonkoff and Phillips (2000) *From Neurons to Neighborhoods: The Science of Early Childhood Development*, National Academies Press

¹¹ Schumacker, Hamm, Goldstein, and Lombardi (2006) *Starting off Right: Promoting Child Development from Birth in State Early Care and Education Initiatives*, Center for Law and Social Policy

¹² The National Institute of Child Health and Human Development Study of Early Child Care and Youth Development uses this framework to describe childcare best practice in *The NICHD Study of Early Child Care and Youth Development – Findings for Children up to Age 4 ½ Years*. NIH Pub No 05-4318, January 2006, https://www.nichd.nih.gov/publications/pubs/documents/seccyd_06.pdf

¹³ See for example Suzanne Helburn and Carollee Howes, *Child Care Cost and Quality – The Future of Children – Financing Child Care*, Vol 6. No 2. 1996

- Health and safety aspects of the child care environment.

Among these best practices, the strongest and most consistent predictor of children’s development is the first element - responsive caregiving. Key features of responsive caregiving include caregivers:

- Showing a positive attitude;
- Having positive physical contact;
- Responding to vocalizations and asking questions;
- Talking in other ways, such as praising or encouraging, teaching, telling, and singing;
- Encouraging development;
- Reading; and
- Eliminating negative interactions.

Researchers have also parsed out how developmentally appropriate practices differ for infants as compared to toddlers. Chart 1 shows that best practices for infants focus on safety and responsiveness while best practices for toddlers focus on offering choices and positive guidance within safe spaces.

Chart 1: Developmentally Appropriate Practices for Infants and Toddlers¹⁴

Infants	Toddlers
<ul style="list-style-type: none"> • Respond to infants’ needs • Keep infants safe • Understand infants’ rhythms • Talk with babies • Anticipate development • Plan 	<ul style="list-style-type: none"> • Offer choices • Initiate conversations • Use positive guidance • Arrange the space • Work with families

Finally, both the National Association for the Education of Young Children (NAEYC) that accredits childcare centers and the advocacy group Zero to Three offer an overlapping list of developmentally appropriate practices for infants and toddlers that “promote young children’s optimal learning and development.” NAEYC’s list focuses on practices that maximize responsive caregiving, such as:¹⁵

- Create a community of learners and a balance of adult- and child-guided experiences,
- Use curriculums and assessments to benchmark and monitor improved achievement; and
- Encourage reciprocal relationships between parents and families.

And Zero to Three’s list of developmentally appropriate practices focus on creating and sustaining responsive caregiving in group childcare settings.¹⁶ They include:

- Create safe and well organized physical environments,
- Use primary caregiving assignments (for one year or more),

¹⁴ Bredekamp and Copple, 2009 cited by Mills, Hannah - Developmentally appropriate practices in infant and toddler classrooms, Texas Child Care Quarterly, Winter 2013

¹⁵ NAEYC – Developmentally Appropriate Practice in Early Childhood Programs Serving Children from Birth through Age 8 – position statement adopted in 2009 – <https://www.naeyc.org/files/naeyc/file/positions/PSDAP.pdf>

¹⁶ Zero to Three: How to Care for Infants and Toddlers in Groups, February 2010

- Pursue continuity of care with the same caregivers over an extended period of time,
- Ensure cultural and familial continuity, and
- Meet the needs of individual children within the group.

The first three best practices noted by Zero to Three - safe physical environments, primary caregiving assignments, and continuity of care - have all been described as infant and toddler childcare best practices among researchers. Experts note that when children experience too many changes in caregivers, it can lead to reluctance to form new relationships.¹⁷

Regulable features. Regulable features refer to macro, structural features of childcare quality that can be regulated by accreditors and public agencies. Researchers have found that regulable features, such as adult-to-child ratios and group sizes, impact the use of developmentally appropriate practices that impact children's day-to-day experiences in childcare. For example, children in care in smaller groups led by trained caregivers with higher levels of education in settings with low adult-to-child ratios, are more likely to receive care that can be characterized as warm, attentive, and intellectually stimulating (i.e. responsive caregiving) than children in larger groups characterized by chaotic or unsafe environments.

There are three main sets of regulable features for infant and toddler childcare:

- **Adult-to-child ratio** refers to how many children each adult serves.¹⁸ When the adult-to-child ratio is low, caregivers are better able to be stimulating, responsive, warm, and supportive. Zero to Three recommends the adult to child ratio should be no more than 1:3 for infants and toddlers up to age 18 months. For children 18 months to three years of age, they recommend a ratio of 1:4.
- **Group size** refers to how many children each classroom or group serves. Smaller groups are associated with better quality of care while larger groups can foster chaos even if there is an appropriate number of caregivers. For children not yet mobile, Zero to Three recommends group sizes of six or less. For crawlers and toddlers up to 18 months, they recommend a group size of nine or less. For children between the ages of 18 months to three years, they recommend a group size of no more than 12.
- **Staff training and credentials** refers to whether caregivers have received specialized training to care for infants and toddlers and/or hold a higher education credentials or college degree. The background and education of the caregiver can contribute to a program's quality, with higher credentials and training generally predicting higher quality of observed care and better developmental outcomes for children. The National Academy of Sciences recommends a bachelor's degree as the minimum educational credential for the workforce serving infants and toddlers and children to age 8.¹⁹

¹⁷ Policy Brief: High Quality Infant and Toddler Care in Illinois – Illinois Action for Kids, October 2013

¹⁸ Ibid

¹⁹ Institute of Medicine and National Research Council, *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. Washington, DC: The National Academies Press, 2015 <https://doi.org/10.17226/19401>.

C. Empirical Research on the Impact of Infant and Toddler Childcare Best Practices

Mathematica reviewed the empirical evidence regarding the features of high-quality early care and education (ECE) programs that impact child-teacher interactions and child development outcomes.²⁰ They note that the literature on the associations between ECE features and children’s outcomes or classroom practices is useful, but still developing. ECE includes childcare for infants, toddlers, and preschool-aged children and preschool programs for three- to five-year-olds. Chart 2 provides a summary of Mathematica’s findings.

Chart 2: Level of Evidence for Features of Early Care and Education Programs

Program Features	Associated with child outcomes	Associated with observed teacher-child interactions	Endorsed by experts
Process Features/Developmentally Appropriate Practices			
Physical environment and materials	X*	X*	X
Curriculum	X*		X
Assessment and evaluation			X
Regulable Features/Structural Quality Measures			
Group size and adult-child ratio	X*	X*	X
Training and professional development	X*	X*	X
Staff education and credentials	X*	X*	X
Staff compensation and benefits			X
<i>Note: This table summarizes levels of evidence for each quality element based on association with outcomes and practices as reported in reviewed literature. In the first two columns, cells marked with an “X” indicate there was evidence of an association and blank cells indicate that no evidence or an association was reported. * Denotes that some null findings were also reported.</i>			

Overall, Mathematica finds mixed empirical support for most developmentally appropriate practices and regulable features of high-quality early childhood education programs endorsed by experts. Prior research studies demonstrate that both micro- and macro-best practices in early childhood education can correlate with child outcomes and teacher-child interactions. These micro- and macro-best practices for serving children between the ages of 0-5 align with the best practices for infants and toddlers described in the prior section.

Mathematica’s review, however, also finds limited evidence for the use of assessments and evaluation and for staff compensation and benefits as effective practices for improving child outcomes or positive caregiving among early care and education programs. This does not mean that use of assessments, evaluation, and increased compensation does not improve the outcomes of children in early care and education. Instead, this means that evaluations have not yet considered the impact of these factors, or that evaluations to date have not consistently demonstrated favorable impact of these approaches.

²⁰ Caronongan, Kirby, Bioller, Modlin, and Lyskawa – “Assessing the Implementation and Cost of High Quality Early Care and Education: A Review of the Literature” OPRE Report 2016-31. DHHS and Mathematica Policy Research

An empirical review of specific developmentally appropriate practices shows:

- **Mixed empirical support for physical environment and materials as ECE best practices.** The NICHD study finds that clean and safe learning environments were one of the strongest predictors of high-quality toddler care and a positive predictor of infant caregiving.²¹ Mathematica, however, finds that prior studies have not extensively examined the contribution of the physical environment of ECE to child outcomes. Only one of the sources they reviewed offered evidence indicating that the availability of varied materials to support classroom activities positively correlated with child outcomes.²²
- **Favorable empirical support for curriculum as an ECE best practice.** Based on four reviews, Mathematica finds that curriculum can have a positive impact on child outcomes. They note that 8 of the 16 preschool curriculums reviewed by the What Works Clearinghouse at the U.S. Department of Education yielded positive effects on children's outcome.²³
- **Limited empirical support for assessments and evaluations as ECE best practices.** While the use of assessment and monitoring is recognized as an ECE best practice by NAEYC, Mathematica finds that the research base on this set of best practices is limited. Literature reviews on the use of data for continuous quality improvement and assessment to individualize instructing in early childhood education settings also find that the research base in this area is lacking.²⁴

And an empirical review of regulable features in childcare shows:

- **Mixed, but generally favorable, empirical support for low group sizes and small adult-child ratio as ECE best practices.** The NICHD study finds that low adult-to-child ratios and small group sizes were associated with better care in family childcare and childcare centers and among toddler classes. Mathematica, however, finds that the research describing the impact of group sizes and adult-child ratios on children's outcomes yielded mixed results. For example, in one research review,²⁵ they found three studies where smaller group size was associated with favorable social and cognitive outcomes but one study that did not find a significant association, and another that found positive outcomes associated with larger group size. In the same review, they also found significant associations between lower adult-child ratios and child outcomes in six studies, but no significant association in one study.²⁶
- **Mixed empirical support for staff training and professional development as ECE best practices.** The NICHD study found that provider training was associated with higher-quality childcare in family childcare, childcare center, and toddler classroom settings. Mathematica, however, finds that existing evidence indicates that participating in training or workshops to obtain credits does not usually result in higher quality. For example, an experimental evaluation of an onsite training program for infant and toddler caregivers did not find any statistically significant effects on program quality or child outcomes.

²¹ https://www.nichd.nih.gov/publications/pubs/documents/seccyd_06.pdf

²² Yoshikawa, et al., 2013

²³ Ibid

²⁴ Akers et al., 2014; Derrick-Mills et al., 2014

²⁵ Zaslow et al., 2010

²⁶ Ibid

- **Mixed empirical support for staff education and credentials as ECE best practices.** The NICHD study found that more formal education and experience in childcare were predictors of positive care in toddler classes.²⁷ Mathematica, however, finds that although some studies have found better outcomes among children with more highly educated teachers, none of these studies has implemented a rigorous design to test whether a causal effect exists. The National Academy of Sciences also notes that the empirical research regarding the benefits of staff credentials and education for ECE is elusive.²⁸
- **Limited empirical support for staff compensation and benefits as ECE best practices.** A common hypothesis shared among experts is that the quality of ECE programs reflects their ability to attract and retain highly skilled staff through competitive compensation and benefits. The causal effects of staff compensation and benefits in ECE have not been evaluated. However, researchers have found that rigorously evaluated ECE programs that yield positive outcomes have tended to provide above-average salaries to teachers.²⁹

Finally, another developmentally appropriate practice considered as a best practice among experts but not included in Mathematica's review is **continuity of care**. Research shows that the longer infants and toddlers were with the same provider, the more likely they were to form a secure attachment. For example, one study found that 91 percent of infants and toddlers who had been with their provider for more than one year had a secure attachment relationship.³⁰ Researchers have also found that while many childcare centers support the idea of continuity of care for infants and toddlers, implementation can be challenging given the high staff turnover that characterize the early childhood care and education field.

²⁷ See <http://www.fcs.uga.edu/extension/ccqm-why-does-quality-matter>

²⁸ Institute of Medicine and National Research Council. 2015

²⁹ Yoshikawa, et. al, 2013; Minervino, 2014

³⁰ Center for Law and Social Policy, Better for Babies: A Study of State Infant and Toddler Child Care Policies, August 2013

Chapter 3. Prevalence of Infant and Toddler Childcare Best Practices

This chapter describes the use of infant and toddler best practices in childcare, local licensing and accreditation practices and trends, the state’s quality rating and improvement system for childcare, and challenges to scaling up best practices for infant and toddler childcare. It is presented in two parts:

- A. Childcare Quality, Licensing and Accreditation**, describes national trends in childcare quality for infants and toddlers, the alignment between licensing requirements and accreditation standards to infant and toddler childcare best practices, Maryland’s childcare licensing and quality rating improvement framework, and the current supply of high-quality infant and toddler childcare providers in the County.
- B. Challenges to Scaling Up Best Practices**, describes the difficulties childcare providers face in implementing infant and toddler best practices and strategies used in other jurisdictions to expand the supply of high-quality infant and toddler childcare slots.

Overall, this chapter finds that a small share of infant and toddler programs demonstrate high quality as reflected by national studies and trends in local accreditation. Locally, licensing standards for infant and toddler group sizes and adult-to-child ratios among childcare centers align with or exceed best practices. However, only a small share of the County’s infant and toddler childcare providers are accredited or demonstrate high levels of quality as part of the state’s quality rating and improvement system known as Maryland EXCELS.

Challenges to the implementation of infant and toddler best practices in childcare include the high-cost of employing a consistent, high-quality workforce. Wages for infant and toddler childcare staff are relatively low, even among staff with higher education credentials and degrees. The childcare industry’s low wages reflect in part what many parents can afford to pay for childcare and what providers can afford to pay to their staff to profitably operate their businesses. Overall, low wages undermine program quality by encouraging high staff turnover and creating disincentives for staff to seek higher education and for providers to see accreditation, since neither investment in program quality automatically translates into higher earnings or profits.

Strategies utilized in other jurisdictions that could increase the prevalence of infant and toddler childcare best practices locally include supplementing the wages of childcare personnel, increasing subsidies for childcare in high-poverty communities, contracting with childcare operators for programs rather than slots, and providing specialized professional development and technical assistance to childcare personnel and programs.

A. Childcare Quality, Licensing, and Accreditation

This section is presented in four parts to provide an overview of trends in childcare nationally and locally.

- 1. National Trends in Childcare Quality;**
- 2. Licensing Requirements in Maryland;**
- 3. Child Care Credentialing Program of Maryland; and**
- 4. Accreditation and Maryland EXCELS.**

Overall, the information reviewed in this section shows that state licensing requirements, childcare credentialing goals, accreditation standards, and Maryland EXCELS align with best practices. However, few local infant and toddler childcare programs are accredited or rate at the highest levels in Maryland EXCELS. The limited supply of high-quality providers for infants and toddlers may especially impact low-income children and communities.

1. National Trends in Childcare Quality

National surveys of childcare find that most infant and toddler serving programs are of low to moderate quality. For example, according to the NICHD study, only a small percentage of children received a lot of positive/responsive caregiving and that percentage decreased as children got older.³¹ Poor-quality care, on the other hand, where children received hardly any positive/responsive caregiving also occurred for only a small percentage of all children.³² Overall, the percentage of children who received a fair amount of positive/responsive caregiving was about 30 percent across the first three years of life, which means that these settings provided care that was good, but not outstanding.

By comparing the NICHD Study participants to the overall U.S. population, SECCYD researchers made estimates about positive/responsive caregiving provided to 1 ½ to 3-year-olds in the U.S. They estimated that:³³

- Children in 9% of child care settings received a lot of positive caregiving;
- Children in 30% of child care settings received a fair amount of positive caregiving;
- Children in 53% of child care settings received some positive caregiving; and
- Children in 8% of child care settings received hardly any positive caregiving.

The NICHD Study also found that a small share of childcare settings aligned with best practices for staff-to-child ratios, group sizes, training and education of staff.³⁴ Pediatricians and health educators set quality standards for child care centers that were based on best practices. These standards, used in the NICHD Study are presented in Table 1 below.

Table 1: Professional Standards for Childcare Recommended by the American Academy of Pediatrics and the American Public Health Association

Children’s Ages	Adult-to-Child Ratios	Group Sizes	Training and Education of Staff
6 months to 1 ½ years	• 3 children to 1 staff person	• Up to 6 children	Formal post-high school training, including certification or college degree in child development, early childhood education, or a related field
1 ½ years to 2 years	• 4 children to 1 staff person	• Up to 8 children	
2 years to 3 years	• 7 children to 1 staff person	• Up to 14 children	

Many children who were in the NICHD Study from infancy to age 3 attended childcare centers that did not meet the recommendations for all standards (see Table 2 on the next page). This finding was particularly true for infant and toddler care where less than half attended classes that aligned with recommended staff-to-child ratios and group sizes. Childcare centers attended by older children were more likely to meet the recommended standards.

³¹ Moving from 18% at 1½ years of age, to 13% at age 2, and only 6% at age 3.

³² Moving from 6% at 1½ years of age, 8% at age 2, and 4% at age 3.

³³ See University of Georgia College of Family and Consumer Sciences - <http://www.fcs.uga.edu/extension/ccqm-why-does-quality-matter>

³⁴ The NICHD Study of Early Child Care and Youth Development – Findings for Children up to Age 4 ½ Years. NIH Pub No 05-4318, January 2006 https://www.nichd.nih.gov/publications/pubs/documents/seczyd_06.pdf

Table 2: Percentage of Childcare Center Classes Observed in NICHD Study Meeting Recommended Guidelines

Children’s Ages	Adult-to-Child Ratios	Observed Group Sizes	Caregiver Training	Caregiver Education
6 months	36%	35%	56%	65%
1 ½ years	20%	25%	28%	63%
2 years	26%	28%	65%	77%
3 years	56%	63%	77%	80%

The University of Georgia’s review of the childcare quality research also found that childcare quality varied by setting, service group, and parental income.³⁵ For example,

- Among regulated family childcare homes, one study found good quality care in 12% of homes, adequate care in 75% of homes, and inadequate care in 13% of homes.
- Among unregulated family child care homes, the same study found good quality care in only 3% of these homes, adequate care in 47%, and inadequate care in 50% of homes.
- Another study found higher levels of good/developmentally appropriate center care for preschoolers (24%) compared to infants and toddler classrooms (8%).
- For infants and toddlers in family childcare homes, the quality of caregiving was lower for families living in poverty than for higher-income families.
- For infants in child care centers, quality was higher for families living in poverty compared to those living near poverty.

The low quality of many existing infant and toddler childcare programs, particularly for low-income children, suggests that the benefits of high quality programs in terms of improving long-term outcomes and reducing the achievement gap in school readiness are not being actualized.

2. Licensing Requirements in Maryland

In Maryland, childcare centers that offer full- or part-time care in nonresidential settings for more than eight children and family childcare homes that offer full- or part-time care in a residence for up to eight children (including the provider’s own children under the age of six) must be licensed.³⁶ Steps to licensing a childcare center in Maryland include:³⁷

- Contacting the regional Office of Child Care (OCC) licensing office to let them know about their interest in applying for childcare facility license or letter of compliance;
- Taking a Child Care Center Orientation Session if applying for a childcare facility license;

³⁵ Ibid

³⁶ Forms of childcare exempt from licensing in Maryland include care provided in the child’s own home or by relatives, kindergartens during hours of instruction, after-school programs devoted exclusively to one or more structured educational or recreational activities, and nursery schools or childcare centers operated by tax-exempt religious activities (although all centers must verify that their programs meet all health and safety requirements as demonstrated by Letter of Compliance).

³⁷ <http://earlychildhood.marylandpublicschools.org/system/files/filedepot/3/applicationpacketchildcarecenterlicenselettercompliance.pdf>

- Submitting a complete application packet for license or letter of compliance at least 60 days before the proposed opening date that includes notice of intent to operate, OCC application, site plans, floor plans with architectural detail, written plan of operation, documentation of compliance with local zoning, building, health, and fire codes, documentation of workers compensation insurance coverage, fire evacuation plan, menu for first four weeks of operation, written child discipline procedures, list of personnel with staffing qualification documents (if applicable), staffing pattern, results of criminal background checks of director and staff, and permission to examine records of abuse and neglect of children and adults for director, residents at the facility (if any), and company officers who may interact with children in care;
- Making sure the facility is safe and properly equipped; and
- Passing OCC, fire safety, and other required inspections.

Steps to becoming a registered family childcare provider in Maryland include: ³⁸

- Attending and completing an initial orientation session;
- Preparing and completing the application, medical evaluations, emergency plan, and criminal background check for all adults in the home;
- Attending and completing a second orientation;
- Completing pre-service training that includes a minimum of 24 clock hours of approved training child development, curriculum, safety, health, and other subjects;
- Completing additional training in other health-related subject matter that includes SIDS, CPR, first aid, and medical administration;
- Documenting compliance with OCC Licensing Specialists, the Local Fire Authority, and the Health Department; and
- Securing a Certificate of Registration after all requirements and inspections have been met.

Staff-to-Child Ratios and Staffing Requirements for Licensed Programs. Staff-to-child ratios and staffing requirements vary for licensed childcare centers and family childcare homes in Maryland. In general, the staff-to-child ratios required of licensed childcare centers align with or exceed infant and toddler best practices:

- For children between the ages of 6 weeks and 2 years of age, the maximum staff to child ratio is 1:3.³⁹
- For children between the ages of 2 and 3, the maximum staff to child ratio is 1:6.

Staff qualifications for licensed childcare centers, however, generally do not align with best practices. Compared with the National Academy of Science's recommendation that all staff serving children between the ages of 0 and 8 hold at least a bachelor's degree in early childhood education (ECE) or an equivalent field:

- Directors in childcare centers with less than 40 children are required to have a Child Development Associate (CDA) credential or 90 hours of college training in early childhood education; in centers with more than 40 children, they are required to have an A.A. in ECE or a B.A. with 2-4 years of experience.
- Lead teachers in childcare centers are required to have a CDA and one year of experience or college, as well as a year of supervision in a childcare setting.

³⁸ "Steps to Becoming a Registered Family Child Care Provider in Maryland" from the Maryland Committee for Children, 2009 http://www.marylandfamilynetwork.org/wp-content/uploads/2014/11/Steps_to_Becoming_a_Registered_Provider-fam.pdf

³⁹ As noted on page 12, best practices recommends a staff to child ratio of 1:3 for children between the ages of 0 and 18 months, and a maximum ratio of 1:4 for children between the ages of 18 months and 2 years old.

- Teacher assistants in childcare centers are required to have a high school diploma/GED, and to have a combination of one year of college or related childcare experience.

The staff-to-child ratio requirements for licensed family childcare homes also align with or exceed best practices, but requirements for staffing qualifications do not. Staff-to-child ratios, maximum group sizes, and minimum staff qualifications required for licensed family childcare providers in Maryland, include:

- One adult for every two children under the age of 24 months, with an additional adult if more than two children are under 24 months old;
- A maximum of eight children, of which not more than two can be younger than 24 months if there is one adult (or not more than four can be younger than 24 months if there are two adults); and
- Attending an orientation session on regulations and within two years completing 18 hours of approved training and two-clock hours related to child health issues. Providers must also complete 12 hours in approved training areas every two years at license renewal.
- There are, however, no minimal educational requirements for family-based providers in terms of credentials (e.g. high school diploma, CDA credential, or college degree) that must be met for licensing.

3. Child Care Credentialing Program of Maryland

To encourage childcare programs to align with best practices for staff training and credentialing, Maryland administers the voluntary Child Care Credential Program.⁴⁰ The intended purposes of this program are to promote a well-qualified workforce, to increase the quality of childcare programs, and to increase the status and compensation of childcare staff. In 2016, 12% of the childcare workers in Montgomery County participated in the Maryland Child Care Credential program.⁴¹

There are seven staff credential levels and four administrator levels within the Child Care Credentialing Program. They each include three components: (1) core training that providers should receive in child development, curriculum, professionalism, community, special needs, health, safety, and nutrition; (2) experience working with children in an approved setting; and (3) participation in professional activity units (PAU's) for childcare professionals, such as association membership and peer mentoring.

A list of the seven staff credential levels (and state benefits at each level) follows:

- **Level 1** (none) – State licensing requirements.
- **Level 2** (\$200 one time) – 45 clock hours of core training and one professional activity unit (PAU).
- **Level 3** (\$300 one time) – 90 clock hours of core training, one year of experience OR two years of college and two PAU's.
- **Level 4** (\$500 one time) – 135 clock hours of core training, two years of experiences, and three PAU's.
- **Level 4 PLUS** (\$600 yearly) –
 - 35 clock hours of core training and program accreditation if a family childcare provider, OR
 - 135 clock hours and 15 semester hours of approved coursework, OR
 - 135 clock hours and enrolled in approved college course of study with the accumulation of 55 points calculated by earning five points for each ECE course and/or additional year or experience.

⁴⁰ <http://earlychildhood.marylandpublicschools.org/system/files/filedepot/3/msdeiichildcare090215.pdf>

⁴¹ <https://www.montgomerycountymd.gov/HHS/Resources/Files/Reports/ECStrategicPlanfinal.pdf>

- **Level 5** (\$750 yearly) – A.A. or higher with 15 semester hours of approved coursework, OR completion of 30 semester hours of approved coursework, OR completion of 15 semester hours of approved coursework and enrolled in approved college course of study and accumulate 45 extra points.
- **Level 6** (\$1,000 yearly) – B.A. or higher, in an approved major OR bachelor’s or above with 30 semester hours in approved coursework OR A.A. or higher with 15 semester hours of approved coursework, enrolled in approved college course of study and accumulate 45 points by earning five points for each ECE course and each additional year of experience.

A list of the four administrator credential levels (and state benefits at each level) follows:

- **Level 1** (\$600 one time) – 240 clock hours of core training, two years of experience, and four PAU’s.
- **Level 2** (\$750 yearly) – 240 clock hours of core training, National Administrator’s Credential, 30 semester hours approved college coursework, two years of experience, and 5 PAU’s.
- **Level 3** (\$1,000 yearly) – A.A. or higher with 15 semester hours of approved coursework related to business management and at least one course in child development, curriculum, or administration of childcare.
- **Level 4** (\$1,500 yearly) – B.A. or higher in relevant field, with at least one course in child development, curriculum, and childcare administration, and completion of 45 clock hours in mentoring and coaching,

4. Accreditation and Maryland EXCELS

Like Maryland’s Child Care Credentialing Program, the accreditation process is voluntary in Maryland. While licensing requirements are minimum standards for operating programs, accreditation standards represent high quality and reflect research-based, best practices in early care and education. Accreditation requires considerable effort from providers beyond licensing: more specifically, accreditation requires a self-study, additional paperwork, and onsite observations to look at program quality. Accreditation also requires that childcare providers meet childcare credentialing requirements that exceed licensing requirements.

Childcare centers are usually accredited by the National Association for the Education of Young Children (NAEYC)⁴² and family child care providers are usually accredited through the National Association for Family Child Care (NAFCC). Both organizations offer searchable databases of accredited providers by jurisdiction.

Maryland EXCELS. Like the accreditation and childcare credential programs, participation in Maryland’s quality rating and improvement system (QRIS) is voluntary. Known as EXCELS (Excellence Counts in Early-Learning and School-Age Care), Maryland’s QRIS rates participating family childcare and center-based programs on a five-level scale, with programs rating a 4 or 5 being aligned with best practices in childcare across five components:

- **Licensing and Compliance**, to ensure that programs provide care to children with consideration for health and safety;

⁴² Of note, the Maryland Childcare Credential Program generally aligns with the staffing standards of the NAEYC accreditation process. NAEYC requires that all childcare center staff have at least a high school diploma and that 50% of assistant teachers have a CDA or above and that 100% have or are enrolled in a CDA program. The minimum requirement for assistant teachers will increase to a CDA effective May 31, 2018. NAEYC also requires all lead teachers to have an A.A. with at least 75% having a B.A. or equivalent in early childhood education. All directors are required to have at least a BA in any field. Effective May 31, 2018, directors will have to have a BA in early childhood education or an equivalent field.

- **Staff Qualifications and Professional Development** aligned with the Maryland’s Child Care Credentialing Program to help teachers, childcare providers, and staff follow best practices;⁴³
- **Accreditation and Rating Scales** that recognizes the quality of a program’s practices;
- **Developmentally Appropriate Learning and Practice** among teachers and staff members that consider children’s needs and set reasonable expectations and goals for each individual child; and
- **Administrative Policies and Practices** that help programs run smoothly and deliver expected services.

Although participation in EXCELS is voluntary, childcare programs in Maryland that accept state childcare subsidies are required to participate in Maryland EXCELS. Further, these programs receive reimbursements at tiered rates based on the EXCELS rating, with Level 5 programs receiving the highest reimbursement rates. To earn the highest-quality ratings under EXCELS, family childcare homes and childcare centers must obtain accreditation from the Maryland State Department of Education or from one of the national accrediting agencies recognized by MSDE.⁴⁴

At lower levels within EXCELS, programs must take steps toward meeting accreditation requirements such as interviewing the director or childcare owner and completing accreditation trainings or orientations. At higher levels, childcare programs must have either requested an accreditation visit or have already achieved accreditation.

Participation in Maryland EXCELS among childcare providers demonstrates their commitment to quality improvement. Participation at the highest rating levels also demonstrates a childcare program’s alignment with best practices. Maryland EXCELS also affords additional benefits to participating childcare programs that include:

- Increased childcare subsidy reimbursements;
- Discounts from vendors and organizations;
- Professional activity units (PAUs) for specified activities;
- Marketing and advertising opportunities;
- Targeted technical assistance, both online and face-to-face; and
- Professional development

Yet despite these benefits, there are few local providers that participate in Maryland EXCELS, particularly at the highest program ratings. In turn, too few infant and toddler childcare slots, especially high-quality slots, are available locally relative to the need, with the lowest-income children likely the most under-served. Overall, there were 25,000 children between the ages of 0 and 2 in the County based on the 2010 Census.⁴⁵

⁴³ Of note, the Level 4 staff credential is required for family childcare providers, childcare center directors and 60% of lead staff to reach Level 4 on EXCELS. For childcare centers, administrators must also reach Administrator Credential Level 1. The Level 4 PLUS staff credential is required for family childcare providers, childcare center directors and 60% of lead staff to reach Level 5 on EXCELS. For childcare centers, administrators must also reach Administrator Credential Level 2.

⁴⁴ These include Advance Education, Inc., American Montessori Internationale/USA, American Montessori Society, Association of Independent Maryland Schools, Association of Waldorf Schools of North America, Council on Accreditation - After-School Accreditation, Middle States Association of Colleges and Schools Commission on Elementary and Secondary Schools, National Accreditation Commission, National Association for the Education of Young Children, National Association for Family Child Care, and National Early Childhood Program Accreditation

⁴⁵ <http://www.marylandfamilynetwork.org/wp-content/uploads/2015/01/Montgomery-2.pdf>

In 2017, regulated childcare providers (i.e. childcare centers and family childcare homes) had the capacity to serve between 4,247 and 6,091 infants and toddlers, accounting for less than a quarter of children within this age group.⁴⁶ Moreover, there are even fewer high quality infant and toddler slots when considering childcare programs rating in the top tiers of Maryland EXCELS and program accreditation data:

- In December 2017, 67 local providers were rated at the top two levels of EXCELS: 55 Level 5 providers (with 46 serving infants and/or toddlers) and 12 Level 4 providers.
- Further, only a small share of childcare providers achieved either NAEYC or NAFCC accreditation: as of December 2017, there were 59 family childcare centers accredited by NAFCC in Montgomery County and 32 childcare centers accredited by NAEYC, 25 of which offered infant and toddler programs.
- Combined, these NAEYC- and NAFCC-accredited childcare programs offered fewer than 700 high-quality infant and toddler slots in the County.⁴⁷ At best, these slots were available for three percent of children between the ages of 0 and 2 in the County.
- Additionally, there were 47 childcare centers in the County accredited by MSDE in December 2017.⁴⁸ If each of these centers served between 9 and 18 infants and toddlers, then an additional 423 to 846 high-quality infant and toddler slots were available in the County, accounting for another two to three percent of the County's infant and toddler population.

Moreover, there are even fewer infant and toddler slots for low-income children in the County. As noted in the 2017 Montgomery County Early Care and Education Strategic Plan, the County's Early Head Start Program offered less than 400 slots compared to an estimated 7,000 low-income children who qualify in the County.⁴⁹

B. Challenges to Scaling Up Best Practices

The biggest challenge to scaling up best practices in infant and toddler childcare is the gap between what parents can pay for high-quality care and the actual costs of such care. The costs of low staff-to-child ratios, experienced and credentialed staff, and safe and nurturing learning environments often exceed what providers can charge parents, especially low-income parents. The cost of high-quality infant and toddler care can also exceed the value of childcare subsidies funded by the government to offset the high-cost of childcare for low- and moderate-income families.

The gap between the costs of high-quality infant and toddler care and parents' abilities to pay for such care contributes to three challenges that undermine efforts to scale up best practices:

- ***Low- and moderate-income families often cannot afford high-quality childcare.*** *Low- and moderate-income families often rely on unlicensed, low-quality childcare that does not confer the benefits of high-quality programs (e.g. gains in cognitive skills and school readiness). Both licensed and unlicensed providers also often earn poverty-level wages that foster instability in the childcare labor market.*

⁴⁶ Since Maryland regulations define infants and toddlers as children between the ages of 0-2, references to the demand and supply of infant and toddler care refers to this age range while references to infant and toddler best practices aforementioned refer more broadly to children between the ages of 0 and 3.

⁴⁷ Calculation based on 59 child care homes serving up to four infants and toddlers each (236) and 25 childcare centers serving on average 18 infants and toddlers each (450)

⁴⁸ Data point provided by DHHS.

⁴⁹ <https://www.montgomerycountymd.gov/HHS/Resources/Files/Reports/ECStrategicPlanfinal.pdf>

- **Current incentives to improve childcare quality are often insufficient because they fail to translate into higher wages or improved incomes for childcare providers.** Incentives for providers to adopt best practices – such as investing in professional development or accreditation – can fail to accomplish their intended goals because they do not lead to enhanced compensation for childcare personnel or operators.
- **Expanding public funding for pre-k without significant investments in infant and toddler childcare can undermine the quality and availability of infant and toddler childcare.** Expanding pre-k without commensurate public investments in infant and toddler childcare can undermine the quantity and quality of current infant and toddler programs if credentialed staff and accredited programs shift from serving infants and toddlers to serving preschoolers in better-funded and more profitable programs.

In the following four parts, this section describes these three sets of cost challenges and efforts to surmount these challenges in other jurisdictions and locally:

1. **The Affordability of High-Quality Infant and Toddler Care;**
2. **Incentives to Scale Up Best Practices;**
3. **Promising Practices in Other Jurisdictions; and**
4. **Impact of Pre-K Expansion on Infant and Toddler Care.**

An analysis of the information reviewed in this section suggests that significant public investments are necessary to create effective incentives that motivate infant and toddler childcare providers to scale up best practices. The most significant of these will be increasing salaries and benefits for infant and toddler childcare providers so that their compensation better aligns with their peers in public schools. These additional investments will be especially critical to safeguard the current supply of accredited infant and toddler programs in Montgomery County if publicly supported pre-k is expanded either locally or across the state.

1. The Affordability of High-Quality Infant and Toddler Care

Cost of Infant and Toddler Care. High-quality infant and toddler childcare is expensive to provide. The key features of high-quality infant and toddler care – low staff-to-child ratios and smaller group sizes – make infant and toddler care more expensive than childcare for older children. Whereas one teacher and a classroom space are required for every 10 children between the ages of 3 and 4, one teacher and classroom are required for every three children between the ages of 0 – 18 months according to best practices and for children between the ages of 0 and 2 for licensed childcare centers in Maryland.

The high cost of quality infant and toddler care creates barriers for families and programs alike: low and moderate-income families often cannot afford high-quality childcare and childcare providers often cannot afford to offer high-quality programs. The average annual cost of infant and toddler care of any quality in Montgomery County is high and unaffordable for many families. Maryland is ranked 5th out of 50 states and the District of Columbia for most expensive infant care; childcare costs in Montgomery County are the highest in the state. According to the Maryland Family Network,⁵⁰ the average annual price for infant childcare in Montgomery County in 2016 was \$13,300 for home-based care and \$18,900 for center-based care.

⁵⁰ <http://www.marylandfamilynetwork.org/wp-content/uploads/2015/01/Montgomery-2.pdf>

For a family four with the current median family income of \$125,904, the average cost of childcare for two children – an infant in a home-based setting at \$13,300; and a preschooler in a center a \$13,770 – would total \$27,000 annually. This family’s childcare costs would account for 22% of their income, rather than the 10% or less of income recommended by the U.S. Department of Health and Human Services for families to allocate for childcare expenses.

The cost of infant and toddler care is even high for local low-income families who have access to state childcare subsidies. For example,⁵¹ a single parent earning \$23,000 per year in 2014 would have to allocate 19% of their wages in co-payments for full-time childcare for an infant receiving a state childcare subsidy and 15% of their wages in co-payments for care for a child receiving the same subsidy between the ages of two and five.

Limited Supply of High-Quality Care. With only affluent families being able to afford high-quality infant and toddler childcare, the supply of such slots is limited. In turn, many lower-income families rely on unlicensed, low-quality childcare arrangements for their young children that do not confer the long-term benefits of high-quality programs. As the Montgomery County Early Care and Education Strategic Plan explains:⁵²

“(With) the mixed delivery system that we have, programs – especially those that serve infants and toddlers and children with disabilities – must establish prices that are below the cost of delivering quality services to maintain steady enrollment. Additionally, because the reimbursement rates established by the State for Child Care Subsidy are well below the market cost of quality, many children in the County are unable to attend a program that meets high-quality standards and which will optimally prepare them for success in school.”

Wages and Profitability. The high cost of high-quality infant and toddler care also undermines the wages of childcare staff and the viability of programs serving infants and toddlers. According to the Center for Law and Social Policy, 31% of center-based and 35% of family-based childcare providers are low-income, living below 200 percent of the federal poverty line.⁵³ According to the U.S. Bureau of Labor Statistics, the average wage of a childcare teacher in Maryland qualified that teacher for Supplemental Nutrition Assistance Program benefits.⁵⁴

Recent reports describing the infant and toddler childcare industry also find that providers and owners are often underpaid for the services they provide. For example, a 2016 report from DC Applesseed and DC Fiscal Policy Institute toddlers finds that “the underpaid workforce that cares for and educates infants and toddlers is essentially subsidizing the system through low wages” and “(d)ue to the same factors that drive these low wages, early childhood education business owners cannot always pay themselves.”⁵⁵

The same report notes that few early childhood education professionals in the District of Columbia receive employer benefits for health insurance or retirement, and that workers’ low levels of compensation fosters high turnover rates and difficulties among childcare owners in retaining qualified staff. Overall, they note that:

⁵¹ Calculations based on SCCSP 2014 data (\$84 a week co-pay for under age 2; \$67 a week for ages 2-5) referenced in https://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/Report2016-3ChildCare.pdf

⁵² <https://www.montgomerycountymd.gov/HHS/Resources/Files/Reports/ECStrategicPlanfinal.pdf>

⁵³ Center for Law and Social Policy (CLASP), *Better for Babies: A Study of State Infant and Toddler Child Care Policies*, 2013

⁵⁴ Montgomery County Early Care and Education Strategic Plan

⁵⁵ Judy Berman, Soumya Bhat, and Amber Rieke, *Solid Footing: Reinforcing the Early Care and Education Economy for Infants and Toddlers in DC*, DC Applesseed and DC Fiscal Policy Institute, 2016

“This undermines the District’s goals for increasing high-quality care because staff is one of the key drivers of quality. In particular, stable, educated, experienced providers are necessary to ensure the best early care and education for children at the highest risk for toxic stress and educational delays.”

Finally, data from the District of Columbia and elsewhere suggests that childcare subsidies designed to increase low- and moderate-income families’ access to high-quality childcare may not cover the actual costs of childcare, particularly for infant and toddler programs. States determine the subsidy rate to be paid to childcare providers and caregivers participating in their subsidy system. Federal guidance recommends that states set rates at a level equal to the private cost of at least 75% of care available in their communities. As noted by CLASP:⁵⁶

“Setting payment rates lower not only reduces the funds available for providers to invest in quality care, but also restricts the child care options available to parents using a subsidy. If payment rates are too low, some child care providers may be financially unable to care for children receiving subsidies and opt not to participate in the subsidy system.”

As noted by the Office of the State Superintendent of Education (OSSE) for the District of Columbia, the District’s payment rates for early childhood education centers fell below the market rate, ranging from 55 to 74 percent of the 2012 market rate for infants, depending on quality tier, and from 58 to 74 percent for toddlers.⁵⁷

Moreover, OSSE’s modeling of childcare costs suggests that the gap between program costs and childcare subsidies was largest for programs that served infants and toddlers and children with special needs. Overall, they found that the childcare subsidy rates covered only 66-70 percent of the median cost of infant and toddler care in an accredited environment.

Promising Strategies. To improve the economic viability of infant and toddler childcare programs to attract and retain highly qualified personnel and to serve low- and moderate-income families, several jurisdictions have strategically invested public funds into both public and private infant and toddler childcare programs. Generally, jurisdictions have pursued one of three options to fill the gap between what families can afford to pay for high-quality childcare and the actual costs of such care for infants and toddlers:

- **Supplement the wages and benefits of childcare personnel.** San Francisco’s Compensation and Wage Augmentation Grants for Economic Success (C-WAGES) is an example of this approach.⁵⁸ Funded locally, C-WAGES supplemented wages and contributed to health and retirement benefits for early childhood teachers employed in licensed childcare centers and family childcare homes. To be eligible, at least 25 percent of enrolled children were in families living below 75 percent of the state median income. Participating childcare programs had to agree to set standardized salary schedules differentiated by job and education and to participate in quality rating and improvement activities.

⁵⁶ CLASP, 2013

⁵⁷ https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/Modeling%20the%20Cost%20of%20Child%20Care%20in%20the%20District%20of%20Columbia%20-%202016_0.pdf

⁵⁸ Recently, C-WAGES has been replaced by Early Learning Scholarships to low-income families.

- **Increase subsidy rates for infant and toddler childcare.** This strategy has been proposed for both the District of Columbia and the State of Illinois to narrow the gap between the value of childcare subsidies and the actual costs of quality infant and toddler childcare. More specifically, DC Appleseed and DC Fiscal Policy Institute recommend a phased-in increase of subsidy payments to providers to cover the 30-34 percent gap between subsidy revenue and program costs for high-quality providers.⁵⁹ They also recommend differentiating childcare subsidy rates to support local priorities such as operating in high-poverty communities and providing care during non-traditional hours. Illinois Action for Kids has also proposed the state increase its childcare reimbursement rates to meet the costs of quality programs.⁶⁰

Contract directly with childcare providers to fund infant and toddler programs. The federal Child Care and Development Block Grant allows states the option of providing care through childcare subsidies and through direct contracts with childcare providers. The Center for Law and Social Policy (CLASP) finds that contracting directly with childcare providers for high-quality infant and toddler care can build the supply and improve the quality of infant and toddler care. Contracts also offer providers a consistent level of revenue that may improve their financial stability and ability to serve children with subsidies.

According to CLASP, 14 states relied on direct contracts with childcare providers to increase the supply or to improve their quality of subsidized infant and toddler childcare.⁶¹ Some states contracted directly with childcare providers while others offer sub-grants to communities or other entities. The Education Development Center also found that some states offer financial incentives to current preschool providers to launch infant and toddler programs.⁶²

Local Strategies. Montgomery County's Early Care and Education Strategic Plan recommends that the County supplement the wages and benefits of childcare personnel and increase subsidy rates for local childcare providers. Towards these ends, the County is relying on a provider cost of quality care study to help (1) develop appropriate compensation levels by position that lead to parity with public school colleagues and peers; and (2) inform rate setting for the Working Parents Assistance (WPA) Program and local grants and contracts. It is unclear how additional funding to supplement childcare wages will be generated.

Montgomery County's strategic plan also calls for expanding the WPA program to reach all eligible children, increasing WPA outreach to improve community awareness and access to high-quality childcare programs, and enabling families to enroll in WPA funded childcare slots on-site among select providers who have available space. Together, these local strategies can enhance access to high-quality infant and toddler childcare for low- to moderate income families and in turn their access to such programs.

Of note, the County has also increased the level of funding allocated to the WPA program and the number of families served. Between FY12 and FY18, the County increased funding from the WPA program from \$1.8 million annually to \$3.2 million. Despite these increases, however, the cost of childcare may still be unaffordable for the families eligible for WPA.

⁵⁹ Berman, Bhat, and Rieke, 2016

⁶⁰ Policy Brief: High Quality Infant and Toddler Care in Illinois – Illinois Action for Kids, 2013

⁶¹ Center for Law and Social Policy (CLASP), Better for Babies: A Study of State Infant and Toddler Child Care Policies, 2013

⁶² Resnick, Broadstone, Rosenberg, and Kim (2015)

DHHS estimates an average subsidy of \$768 per month to serve the 372 children between the ages of 0 and 5 on the WPA waitlist last year.⁶³ Yet, with the average cost of childcare for this age group equaling \$1,125 per month per child,⁶⁴ the cost of childcare would remain unaffordable for WPA parents as their out-of-pocket expense would average \$357 per month, per child. For families with one child in this age group, the out-of-pocket cost of childcare would exceed the federal affordability threshold for childcare at ten percent or less of income if they earned \$43,000 or less per year; for families with two young children, their out-of-pocket expense would exceed federal affordability guidelines if they earned less than \$86,000 annually.

2. Incentives to Scale Up Best Practices

Best practices for delivering high-quality infant and toddler childcare include the use of credentialed personnel and accredited providers. Many jurisdictions, including the State of Maryland, have adopted incentives aimed at encouraging greater credentialing and accreditation to expand the use of best practices in early care and education. This section describes these incentives but notes that they may prove insufficient for expanding credentialing and accreditation without commensurate efforts to increase wages and profits for childcare personnel and operators serving low-income infants, toddlers, and their families.

Incentives for Higher Credentialing. As noted, the Child Care Credential Program of Maryland encourages childcare professionals to earn CDA credentials and college degrees in early education. Towards this end, the state's credential program offers participants small stipends when they reach credentialing benchmarks (see page 15). These incentives, however, may be insufficient for increasing credentialing in early care because these investments in human capital do not always translate into higher wages or benefits for personnel. More specifically, the childcare industry's low wages fail to incentivize teachers to earn a bachelor's degree. According to the U.S. Department of Education,⁶⁵

"Preschool teachers are paid less than mail order clerks, tree trimmers, and pest control workers. Childcare workers make less than hairdressers and janitors. In fact, most early childhood educators earn so little that they qualify for public benefits, including the very (low-income) programs they teach..."

The U.S. Department of Education notes that the median annual wage for preschool teachers, at \$28,600 in 2015, was equivalent to 55 percent of the average earnings for kindergarten teachers and 52 percent of average earnings for elementary school teachers.⁶⁶ And data compiled by CLASP demonstrates the work needed to bring greater parity among personnel serving young children across these related industries. Whereas the median annual salary for childcare workers in Maryland was \$20,320 in 2015, it was:⁶⁷

- \$28,570 for Preschool Teachers;
- \$28,995 for Head Start Teachers;
- \$53,990 for Preschool Special Education Teachers;
- \$51,640 for Kindergarten Teachers; and
- \$54,890 for Elementary School Teachers.

⁶³ © 22 of http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&clip_id=13196&meta_id=136395

⁶⁴ Based on annual cost of childcare of \$13,500 for 0-5-year-olds that averages the annual cost of infant and preschooler care in Montgomery County. <http://www.marylandfamilynetwork.org/wp-content/uploads/2015/01/Montgomery-2.pdf>

⁶⁵ U.S. Department of Education Fact Sheet: Troubling Pay Gap for Early Childhood Teachers. June 14, 2016

⁶⁶ Ibid.

⁶⁷ CLASP

Despite education and training requirements increasing for early education teachers, their pay has not: early learning caregivers and teachers with a bachelor's degree earn only half the average salaries of individuals with bachelor's degrees overall;⁶⁸ and center-based infant and toddler teachers with bachelor's degrees on average earned 147 percent of the federal poverty line for a family of two in 2015 compared to their peers without college degrees, who earned the equivalent of 125 percent of the federal poverty line for a family of two.⁶⁹

In sum, childcare personnel who invest in higher education may not yield sufficient enough returns on their investment unless they migrate to better-funded pre-k programs. In turn, childcare operators have a hard time retaining highly-qualified personnel once they have earned a bachelor's degree. As such, an unintended consequence of expanded credentialing in early care and education can be increased staff turnover, particularly for infant and toddler childcare programs.

Incentives for Program Accreditation. The federal Child Care and Development Block Grant (CCDBG) program requires that childcare providers participate in their state's quality rating and improvement system (QRIS) to receive federally funded childcare subsidies or contracts. This can create an incentive for programs to become accredited and earn high ratings within their state's QRIS. However, this incentive only works if the value of CCDBG revenue exceeds the combined costs of accreditation and delivering childcare to infants and toddlers.

As already noted, childcare subsidies offered by some jurisdictions do not fully cover the cost of delivering infant and toddler care in the highest quality rated programs. As such, participation in CCDBG-funded programs may offer an insufficient incentive for infant and toddler childcare providers to become accredited and progress in their state's QRIS to ratings commensurate with high-quality and best practices.

The cost of accreditation may also serve as a disincentive for childcare providers to scale up best practices. As described by DC Appleseed and the DC Fiscal Policy Institute, some providers may choose not to pursue accreditation, because of the time, effort, and expense required.⁷⁰ Initial accreditation fees for NAEYC ranged from \$1,600 to \$2,800 by center size, with additional fees of \$550 to \$850 or more every three years for re-accreditation. Additionally, providers also need to pay for supplies and staff time to prepare for accreditation.

DC Appleseed and the DC Fiscal Policy Institute also find that the high cost of accreditation may further depress wages for infant and toddler care personnel as follows:⁷¹

"Accreditation standards put pressure on nearly every aspect of a provider's program, including design of indoor and outdoor space, quality of instruction, and type and layout of materials in a classroom. It is important to note, however, that they do not stipulate wage standards for teachers or other staff. While they require that certain staff have credentials, and credentials typically generate higher pay, credentials and wages have not been successfully aligned in community-based ECE services as they have in other education and health sectors. By not providing a pay scale or requiring parity with compensation in the public school sector, the national accreditation process may have the unintended consequence of forcing providers to shift resources away from compensation to attain and maintain accreditation."

⁶⁸ Ibid

⁶⁹ Presentation by National Association for Family Child Care and Zero to Three on June 5, 2016 at the NAEYC

⁷⁰ Berman, Bhat, and Rieke, 2016

⁷¹ Ibid

Promising Practices. Several jurisdictions have undertaken efforts to enhance the quality of infant and toddler care through the credentialing of staff and accreditation of programs. These efforts generally fall into three sets of approaches that are described below. The effectiveness of these approaches, however, remains unknown.

- **Investments in professional development for infant and toddler childcare personnel.** The Education Development Center (EDC) identified three strategies used by states to improve the skills of infant and toddler childcare professionals:⁷²
 - 48 percent of states provided specialized infant and toddler training;
 - 42 percent of states adopted infant and toddler early learning guidelines; and
 - 29 percent of states created infant and toddler childcare credentials.

DC Applesseed and the DC Fiscal Policy Institute also recommend that the District of Columbia incentivize professional development opportunities for providers to fill in gaps in available infant and toddler childcare.⁷³ For example, they recommend the District offer professional development to increase the number of providers offering high-quality childcare to infants and toddlers with special needs. They also recommend that the District incentivize providers to pursue these opportunities by funding bonuses for staff who participate.

- **Investments to enhance the quality of infant and toddler childcare programs.** As part of the Child Care Collaboration Study, EDC researchers also identified five strategies used by states to improve the quality of infant and toddler childcare programs:⁷⁴
 - 74 percent of states offered tiered child care subsidy reimbursement rates for higher quality;
 - 57 percent provided higher subsidy rates for infant and toddler childcare;
 - 51 percent of states offered technical assistance to childcare providers;
 - 18 percent promoted partnerships between Early Head Start and local childcare programs; and
 - 12 percent increased the number of infant and toddler specialists to assist local programs.
- **Investments to enhance program efficiencies and lower costs.** EDC researchers also identified states' use of funding for infant and toddler equipment and facilities enhancements to improve program operations and to lower their cost of operations.⁷⁵ Nearly a quarter of states (23%) indicated the use of this strategy to expand infant and toddler childcare programming. DC Applesseed and DC Fiscal Policy Institute also recommend that the District of Columbia adopt two strategies to build more sustainable business and service delivery models for infant and toddler childcare:
 - Facilitate improved record-keeping so that childcare homes and centers are better able to analyze their data to understand their program costs and opportunities for efficiencies; and
 - Pilot shared-service models that offer childcare providers access to third-party professionals to execute certain business tasks (e.g. payroll and purchasing) that may achieve economies of scale and lower administrative costs.

⁷² Resnick, Broadstone, Rosenberg, and Kim, 2015

⁷³ Berman, Bhat, and Rieke, 2016

⁷⁴ Resnick, Broadstone, Rosenberg, and Kim, 2015

⁷⁵ Ibid

Local Practices. The Montgomery County Early Care and Education Strategic Plan recognizes the challenge of trying to incentivize the scaling up of best practices for early care and education personnel when childcare professionals are paid significantly less than their public school peers. They note that:

“There is little financial incentive to remain working in an early care and education program after gaining advanced credentials when the compensation is not commensurate with the qualification. Although EXCELS requires a program to have pay differentials, there are no State or local guidelines for a salary schedule and benefits.”⁷⁶

Montgomery County’s Strategic Plan proposes that the County provide professional development to both childcare staff and administrators to enable more childcare providers to meet higher levels of the Maryland Child Care Credential. The strategic plan’s recommendations include proposals for the County to provide financial assistance to help defray the cost of professional development and higher education among childcare providers and cohort of providers whose native language is not English. The plan also calls for increasing the number of licensed childcare providers by expanding support to family, friends, and neighborhood providers.

The County’s strategic plan also proposes that the County provide additional training and technical assistance that will advance providers at the lowest levels of Maryland EXCELS to meet high quality standards. This additional training and technical assistance would be provided in part by an expanded pool of trainers and coaches certified by the state to deliver trainings required for providers to meet new licensing requirements established by the federal Child Care Development Fund.

Finally, the County’s strategic plan calls for the establishment of a common application for available public and private space for childcare in the County that aligns requirements for Community Use of Public Space, Child Care in Public Space, and MCPS public space. This recommendation, if implemented, could lower providers’ costs for childcare space and operations overall.

3. Promising Practices in Other Jurisdictions

This section summarizes promising practices for enhancing the affordability and availability of high-quality childcare in four jurisdictions with children’s trusts that rely on dedicated revenue sources to fund children’s and youth programs: San Francisco, CA; Seattle, WA; Portland, OR; and Miami-Dade County, FL.⁷⁷ These jurisdictions’ practices are described across seven sets of strategies.

1. Supplement wages and/or benefits for childcare personnel
2. Increase subsidy rates for childcare
3. Contract directly with providers to provide more childcare slots
4. Enhance program efficiencies and lower costs for childcare
5. Professionalize childcare workforce with training and credentialing
6. Incentivize childcare programs to seek accreditation and higher QRIS ratings
7. Provide comprehensive services including mental health services for childcare

These strategies overlap with promising practices for increasing the affordability and quality of childcare described in Sections 1 and 2 of this report. As noted already, the effectiveness of these approaches has not been evaluated. Chart 3 on the next page summarizes the promising practices used in each jurisdiction.

⁷⁶ <https://www.montgomerycountymd.gov/HHS/Resources/Files/Reports/ECStrategicPlanfinal.pdf>

⁷⁷ <https://www.montgomerycountymd.gov/OLO/Resources/Files/2016%20Reports/OLOREport2016-11OutofSchool.pdf>

Chart 3: Use of Children’s Trusts to Enhance Childcare Affordability, Quality, and Quantity

<u>Promising Practices</u>	San Francisco	Seattle	Portland	Miami-Dade
• Subsidize compensation and benefits for childcare staff	X	X		X
• Increase subsidy rates for childcare, especially for infants and toddlers	X	X	X	
• Contract directly with childcare providers	X		X	X
• Enhance program efficiencies and lower program costs	X			
• Professionalize childcare workforce with training and credentialing	X	X		X
• Incentivize childcare programs to seek accreditation and higher QRIS ratings	X			X
• Provide comprehensive health services in childcare programs	X		X	X

Among the four jurisdictions, **San Francisco** has adopted the most promising practices aimed at expanding and improving the quality and affordability of childcare. More specifically, they:

- Supplement the wages and benefits of childcare personnel to enhance quality and reduce turnover,⁷⁸
- Provide higher childcare subsidies for infant and toddler care,
- Rely on contracted and voucher-based subsidies to increase affordable childcare slots,
- Offer resources to providers via its Child Care Facilities Fund and Child Care Capital Fund to improve their facilities,
- Provide childcare staff training and credentialing opportunities, and
- Provide public health and mental health consultation services to childcare programs.

The Children’s Trust of **Miami-Dade** invests in five of the seven promising practices to promote affordable and accessible high-quality childcare programs, including offering wage supplements to childcare teachers, directly funding childcare slots for low-to-moderate wage earning families and farmworkers with childcare needs, offering providers technical assistance and training to help professionalize their childcare workforce, and funding the delivery of short-term behavioral interventions with parents and caregivers for children in childcare.

Finally, both Seattle and Portland each implement three sets of promising practices aimed at improving and expanding affordable childcare options in their communities. **Seattle’s** investments include:

- Subsidizing wages and benefits for childcare staff to enhance workforce stability and quality,
- Offering childcare subsidies for six early care and education sites, and
- Funding their Early Learning Academy that provides professional development for preschool teachers, family childcare providers, and family, friend and neighbor caregivers.

⁷⁸ Recently C-WAGES has been replaced by Early Learning Scholarships to low-income families.

Portland also uses its local child levy funding to:

- Offer childcare subsidies to low-income parents to supplement state subsidies and ensure co-pays of less than 10 percent of income for income-eligible families,
- Fund Early Head Start classrooms and home-based services and two childcare sites, and
- Provide early childhood and general mental health consultations with childcare sites and home visiting programs.

4. Impact of Pre-K Expansion on Infant and Toddler Care

The last challenge to scaling up best practices in infant and toddler care reviewed in this report is the expansion of pre-kindergarten programs for preschool-aged children. The impact of pre-k expansion on the availability of infant and toddler care in the District of Columbia offers a harbinger of the challenges that Montgomery County could face in expanding and sustaining high-quality infant and toddler childcare slots if publicly funded pre-k programs were expanded locally.

A 2016 blog from Bellwether Associates summarizes the challenges experienced in the District of Columbia:⁷⁹

“Child-care costs for infants and toddlers in DC are among the highest in the nation – over \$23,000 for center-based care for infants. For families for whom that would be almost half their annual income, subsidized child care is increasingly hard to get, and pre-k might be partly to blame ... market impacts of booming pre-k enrollment have made it tougher for child-care providers to accept infants and toddlers at subsidized rates, even in neighborhoods with few high-income families.”

The District of Columbia’s Office of the State Superintendent of Education (OSSE) acknowledges the same dilemma in their report modeling the cost of childcare of D.C.⁸⁰ They find that the District’s:

“(S)hift to universal pre-kindergarten for three- and four-year-old children, largely delivered in public school settings, has created financial challenges for community-based child development organizations and child development homes that serve infants and toddlers, the most expensive type of care,”

As already noted, many market-based childcare programs – especially those that serve infants and toddlers – have to establish prices that are below the true cost of delivering quality services. To better understand the actual cost of delivering quality childcare in DC, OSSE developed a model to estimate the actual cost of delivering childcare services at each quality tier level for childcare centers and licensed family childcare homes.

OSSE’s cost modeling found that the likely cost of delivering childcare exceeded available public revenues from childcare subsidies in most cases. OSSE found that “most community-based organizations need to tap other funding streams, increase program size, and maintain full employment to break even.” Further, OSSE found that the most significant gaps between public funding and true costs were for infant and toddler care. In 2016:⁸¹

⁷⁹ Bonnie O’Keefe, How Universal Pre-K Broke Subsidized Child Care in DC, Bellwether Educational Partners, Ahead of the Heard Blog, May 24, 2016

⁸⁰https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/Modeling%20the%20Cost%20of%20Child%20Care%20in%20the%20District%20of%20Columbia%20-%202016_0.pdf

⁸¹ See page 8 of Berman, Bhat, and Rieke, 2016

- The daily full-time market rate for center-based childcare was \$84.48 per day for infants (or \$21,965 per year) and \$78.98 per day for toddlers (or \$20,535 per year).
- However, the childcare subsidy rate for gold-tier centers was \$62.57 per day for infants (or \$16,268 per year) and \$58.50 per day for toddlers (or \$15,210 per year).

As such, DC's gold level rates covered 74 percent of the market rate for infant and toddler care, while bronze and silver level rates covered less. More specifically, the gap between childcare costs and the gold tier subsidy for center-based care was \$5,700 per infant and the gap between childcare center costs and gold tier subsidy for center-based care was \$5,300 per toddler.⁸² Such centers, that are currently operating their infant and toddler programs at a loss, obviously have an economic incentive to shift their programming to pre-k.

Based on the OSSE study, O'Keefe of Bellwether Educational Partners offers this additional analysis and warning about the impact of pre-k expansion on infant and toddler care in lower-income communities:⁸³

"What the cost-modeling study does not explicitly say is that school-based pre-k makes the mixed ages strategy less viable. With 76% of three- and four-year-olds in school-based pre-k, the market for childcare in those age groups is now very small. In neighborhoods with higher-income families, childcare providers can stop accepting subsidies, charge market rates, and still have long wait lines. At the same time, in neighborhoods where no one can pay \$23,000 for child care, meeting high-quality standards for infants and toddlers with subsidies alone is nearly impossible. As a result, providers are more likely to cut quality in order to cut costs, shut down, or operate illegally."

DC Appleseed and the DC Fiscal Policy Institute also find that DC's funding of universal pre-k has "the side effect of creating a bifurcated system of compensation and administration within (ECE) centers."⁸⁴ Centers that receive expansion grants pay pre-k teachers on a scale comparable to public schools, while infant and toddler teachers can be paid significantly lower wages. This exacerbates the migration of credentialed early care and education personnel to pre-k programs because they offer significantly better compensation opportunities.

Local Context. The high cost of early care and education in Montgomery County combined with low childcare subsidy rates suggests that many regulated infant and toddler providers will shift to delivering pre-k or may shut down altogether if a significant share of their preschool-aged clients shift to publicly funded pre-k programs. As noted in OLO Report 2016-3, the annual cost of regulated childcare in 2014 ranged from \$13,000 - \$17,000 for infants and toddlers to \$10,000 - \$12,600 for two- to four-year-old children.⁸⁵ Yet, the state childcare subsidy for low-income families met the actual cost of childcare for less than ten percent of regulated providers locally.

Similarly, the value of the WPA subsidy for early care, estimated at an average amount of \$767.50 per month for children between the ages of 0 and 5, is substantially less than the \$1,125 per month average cost of care for infants and preschoolers in Montgomery County. Moreover, the estimated out-of-pocket expense to parents receiving WPA vouchers at \$357 per month, per child, for early care, exceeds the recommended federal threshold for childcare affordability at 10 percent or less of income for many WPA families.

⁸² Calculated based on data from page 8 of Berman, Bhat, and Rieke, 2016

⁸³ O'Keefe, 2016

⁸⁴ Berman, Bhat, and Rieke, 2016

⁸⁵ According to the Maryland Family Network, average costs in 2017 ranged from nearly \$14,000 to \$19,000 in 2017 for infant and toddler care to \$12,000 to \$13,000 for two-to-four-year olds.

With the average cost of regulated childcare exceeding the value of childcare subsidies, particularly for infants and toddlers, and the cost gap between high-quality care and childcare subsidies likely being higher, expanding pre-k under a mixed delivery system will create a strong incentive for high-quality providers to shift from delivering infant and toddler care to providing pre-k.

Based on the District of Columbia's experience and the existing gap between regulated childcare costs and state subsidies within the County, OLO finds that Montgomery County runs the risk of experiencing similar challenges of diminished infant and toddler childcare quality as it ramps up pre-k. To minimize this possibility, the County may want to consider simultaneously devoting additional resources to infant and toddler childcare programs to enhance subsidy rates and compensation for personnel serving infants and toddlers. Expanding pre-k without commensurate investments in infant and toddler childcare may undermine the quantity and quality of current infant and toddler slots.

Chapter 4. Project Findings and Recommended Discussion Issues

The County Council tasked the Office of Legislative Oversight to develop this report to describe best practices among high quality infant and toddler childcare programs. The Council requested this project as follow-up to two recent OLO reports that describe the benefits of pre-kindergarten programs and infant and toddler childcare programs. This current report also builds on OLO's 2015 Child Care in Montgomery County report that described the insufficient supply of affordable, regulated childcare available in the County.

This current OLO report offers a synthesis of the research describing the characteristics of high-quality infant and toddler childcare, their prevalence, and the challenges associated with expanding high-quality infant and toddler childcare. This report also considers Montgomery County's strategic plan for early care and education and offers insights on how expanding publicly funded pre-kindergarten programs in the County may impact the quality and quantity of infant and toddler childcare slots in the County.

This chapter summarizes the five major findings that emerged from OLO's review and offers four recommended issues for the Council to discuss with Executive Branch representatives.

Summary of Project Findings

1. The use of best practices for infant and toddler childcare contribute to favorable program impacts, especially for low-income children and their parents.

High quality early learning experiences help children start school ready to succeed, while poor-quality services can do harm. This applies to programs providing home visiting and parenting education, family support and strengthening services, health and nutrition services, childcare, and preschool.⁸⁶

As noted in OLO Report 2018-3, high-quality infant and toddler childcare programs can favorably contribute to child outcomes and reduce future government spending when targeted to low-income children. In addition to enhancing school readiness, high-quality early childhood programs can reduce the use of special education, increase high school graduation rates, increase labor force participation, and lower costs for the criminal justice system.⁸⁷ They can also offer two-generation benefits that include increase labor force participation and earnings for low-income parents.

High-quality infant and toddler childcare programs often implement two sets of best practices:⁸⁸

- *Developmentally appropriate practices*, also known as process features, that reflect the essential features of a child's day-to-day experience in childcare, such as the nature of relationships between providers, children, and their families.
- *Regulable features*, also known as structural features, that provide agencies policy levers for impacting the day-to-day experiences of children in childcare.

⁸⁶ State Early Childhood Policy and Technical Assistance Network, School Readiness Briefing Paper 6 Quality Matters

⁸⁷ Table 1 from <https://www.montgomerycountymd.gov/OLO/Resources/Files/2017%20Reports/OLOREport2018-3.pdf>

⁸⁸ The National Institute of Child Health and Human Development Study of Early Child Care and Youth Development uses this framework to describe childcare best practice in The NICHD Study of Early Child Care and Youth Development – Findings for Children up to Age 4 ½ Years. NIH Pub No 05-4318, January 2006, https://www.nichd.nih.gov/publications/pubs/documents/seccyd_06.pdf

Mathematica Policy Research reviewed the empirical evidence regarding the features of high-quality early care and education (ECE) programs that impact child-teacher interactions and child development outcomes.⁸⁹ They note that the literature on the associations between ECE features and children’s outcomes and classroom practices is useful, but still developing. ECE includes childcare for infants, toddlers, and preschool-aged children and preschool programs. Chart 4 below provides a summary of Mathematica’s findings.

Chart 4: Level of Evidence for Features of Early Care and Education Programs

Program Features	Associated with child outcomes	Associated with observed teacher-child interactions	Endorsed by experts
Process Features/Developmentally Appropriate Practices			
Physical environment and materials	X*	X*	X
Curriculum	X*		X
Assessment and evaluation			X
Regulable Features/Structural Quality Measures			
Group size and adult-child ratio	X*	X*	X
Training and professional development	X*	X*	X
Staff education and credentials	X*	X*	X
Staff compensation and benefits			X
<i>Note: This table summarizes levels of evidence for each quality element based on association with outcomes and practices as reported in reviewed literature. In the first two columns, cells marked with an “X” indicate there was evidence of an association and blank cells indicate that no evidence or an association was reported. * Denotes that some null findings were also reported.</i>			

Overall, Mathematica finds mixed empirical support for most of the early care and education best practices endorsed by experts. Among the seven sets of best practices, empirical support is strongest establishing the benefit of the physical environment and use of high-quality materials in infant and toddler programs, the use of a curriculum, small group sizes and adult-child ratios, and to a lesser extent, the use of specialized staff training and professional development in early care and education.

In turn, Mathematica’s review finds limited empirical evidence for the use of assessments and evaluation, staff education and credentials, and staff compensation and benefits. This does not mean that this set of best practices does not actually improve outcomes among children in ECE programs. Instead, this means that evaluations have not yet considered the impact of these factors or consistently demonstrated a favorable impact of these approaches.

⁸⁹ Caronongan, Kirby, Bioller, Modlin, and Lyskawa – “Assessing the Implementation and Cost of High Quality Early Care and Education: A Review of the Literature” OPRE Report 2016-31. DHHS and Mathematica Policy Research

2. According to Maryland EXCELS and local accreditation data, few local infant and toddler childcare programs align with best practices.

Overall, this project finds that a small share of infant and toddler programs demonstrate high quality as reflected by national studies and trends in local accreditation. Locally, licensing standards for infant and toddler group sizes and adult-to-child ratios for childcare centers align with best practices. However, only a small share of the County's infant and toddler childcare providers are accredited or demonstrate high levels of quality as part of the state's quality rating and improvement system.

Participation in Maryland's quality rating and improvement system, known as Maryland EXCELS (Excellence Counts in Early-Learning and School-Age Care) is voluntary. Participating family childcare and center-based programs are ranked on a five-level scale with programs rating a 4 or 5 aligned with best practices in childcare across five areas: licensing and compliance, staff qualifications and professional development, accreditation and rating scales, developmentally appropriate learning and practices, and administrative policies and practices.

Participation in EXCELS demonstrates a childcare program's alignment with best practices. Moreover, childcare programs that accept state childcare subsidies in Maryland are required to participate in EXCELS and receive reimbursements at tiered rates based on their EXCELS rating. Level 5 programs receive the highest subsidy rates. Yet, few local childcare providers participate in EXCELS, particularly at the highest program ratings. In turn, too few infant and toddler childcare slots, especially high-quality slots, are available locally relative to the need, with the lowest-income children most likely to be under-served.

Overall, there were 25,000 children between the ages of 0 and 2 in the County based on the 2010 Census.⁹⁰ In 2017, regulated childcare providers (childcare centers and family childcare homes) had the capacity to service between 4,247 and 6,091 infants and toddlers, accounting for 17-24% of children between the ages of 0 and 2. Moreover, there are even fewer high-quality infant and toddler slots when considering childcare programs rating in the top tiers of Maryland EXCELS and program accreditation data:

- In December 2017, 67 local providers were rated in the top two levels of EXCELS: there were 55 Level 5 providers and 12 Level 4 providers. Yet, only a subset of Level 5 providers (12 childcare centers and 34 family childcare homes) offered infant or toddler care.
- Further, only a small share of childcare providers achieved either NAEYC or NAFCC accreditation: as of December 2017, there were 59 family childcare programs accredited by NAFCC in the County and 32 childcare centers accredited by NAEYC, 25 of which offered infant and toddler programs.
- Combined, the NAEYC and NAFCC accredited childcare programs likely offered fewer than 700 high-quality infant and toddler slots in the County.⁹¹ At best, these regulated, high-quality slots were available for three percent of children between the ages of 0 and 2 in the County.
- Additionally, there were 47 Montgomery County childcare centers accredited by MSDE in December 2017. If each of these centers served between 9 and 18 infants and toddlers, then an additional 423 to 846 high-quality infant and toddler slots were available in the County, accounting for another two to three percent of infant and toddler population.

⁹⁰ <http://www.marylandfamilynetwork.org/wp-content/uploads/2015/01/Montgomery-2.pdf>

⁹¹ Calculation based on 59 child care homes serving up to four infants and toddlers each (236) and 25 childcare centers serving on average 18 infants and toddlers each (450)

3. The challenges of the childcare economy discourage many childcare operators serving low- and moderate-income families from scaling up best practices.

Affordability. The biggest challenge to scaling up best practices in infant and toddler care is the gap between what many parents can afford to pay for high-quality childcare and the actual costs of delivering such care. The cost to providers to deliver low staff-to-child ratios, experienced and credentialed staff, and safe and nurturing learning environments often exceeds what providers can charge parents or receive from the government in child care subsidies for low-income families. To align program costs to what parents and the public are willing to pay, providers must often sacrifice quality and the use of best practices to lower their operating costs.

The average annual price of infant and toddler childcare of any quality in Montgomery County is high and cost prohibitive for many families. The average annual price for infant care in Montgomery County in 2016 was \$13,300 for home-based care and \$18,900 for center-based care. For a family of four with the current median family income of \$125,904, the average cost of childcare for two children – an infant and a preschooler for a combined cost of \$27,000 - would account for 22% of their income rather than the 10% or less recommended by the U.S. Department of Health and Human Services for families to allocate for childcare expenses.

The cost of infant and toddler care is also high for local low-income families who have child care subsidies. For example,⁹² a single parent earning \$23,000 per year would have to allocate 19% of their income in co-payments for full-time infant care with a state child care subsidy and 15% of their income in co-payments for full-time care for a child between the ages of two and five. Similarly, out-of-pocket costs for parents who receive WPA subsidies for early care often exceed the federal threshold for childcare affordability at 10 percent or less when comparing the value of the subsidy to the average cost of childcare.

The high cost of regulated childcare that aligns with best practices for group size and staff-to-child ratios fosters demand for a secondary market for unregulated childcare, particularly for infant and toddlers. This secondary market creates a disincentive for programs in the regulated market to scale up best practices that are expensive to implement, such as program accreditation.

Depressed Wages. The high cost of delivering quality infant and toddler care undermines the wages available for childcare providers and the viability of programs serving infants and toddlers. Since market-based childcare programs – especially those that serve infants and toddlers – often establish prices that are below the true cost of delivering quality services, operators are forced to underpay their staffs and/or themselves. In turn, childcare teachers and operators can earn poverty-level incomes. According to the Center for Law and Social Policy, 31% of center-based and 35% of family-based childcare providers are low income, living below 200 percent of the federal poverty level.⁹³ Moreover, according to the U.S. Bureau of Labor Statistics, the average wage of a childcare teacher in Maryland qualified that teacher for Supplemental Nutrition Assistance Program benefits.⁹⁴

⁹² Calculations based on SCCSP 2014 data (\$84 a week co-pay for under age 2; \$67 a week for ages 2-5) referenced in https://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/Report2016-3ChildCare.pdf

⁹³ Center for Law and Social Policy (CLASP), *Better for Babies: A Study of State Infant and Toddler Child Care Policies*, 2013

⁹⁴ Montgomery County Early Care and Education Strategic Plan

The childcare industry's low wages also fail to incentivize teachers to earn college degrees. Despite education and training requirements increasing for early education teachers, their pay has not: early learning educators with a bachelor's degree earn only half the average salaries of individuals with bachelor's degrees.⁹⁵ In 2015, center-based infant and toddler teachers with bachelor's degrees on average earned 147 percent of the federal poverty line for a family of two, while their peers without bachelor's degrees earned on average the equivalent of 125 percent of the federal poverty line for a family of two.⁹⁶

4. Jurisdictions have implemented promising strategies aimed at scaling up best practices for infant and toddler childcare, but the effectiveness of these practices remains unknown.

Several jurisdictions, including Montgomery County, have invested or intend to invest in infant and toddler childcare programs to scale up the use of best practices. Generally, jurisdictions have pursued practices to enhance the economic viability of high-quality programs and/or the quality of programs through greater staff credentialing and program improvements. The effectiveness of these two sets of promising practices, however, remains unknown. Promising practices designed to enhance the economic viability of programs include:

- **Supplementing the wages and benefits of childcare personnel.** For example, San Francisco's Compensation and Wage Augmentation Grants for Economic Success supplements wages and contributes to health and retirement benefits of early childhood teachers employed in private settings. Montgomery County's Early Care and Education Strategic Plan also recommends that the County supplement the wages and benefits of childcare personnel.
- **Increasing subsidy rates for infant and toddler childcare.** Both the District of Columbia and the State of Illinois have proposed narrowing the gap between the value of childcare subsidies and the actual costs of quality infant and toddler childcare to expand the availability of high-quality infant and toddler slots to low- and moderate-income families. Montgomery County's strategic plan also calls for increasing subsidy rates for local childcare providers and expanding the WPA program to reach all eligible children.
- **Contracting directly with childcare providers to fund infant and toddler programs.** The Center for Law and Social Policy (CLASP) finds that contracting directly with child care providers for high-quality infant and toddler care can build the supply and improve the quality of infant and toddler childcare. According to CLASP, 14 states relied on direct contracts with providers to increase the supply or improve their quality of infant and toddler care.⁹⁷
- **Investing in strategies to enhance program efficiencies and lower costs.** According to the Education Development Center (EDC), nearly a quarter of states have used funding to enhance infant and toddler equipment and facilities to improve program operations and to lower costs.⁹⁸ To potentially lower provider's costs for space, Montgomery County's strategic plan also recommends a common application for available public and private space for childcare in the County.

Promising practices to increase staff credentialing and program quality for infant and toddler care include:

⁹⁵ Ibid

⁹⁶ Presentation by National Association for Family Child Care and Zero to Three on June 5, 2016 at the NAEYC

⁹⁷ Center for Law and Social Policy (CLASP), *Better for Babies: A Study of State Infant and Toddler Child Care Policies*, 2013

⁹⁸ Ibid

- **Investing in professional development for infant and toddler childcare personnel.** According to the EDC, states have provided specialized infant and toddler training, adopted infant and toddler learning guidelines, and created infant and toddler childcare strategies as strategies to improve the skills of infant and toddler childcare staff.⁹⁹ Montgomery County’s Strategic Plan also recommends local investments in professional development for childcare staff and administrators to enable more providers to meet higher levels of the Maryland Child Care Credential.
- **Investments to enhance the quality of infant and toddler childcare programs.** According to the EDC, states have also implemented five promising practices to improve the quality of infant and toddler childcare:
 - Offered tiered child care subsidy reimbursement rates for higher-quality (74% of states);
 - Provided higher subsidy rates for infant and toddler childcare (57% of states);
 - Offered technical assistance to childcare providers (51% of states);
 - Promoted partnerships between Early Head Start and local programs (18% of states); and
 - Increased the number of infant and toddler specialists to assist programs (12% of states).¹⁰⁰

The County’s strategic plan also offers several recommendations aimed at enhancing the quality of programs, including expanding the availability of approved trainers and coaches to deliver trainings for providers to meet new licensing requirements established by the federal Child Care Development Fund and increasing the number of licensed childcare providers in the County.

5. Expanding pre-k may compromise the quality and quantity of high-quality infant and toddler care in Montgomery County.

The last challenge to scaling up best practices in infant and toddler care reviewed in this report is the expansion of pre-kindergarten programs for preschool-aged children. The impact of pre-k expansion on the availability of infant and toddler care in the District of Columbia offers a harbinger of two unintended consequences that could negatively impact the quality and quantity of existing infant and toddler childcare slots locally.

- **The supply of infant and toddler childcare slots could diminish if local programs shift to offering pre-k.** An unintended consequence of expanding pre-k within a mixed delivery approach is that it creates a financial incentive for current infant and toddler care operators to shift to delivering pre-k. With larger group sizes and staff-to-student ratios, pre-k programs are less costly to operate than infant and toddler programs. The loss of preschool-aged children to publicly supported pre-k also creates financial challenges for childcare programs serving infants and toddlers with the loss of economically viable mixed-age programs.

As noted by the Office of the State Superintendent of Education, DC’s shift to universal pre-k “has created financial challenges for community-based child development organizations and child development homes that serve infants and toddlers, the most expensive type of care.”¹⁰¹ They also found that “most community-based organizations need to tap other funding streams, increase program size, and maintain full enrollment to break even.” Similarly, in Montgomery County, childcare centers and homes reliant on subsidies or mixed-age settings may have a motive to shift to delivering expanded pre-k programs.¹⁰²

⁹⁹ Resnick, Broadstone, Rosenberg, and Kim, 2015

¹⁰⁰ Ibid

¹⁰¹ https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/Modeling%20the%20Cost%20of%20Child%20Care%20in%20the%20District%20of%20Columbia%20-%202016_0.pdf

¹⁰² OLO Report 2016-3 found the state childcare subsidy met the actual cost of childcare for only 10% of childcare providers.

- **The supply of infant and toddler childcare staff could diminish if they shift to pre-k classrooms.** Another unintended consequence of expanding pre-k is a financial incentive for high-quality infant and toddler childcare staff to shift to pre-k programs. With publicly funded pre-k programs offering better wages and benefits, high-quality infant and toddler personnel, especially those with college degrees, will have an incentive to shift to staffing expanded pre-k programs.

DC Appleseed and the DC Fiscal Policy have observed this phenomenon with the rollout of universal pre-k in the District of Columbia. They note that DC's funding of universal pre-k has "*the side effect of creating a bifurcated system of compensation and administration within (ECE) centers.*"¹⁰³ Centers that receive the expansion grants paid pre-k teachers on a scale comparable to public schools, while infant and toddler teachers can be paid significantly lower wages. A similar dilemma could emerge in Montgomery County given the current pay differentials between infant and toddler staff in private settings and pre-k teachers within Montgomery County Public Schools.

Recommended Discussion Issues

This report finds that infant and toddler childcare programs aligned with best practices are the most likely programs to yield the benefits of high-quality infant and toddler programs described in OLO Report 2018-3. These include improved school readiness, educational attainment, and earnings among low-income participants and their parents, as well as reduced government spending over the long-term. This report also finds that too few providers deliver infant and toddler care best practices due to the gap between program costs and what many families can afford to pay and the value of government subsidies. Further, this report finds that efforts to expand pre-k for three- and four-year-old children could undermine the quality and quantity of current childcare options for infants and toddlers.

Based on these findings, this report offers several recommended issues for discussion with the County Council and representatives of the Executive Branch and the Department of Health and Human Services (DHHS) specifically. With its Strategic Plan for Early Care and Education, DHHS has laid out a framework for strengthening early care and education in the County for children between the ages of 0 and 5.

The goals of these recommended discussion issues are to improve the Council's understanding of the County's approach to strengthening infant and toddler care and its oversight of the County's early childhood education efforts. These discussion issues, posed as questions, seek to address two larger questions:

- What is the magnitude of the challenge to scale up best practices in infant and toddler childcare locally? More specifically, what is the need for infant and toddler childcare slots in the County and how does this compare to the current supply of slots and County investment in infant and toddler childcare?
- Which promising practices has DHHS prioritized to scale up best practices for infant and toddler care and which practices would they pursue if additional funding were available?

¹⁰³ Berman, Bhat, and Rieke, 2016

Understanding the Scale of the Challenge -

Discussion Issue #1: The Demand and Supply of Infant and Toddler Childcare Slots in the County

Although it is difficult to quantify, it would be helpful for the County Council to understand the demand and the need for infant and toddler childcare in the County and how it compares to the available supply of childcare slots in regulated settings. Data on the population of infants and toddlers in the County, the number of parents in the workforce, the number of families on waitlists for Early Head Start and childcare subsidies, as well as data on regulated childcare slots in the County will assist DHHS representatives in responding to the following recommended questions for discussion between the Council and DHHS:

- *What is the need for infant and toddler care of any quality in the County, and how many additional infant and toddler slots are needed to address local need?*
- *What is the need for high-quality infant and toddler slots locally, and how many additional slots are needed to meet local need?*
- *What is the need for affordable infant and toddler slots in the County, and how many additional slots are needed to meet local need?*

Discussion Issue #2: Parent Education on Infant and Toddler Best Practices

Recognizing that parents are children's first teachers, many jurisdictions have invested in visiting nurse programs to improve the parenting skills of first-time parents, including Montgomery County. Such programs, particularly when aimed at low-income parents, can improve child outcomes and yield a favorable return on investment similar to high-quality infant and toddler childcare. Parenting education programs can also help to ensure that children in parental care receive high-quality early care and education opportunities; parent education can also improve the role of parents as consumers of quality childcare. To better understand the parenting education opportunities available in the County, OLO recommends the following discussion questions for DHHS representatives:

- *What parent training and visiting nurse programs are available to parents of infants and toddlers in Montgomery County? How does the supply of such programs compare to the need, and what efforts has DHHS engaged in to address unmet need?*
- *What parent education opportunities and resources are available to families as consumers of infant and toddler childcare? How well are these opportunities utilized, particularly among low-income families and among culturally and linguistically diverse families?*

Use of Promising Practices to Scale Up Best Practices in Infant and Toddler Care –

Discussion Issues #3: Alignment between Promising Practices and Local Practices

Other jurisdictions have implemented several promising practices aimed at scaling up best practices for improving the quality of infant and toddler care. OLO recommends that the Council discuss with DHHS staff which of the following promising practices are being implemented in Montgomery County and why:

- Supplement/subsidize wages and benefits for infant and toddler personnel;
- Increase subsidy rates for infant toddler childcare;
- Contract directly with providers for infant and toddler care;

- Invest in strategies that enhance program efficiencies and lower costs;
- Incentivize childcare providers to offer high-quality infant and toddler care;
- Incentivize professional development and credentialing for infant and toddler personnel; and
- Incentivize accreditation and high EXCELS ratings for infant and toddler care providers.

Further, OLO recommends that the County Council pose the following questions to DHHS:

- *Which promising practices might be especially effective at shoring up the quality and quantity of available infant and toddler slots if publicly-funded pre-k expands significantly?*
- *If an additional \$2 million was available to improve the quality of infant and toddler childcare, which promising practices, if any, would the County pursue?*

Discussion Issue #4: Update on Early Care and Education Strategic Plan

A little over a year ago, DHHS in partnership with a variety of stakeholders published the County's Early Care and Education Strategic Plan that includes several elements that can especially impact infant and toddler care in the County. DHHS provided an update to the Council on its progress with the plan as part of its FY18 operating budget discussion and review.¹⁰⁴

OLO recommends that the County Council request an update from DHHS on the progress that has been achieved to date with the plan, particularly among its following goals:

- Increase technical assistance for programs to progress in EXCELS (S1);
- Expand County investments for existing 0-5 programs (S3);
- Complete quality of care study for high-quality infant and toddler care (S5);
- Expansion of WPA to reach all eligible children (S6);
- Allocate additional staff to support the progress of childcare staff within the Maryland Childcare Credential Program (S10);
- Subsidize staff and director wages (S11); and
- Increase licensing among informal family-based providers (S13).

As part of the update, OLO recommends that the County Council pose to DHHS the following questions:

- *In what areas of the ECE Strategic Plan has the County achieved the greatest progress?*
- *In what areas is the County poised to achieve the progress in the next one to two years?*
- *In what areas of the ECE Strategic Plan has progress been stagnant? What additional resources would be required to make greater progress in these areas?*

¹⁰⁴ http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&clip_id=13196&meta_id=136395

Chapter 5. Agency Comments

The written comments received from the Director of the Montgomery County Department of Health and Human Services on the final draft of this report are attached. The DHHS memorandum to OLO raises concerns with two markers of program quality referenced in this report:

- Maryland EXCELS (the state’s quality rating and improvement system); and
- The National Academy of Science’s recommendations that infant and toddler teachers should possess bachelor’s degrees in early childhood education.

OLO appreciates these concerns raised by DHHS as well as the technical corrections and comments provided by DHHS staff on earlier versions of this report.

Office of Legislative Oversight Report 2018-6

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Isiah Leggett
County Executive

Uma S. Ahluwalia
Director

MEMORANDUM

March 2, 2018

TO: Dr. Chris Cihlar, Director, Office of Legislative Oversight
FROM: Uma S. Ahluwalia, Director *Uma*
SUBJECT: OLO Draft Report 2018-6: Best Practices for Infants and Toddlers Childcare Programs

Thank you for the opportunity to comment on OLO Report 2018-6: Best Practices for Infants and Toddlers Childcare Programs. The report provides a good overview of measures of quality in infant and toddler child care program design, as well as information on which practices lead to the best potential returns on investment of public and private funding.

The Department of Health and Human Services (DHHS) would like to highlight two main points covered in the report which are of concern: 1) whether EXCELS can be used to assess the quality of infant and toddler programs, and 2) whether the National Academy's recommendation that all Early Care and Education teachers, including for infants and toddlers, possess a four-year degree, is a realistic goal.

Assessing the Quality of Infant and Toddler Programs

Due to the voluntary nature of the Maryland State Quality Rating Improvement System (QRIS) EXCELS, the Department has concerns with using it as a measure of a child care program's level of quality. There is no correlation between a program's non-participation in the evaluation and ratings process and a low level of quality. Not participating in the system only means their quality has not been measured by the state in order to indicate a level of EXCELS rating. The OLO report indicates that only 12% of Montgomery County licensed child care providers have opted to follow EXCELS as their standard for high quality; however, many other providers have chosen to seek accreditation through organizations such as NAEYC. We acknowledge that this means that only 12% are eligible to participate in the State Child Care Subsidy program.

At this time, there are no mandatory national, state, or local, quality ratings assessments for child care programs in Maryland. Additionally, because child care programs are rated in their entirety, an EXCELS rating cannot be used as a measure solely for the infant and toddler component of the services. Information included in this report indicates that infant and toddler services can be judged to be at specific EXCELS levels.

ECE Teacher Qualifications

One of the primary elements of child care which is used to indicate quality is the provider or teacher's professional training. There is significant discussion about what level of teacher qualifications and/or teacher preparation is truly a best practice. Evaluations and assessments regarding

Dr. Chris Cihlar, Director, Office of Legislative Oversight
March 2, 2018
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the correlation with high-quality in child care services has led to significant discussion and research on the national level. In an effort to have a better understanding of indicators of best practice, representatives from Montgomery County Public Schools and the Early Childhood Services division of DHHS participate in the Washington Area Regional Workforce Network (the Network). This group of educators from the Washington DC region formed a regional group representing the District of Columbia, Northern Virginia (Alexandria, Falls Church, Arlington, Fairfax) and suburban Maryland (Prince Georges and Montgomery Counties). The Network was formed after the release of the Report of the National Academy of Medicine 2015 report, *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. The Network developed the project: *Mapping competency-based career pathways that are linked to quality and compensation and can be used across the region*.

After considerable research, the Network determined that while the Academy recommends a four-year degree for Early Childhood teachers, there is not one approach to a qualified workforce in early childhood. The competency-based framework under development by the Network will provide for multiple avenues and options for demonstrating competency in critical areas of teacher education that support the young child's development and learning. Discussions throughout the early childhood field recognize the reality of a current system that would require considerable change to succeed in providing all ECE teachers with 4-year degrees which includes access to 4-year programs and attainment of degrees that are tied to increased compensation. The Network is framing the project around those concerns and the needs of the early care and education field.

The Department, the Network, and national child care advocacy organizations, share concerns about how quickly a degree requirement could be implemented for child care teachers. Research in the OLO report confirms that there is not conclusive evidence that a degree greatly differentiates the level of care young children receive. The current design of local college degree programs does not facilitate enrollment for child care providers currently in the workforce. While some institutions of higher education have begun to offer on-line courses, a majority of institutions still schedule classes during the day, when child care providers are at work. Additionally, because of the teaching practicum requirement for both on-line and classroom-based degrees, teachers would have to leave the workforce, forgo their income, and teach voluntarily for a minimum of one school year.

The Department is pleased to have the benefit of this compilation of research material on Infant and Toddler Childcare. As we continue to put out Strategic plan into action, this information helps to build an Early Care and Education system that is inclusive and considerate of the challenges in the Childcare industry.

Thank you, again, for your work on this report. If you have any questions or need additional information, please contact Monica Ortiz, Policy Officer for Early Care and Education, at 240-777-1867 or monica.ortiz@montgomerycountymd.gov.

USA:tlb

c: JoAnn Barnes, Chief, Children, Youth and Family Services
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