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A Path Forward on Child Care Regulation

Differentiating Between Harmful Deregulation and Helpful Reform

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Introduction and summary

"The teachers are already bogged down as it is ... My son is incredibly smart, but he needs one-on-one attention. And if there are forty kids in the class, is he ever going to get that? If he's having an anxious day, would anyone notice?" – Julia Callahan of Georgia on the possible perils of her 4-year-old's preschool program "deregulating" by adopting looser standards that would allow more kids per teacher, larger class sizes, and teachers who are less prepared[1]

Across the country, states are looking for ways to boost the child care supply and bring down costs for families. Some have turned to "deregulation" to do so. But many of these efforts will do the opposite of what they are intended to do, leading to more stress for teachers, fewer programs that meet families' needs, and more risks for kids, up to and including injury and death.[2]

Child care programs play a critical role in ensuring children are safe, cared for, and supported with opportunities for early learning and healthy development. As nearly 70 percent of young children have all available parents in the workforce,[3] millions of parents across the country rely on child care to go to work, school, or job training. Without a reliable care provider, parents see interruptions to their work, and the broader economy sees disruptions to its productivity, stability, and growth.[4]

Yet across the nation, families grapple with high costs and scarce supply of child care options. At their root, these child care affordability and accessibility issues are driven by a lack of adequate public funding.[5] Working with children in their early years of life is by definition resource-intensive, requiring skilled educators and small ratios to ensure children are safe and supported. Without sufficient public funding, parents—and early educators, who subsidize the system through their own poverty-level wages—are forced to bear these high costs.[6] In 39 states and the District of Columbia, the average annual price of infant care exceeds the cost of in-state college tuition.[7] And around 43 percent of early educators rely on public safety net programs such as Medicaid and the Supplemental Nutrition Assistance Program to make ends meet for their own families.[8]

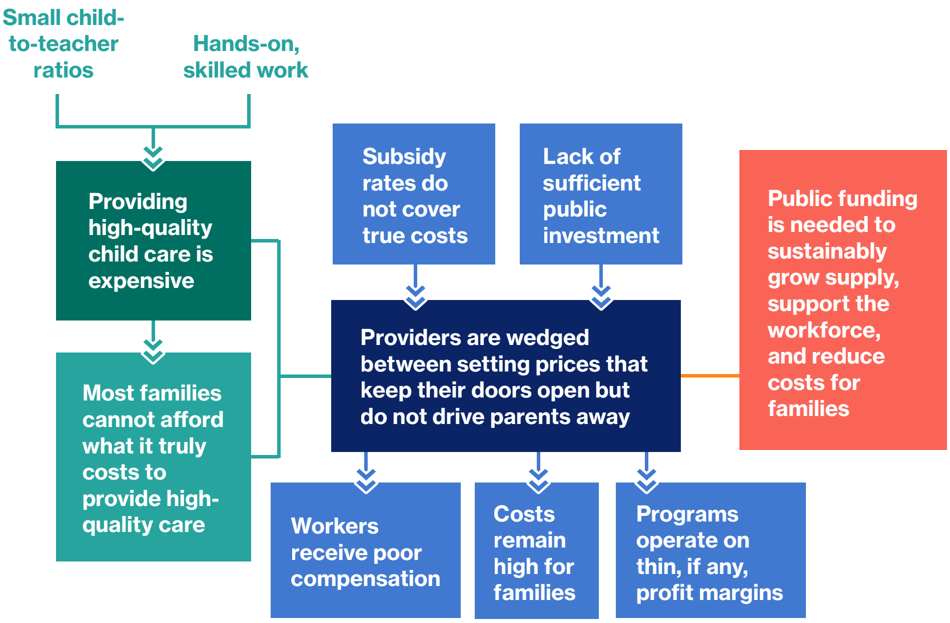
Child care programs play a critical role in ensuring children are safe, cared for, and supported with opportunities for early learning and healthy early development.

Understanding this context is important to ensuring that state policymakers are not swayed by arguments that threaten to sacrifice child health and safety in a misguided attempt to address the real issues around supply limitations and high costs for families. Harmful deregulation that lowers health and safety standards and removes educator qualifications and age requirements will not solve the child care crisis, which is driven by inadequate public investment in the child care system.

FIGURE 1

The U.S. child care market is broken

The sector is forced to subsidize are through sacrifices on quality as well as wages and working conditions for the vulnerable workforce



Source: The Early Childhood Policy Team, "Understanding the Basics of Child Care in the United States," Center for American Progress, February 20, 2025.

When it comes to the regulatory environment, state policymakers should instead look for opportunities for "right sizing," which may include reducing burdensome requirements that are not directly tied to child health, safety, and quality learning, and to create a supportive licensing environment that is centered on trust for early childhood educators working in all sizes and types of child care centers and homes. Policymakers may, for example:

- Remove red tape related to zoning practices.
- Streamline administrative processes by simplifying regulations, consolidating early childhood governance, and making it easier to access clear and consistent regulatory guidance in multiple languages.
- Reconcile state and local rules with federal recommendations to help ease burdens on providers while preserving crucial, evidence-based protections for the well-being of both children and educators.

At the same time, because the child care market is a broken market, the only way to fundamentally mitigate that market failure is to provide robust, sustained public investment that addresses the crisis from both the demand side (i.e., bringing costs down for families) and the supply side (i.e., advancing compensation and job quality, funding more slots, and improving payment systems).

Parents must be able to trust that care is safe for and supportive of their children

Parents who use child care, regardless of setting, should be able to trust that their children will be protected and cared for in a safe and enriching environment, that the adults in charge of their children's care and education have the competencies and experience to support their children's positive development, and that there are not more young children in a class than any one adult can safely manage. Parents also need to be able to trust the relationships that they and their children have with the educators in child care and early learning settings. Where the government intersects with the child care sector, whether through licensing, other regulation, or public financing, it should be able to provide assurances to families that they are able to trust the programs and educators they are entrusting their children with.

Reflecting on his experience seeking out child care for his two sons, North Carolina father Eric Fitts said the relationships teachers had with his children stood out for him as being one of the most important factors in choosing and staying at the child care center where his children ultimately enrolled:

> *There seemed to be a very genuine relationship and care for how they were performing and how their school days were going. That is comforting when you know they're comforted throughout the day with another person that has your child for the waking hours of the day … they have a lot of influence on the kids.*[9]

Similarly, Julia Callahan, a Georgia mother of two, cited trust in a caregiver and strong relationships between teachers and her children as an essential factor in her child care decision. "I love my kids … and I want them to be safe. … If there's a room with tension and a whole bunch of 4-year-olds in there, there's something wrong. So that's why I love the daycare that I have … it's because the people there are good people, and my kids are happy."[10] In addition to the research underlying the importance of ratios and group sizes in relationship building, common sense dictates that early childhood educators are best able to develop meaningful, positive, and supportive relationships with children and families when there are not too many children for any one person to handle—and when the educators themselves are not stressed, overwhelmed, and living hand-to-mouth.

"Children come to us needing more support than ever, and it is hard to meet their needs when teachers are spread thin and stressed."

– Professional Development Specialist, Montana[11]

The early childhood profession needs to be recognized, trusted, and adequately funded

Parents and educators are partners in caring for and educating children. Easing burdens and creating supportive pathways for providers who currently participate—or wish to participate—in their state's child care licensing and quality systems is a crucial step toward ensuring more providers can access supports, more children are adequately protected and cared for, and more programs are participating in a clear and consistent system of accountability and support. Reforming the licensing system that governs facilities, however, is just one piece of the solution that will be most effective when it is accompanied by the regulation and recognition of an early childhood education profession that is well prepared, well supported, and well compensated for its complex and valuable work, whether in a school, home, or center. Early childhood educators deserve the opportunity to be fairly compensated for work in the setting of their choice; with a license that is portable and reciprocal; and where there are clear, consistent, and right-sized regulations that respect their expertise.[12]

Individual licensing processes that provide baseline requirements for qualifications, limit the number of people professionals oversee, and establish standards for training are standard practice across a number of regulated professions, including doctors, nurses, architects, electricians, nail technicians, and airline crew. These professions set safety guidelines and ensure that professional preparation aligns with agreed-upon standards and competencies while accommodating different credentialing pathways that lead to increased compensation.[13] This means, for example, that when the public faces health care worker shortages or higher airline costs, legislators do not successfully pass changes that place hospital patients in the care of teenagers, overpack planes with passengers, or reduce training requirements. Professional licensing processes and regulations are a critical and widely accepted part of protecting public safety and ensuring that workers are not overburdened to the point that they cannot safely do their jobs. When it comes to child care and early learning, state lawmakers must likewise protect the public and their public investments by making robust, sustained investments in the early education workforce (including in its professional compensation) and in other supply-building efforts proven to help increase the number of child care slots, bring down costs for families, and alleviate the burden on this crucial workforce.

"Every other profession that requires the public trust [also] requires professionals... to hold some form of license. Child care, on the other hand, is focused on licensing the physical site where care occurs rather than the workers and teachers entrusted with the care of children." – Opportunities Exchange[14]

A brief overview of child care regulation

Some basic health and safety standards exist at the federal level, but the vast majority of child care licensing requirements and child care standards are left up to states to set and mandate. State lawmakers make decisions on maximum group size and ratios; teacher requirements; and which child care providers are legally exempt from licensing and regulations, such as faith-based providers, small family home providers that serve a small number of children, or programs administered by a school district.[15] As a result, regulations remain inconsistent across the country and licensing covers only a subset of child care providers.[16]

Most programs receiving public funding, including those that are exempt from state licensing, must follow the minimum regulations established by the Child Care and Development Block Grant (CCDBG).[17] Although CCDBG regulations apply to only a subset of child care providers, analysis of state licensing regulations shows that the federal law has an impact on state licensing requirements that apply to programs not receiving subsidies.[18] The most recent reauthorization of CCDBG in 2014, which received widespread bipartisan, bicameral support and was sponsored by then-Sens. Richard Burr (R-NC) and Barbara Mikulski (D-MD), included a focus on increasing child health and safety regulations, expanding data tracking, and improving the quality of care.[19] Driven by increasing national attention on tragic cases of deaths, injuries, and allegations of abuse in child care programs, the 2014 CCDBG reauthorization established deeply necessary minimum standards to help protect children in child care.[20] However, insufficient federal investments left many states without the supports necessary to successfully implement new regulations and increase the number of eligible children served.[21]

Harmful deregulation will not reduce costs, increase supply, or address workforce shortages

Despite the critical and recognized importance of protecting children's health and safety, many state lawmakers have increasingly proposed loosening child care regulations related to ratios, group sizes, and educator competencies as a misguided attempt to bring down costs and increase supply.[22] These types of harmful proposals—such as those that increase teacher-child ratios to put more children under the supervision of a single adult or decrease required qualifications for early educators—often target the aspects of care that are most directly tied to child health and safety. Additionally, these efforts fail to address the challenges providers face and disregard the value and skill of early educators.[23] Sacrificing these critical health, safety, and training requirements can have adverse consequences for program quality and even increase costs to providers and worsen the persistent workforce shortage.[24]

Loosening regulations will not increase child care supply

Lawmakers often blame strict regulations for the high price and limited availability of licensed child care. However, previous analysis from the Center for American Progress and the National Association for the Education of Young Children (NAEYC) has found no correlation between the strictness of state regulations and state levels of child care supply, indicating that more stringent regulation is unlikely to have a large impact on child care supply.[25]

Prior to the COVID-19 pandemic, NAEYC researchers examined how state regulations correlated with supply shortages by scoring the following regulations in each state:

- Teacher-to-child ratios
- Group sizes
- Minimum number of children at which point licensing is mandatory
- Teacher and director qualification requirements

The stricter the regulation, the higher its score. When overlaid with data on child care supply, however, the analysis found no correlation between the state regulations examined and child care supply. Furthermore, none of the individual factors that contributed to the overall regulation score were shown to have a statistically significant impact on the supply of child care slots. Although a wide array of factors can affect child care supply, these results indicate that more stringent regulations are not driving the problem.[26]

State lawmakers across the country have increasingly slipped harmful deregulation proposals into state budgets and other legislation, often framing them as a solution to child care shortages. For example:

- In 2022, Iowa passed a law that loosened regulations on ratios and teacher qualifications. Among the changes that came with the legislation were increased child-to-staff ratios—up to seven 2-year-olds or 10 3-year-olds could now be cared for by one adult. Additionally, child care programs could now employ 16- and 17-year-olds to care for school-age children without any additional supervision.[27] In 2024, the legislature made additional moves to loosen regulations through a bill that would have allowed 16- and 17-year-olds to work unsupervised with infants and toddlers. Though the bill passed the state House and was recommended for passage by a Senate subcommittee, it ultimately was not signed into law during the state legislative session.[28]
- In 2023, Wisconsin legislators introduced a package of child care bills that included proposals to decrease minimum age requirements to 16 for assistant child care teacher positions and school-age group leaders.[29] Additionally, bills proposed increasing child-to-staff ratios so up to six 1-year-olds and nine 2-year-olds could be cared for by one teacher. Group sizes would also be increased for toddlers and preschoolers. For example, 4-year-old classrooms could have up to 30 children in the classroom at once. Ultimately, these bills failed in the state Senate and did not become law.
- In 2022, the Utah legislature altered a previous cap to allow unlicensed child care programs to care for up to six children without any required regulations, state inspections, or safety training.[30] Two years later, the legislature passed another bill to increase this number to eight children at one time.[31]
- In 2023, the South Dakota legislative committee approved changes to the state's child care licensing rules that increased child-to-staff ratios in all settings, including an increase to the number of infants unlicensed child care programs could serve at once. New regulations additionally slashed training requirements for child care providers and allowed 14-year-old children to take on more duties in before- and after-care programs.[32]

Advocacy efforts secure defensive wins for children's safety

Amid widespread efforts to introduce deregulatory legislation, several states have also seen defensive wins. Advocates have spoken out against these harmful attempts to roll back standards, including writing letters to their state legislators and governors and testifying publicly at legislative hearings.

- In Kansas, the tragic death of a 13-month-old in child care spurred the state's adoption of Lexie's Law in 2010,[33] which increased child care safety and health regulations, including doing away with an unlicensed registered program category and creating stricter requirements for teacher safety training, licensing, and inspections.[34] In 2023, legislators again proposed changes to Kansas' child care regulations—but this time, the changes would have undermined many of the regulations set in place by Lexie's Law. They included cuts to professional development requirements, larger ratios and group sizes, and lower teacher age requirements that would allow 14-year-olds to help care for young children and 16-year-olds to care for children unsupervised. Fortunately, despite strong support from the legislature, Gov. Laura Kelly (D) vetoed the bill, citing the need for review of child care policies in a way that does not risk children's safety.[35]

- A 2024 Nebraska legislative proposal would have removed state regulatory standards, creating an exemption allowing individual cities, villages, and counties to establish their own regulatory standards around child-to-staff ratios.[36] Advocates successfully organized to help block the bill.[37]

- In 2025, the Idaho legislature considered a dangerous bill that would have done away with the ceilings on child-teacher ratios in child care programs and would have prohibited localities from setting maximum ratios.[38] State House and Senate committees recommended passage,[39] but parents and educators passionately opposed and testified against the bill. These testimonies, including tragic stories of children—including an 11-week-old infant who died while in care[40]—contributed to the bill's sponsor pulling it from the Senate floor for heavy amendments.[41] The amended bill, which does not fully eliminate ratios but does loosen them for most age groups, and which does prohibit localities from setting their own ratios, was subsequently passed by the Senate and signed into law by Gov. Brad Little (R) in March 2025.[42] The law will take effect on July 1, 2025.[43]

Harmful deregulation hurts the workforce, which hurts families and children

Efforts to get around the high cost of care by relying on teenagers, reducing training, and increasing teachers' workload by increasing the number of children in their care fail to address long-standing systemic issues resulting from a lack of sufficient public investment. Moreover, these proposed solutions do not solve the problems they claim to address. Rather than increasing supply and reducing costs, harmful deregulation risks increasing teacher burnout, turnover, and vacancies, which in turn can decrease safety and supply and increase risk of harm to children, families, and early educators.[44]

> *"I believe maintaining ratios are most critical for supporting health and safety in any program. If ratios cannot be maintained children cannot be adequately supervised. Also, ratios are important to providing proper social and emotional support for the children. When teacher to student ratios are not in compliance, staff can be stressed and unable to perform their roles effectively."*
>
> *– Early childhood educator, West Virginia*[45]

NAEYC's 2025 early care and education workforce survey found that 47 percent of educators were more burned out in January 2025 than they were at the same time the previous year, partly as a result of insufficient resources to address children's developmental and behavioral challenges, which teachers report are on the rise since the COVID-19 pandemic.[46] Burned out educators leaving programs and the entire field has led to empty classrooms and fewer slots available to families; the same NAEYC survey found that the workforce shortage was a primary factor driving underenrollment at programs. Adding to early childhood educators' stress is not the solution for maintaining and growing the profession—or for boosting supply.

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Research has shown that when early childhood educators are responsible for more children than they can safely manage, it increases their stress and can result in negative outcomes for them and the children in their care.[47] Many providers themselves find harmful deregulation proposals dangerous, recognizing that any proposal that results in more demand on an already overworked and underpaid workforce will result in poorer outcomes for children and higher risks for programs.[48] Although some program leaders assert that they would not accept more children even if looser regulatory standards were adopted, other programs will find themselves in the difficult and compromising position of needing to accept more children than they can safely manage in order to keep their doors open. And bad actors may exploit the system and children for profit.[49]

> *"Having worked in settings with different ratios, I can assure you that the lower the ratio, the better the quality of care. To increase ratios would not only be detrimental to the developing child, it would increase burnout rates for a workforce that already carries a heavy load for minimal pay and benefits."*
>
> *— Jenn Boisvert, early childhood educator, Maine*[50]

Another consideration for providers is liability insurance, which they are often required to obtain in order to operate a licensed program.[51] Liability insurance coverage is good practice—it protects providers and their businesses, as well as the children and families they serve, and is frequently required by banks and funders, landlords, and franchise owners.[52] However, a 2024 NAEYC workforce study revealed both increasing costs and reductions in coverage availability and found that many providers had been denied by insurance companies for serving too many children or too many children per educator—in other words, insurers considered the state licensing capacities and ratios too risky.

Challenges in renewing coverage diverts time and resources from other operating demands, and increasing costs place undue burden on already-vulnerable providers who struggle to make ends meet. Approximately 65 percent of providers reported in a 2024 NAEYC survey that, without liability insurance, their program would be forced to close.[53] Insurers assess the risks associated with selling coverage to providers, and harmful deregulation both worsens those risks and drives up insurance costs.[54] As Montana advocate Alex DuBois put it:

Montana child care providers are facing an uphill battle to secure, afford, and maintain liability insurance for their businesses following changes in state law that have raised staff-to-child ratios. These regulatory adjustments have prompted numerous insurance providers to either substantially hike premiums or outright refuse to cover child care businesses. This has left many providers grappling with uncertainty and financial strain, threatening the stability and sustainability of the child care industry in our state.[55]

Recommendations

Policymakers at all levels of government are rightfully seeking solutions to the child care crisis that is affecting the cost, quality, and availability of care. However, stripping away health and safety requirements does not address the root causes of the child care crisis and reduces access to high-quality early learning experiences that support healthy early childhood development. While the child care system needs sufficient resources to adequately prepare, support, and compensate its workers, promote best practices, and improve the delivery of high-quality care, policymakers should also seek ways to reform licensing and regulatory standards by focusing on the burdensome requirements that make it more difficult for educators to do their jobs without sacrificing children's health and safety or worsening educators' working conditions.

To inform and guide their work, states should first establish provider- and expert-based regulatory review panels or conduct focus groups and surveys of early educators from a variety of care settings. These sessions would help states assess standards and determine that they reflect best practices in early developmental care while ensuring that the ways in which those standards are communicated continue to reflect providers' and families' needs. For example, Minnesota and Indiana have engaged in multiyear, comprehensive revisions of their states' respective licensing standards, and the states sought provider and educator input through information and listening sessions and expert panels, as well as individual interviews, focus groups, and email correspondence with those in the field.[56]

States should ease red tape to reduce unnecessary burdens while promoting safety and quality

Although child care regulations provide an essential baseline for health and safety and establish a foundation for quality, some standards are not directly tied to children's health and safety and can create unnecessary barriers and penalties for child care providers. States looking for opportunities to address burdensome requirements should target standards that do not directly affect children's welfare. Instead of modifying essential markers of safety and quality, such as maximum group sizes and ratios and teacher qualification requirements, states should identify and address opportunities to reduce administrative and paperwork burdens.

States should:

- Streamline state licensing materials, ensure that they are easily found on the state's agency or department website, shorten licensing manuals, use plain language, and offer materials and technical support in the languages spoken by providers and families in their communities.

- Align licensing, quality, and monitoring systems to reduce unnecessary paperwork and reporting requirements. States can ensure that state licensing standards and those embedded in the state's quality rating and improvement system (QRIS) are aligned and not duplicative, designed to be appropriate for settings of multiple types and sizes, and reflect best practices in early care and education.

- Allow for flexibility once baseline standards and qualifications have been met. For example, states may be able to adapt the delivery of professional development so that educators in rural areas can participate in training remotely, on site in their home community and language, or via printed materials.

- Identify and reduce unnecessarily particular requirements that are insufficiently tied to program safety and quality. For example, states may have regulations that lead to a high volume of required documentation and policies. States should reorient their systems toward recognizing and trusting competent early childhood educators in order to unwind micromanaging regulations. States also should review reporting requirements to find a balance between important reporting and cumbersome requirements.

- Subsidize and enact policies that control the cost of liability insurance to limit the financial burden on providers who need coverage to operate their programs and provide resources and information related to liability insurance to help mitigate prohibitive costs and to support providers as they manage coverage reductions and denials.[57]

- Review and revise state and local zoning restrictions that may overlap with existing child care licensing requirements or may be particularly burdensome and exclusionary for home-based child care providers. Some states, including California, Oklahoma, Oregon, and Washington, have taken steps to promote the growth of child care supply by revising housing policies that make it difficult for home-based providers to open and run a child care business.[58]

States should align licensing and regulatory standards to evidence-based markers of quality and safety that establish the baseline for health, well-being, and learning

Licensing and regulatory standards are not designed to be punitive or overly restrictive, but to ensure that children are cared for in environments and by adults who keep them safe and socially, emotionally, and physically healthy. Conditions that best support children's development are well researched, and licensing standards should reflect an effort to foster those conditions. States should work directly with child care programs and educators across a range of settings to ensure licensing standards and regulations are supportive and aligned with practices that promote health and safety for more children and families.[59]

By embracing key focus areas directly related to children's well-being and providing funding that helps programs of all types and sizes meet key requirements, state policymakers and administrators can ensure that they are implementing those standards that are most necessary for health and safety.

These focus areas include:

- Ensuring that children have clean drinking water and dust-free physical spaces that protect them from exposure to environmental toxins, such as lead and other heavy metals often prevalent in water service lines and building materials in older homes and facilities[60]

- Addressing air quality issues to which younger children are particularly vulnerable and which contribute to a number of chronic health consequences, such as asthma and other respiratory conditions, increased risk for cancer, and heart disease[61]

- Promoting emotional safety and well-being by adhering to the national "Caring for Our Children" standards,[62] which recommend small caregiver-to-child ratios and group sizes, so that children benefit from greater individualized attention and more opportunities for quality social interactions and build strong social connections with caregivers and peers while also restricting the use of exclusionary discipline policies and promoting early educator training[63]

- Ensuring inclusivity, safety, and accessibility in the physical facility and activities and materials for children with disabilities, for whom care is particularly expensive and hard to access[64]

- Supporting bilingual education and dual language learners by ensuring that classroom materials and activities are available in a range of languages, promoting dual language learner trainings for early educators, helping educators embed children's home languages and routines in those of the classroom, hiring bilingual staff support, and providing written communication in the home language so that parents can stay engaged in their children's care and education[65]

- Supporting the early educator workforce by enhancing access to professional preparation and ongoing development, as well as dedicating funding to improve educators' compensation, benefits, working conditions, and growth in the field[66]

- Seeking professional recognition and licensure for an early childhood education profession, similar to work being led by educators in Vermont,[67] and by aligning with recommendations and legislative language from the Commission on Professional Excellence in Early Childhood Education.[68]

States should ease programs' path toward becoming and remaining licensed

From understanding the requirements, to navigating the paperwork, to affording the costs of the application and facilities renovations, it can take substantial time, effort, and money to become a licensed child care provider. State policymakers and administrators can support the growth of licensed child care supply by easing processes for child care providers to become licensed and providing financial support to alleviate the costs of establishing or expanding a program. In addition, while reviewing and drafting any revisions to licensing content, state administrators should consider how licensing supports quality in and beyond the state's QRIS,[69] where licensing is often the first level from which providers can continue to improve.

State agencies overseeing the licensing application and approval process can:

- Waive fees associated with applications, background checks, and fingerprinting for child care providers seeing an initial license or renewal, as Kansas has done since 2021.[70]

- Provide individualized technical assistance, including pre-licensing training, in the potential provider's language.[71]

- Establish a clear, centralized location for providers to access information about the licensing process that provides step-by-step directions for each part of the application and contact information for any questions potential providers may have.[72]

- Allow for peer coaching and review to support more regular facility inspections and to ease access for more providers to participate in the state's licensing system.

- Establish infrastructure and renovation grants that child care programs can access to help meet licensing requirements and promote healthy and safe environments, such as those to improve safety of outdoor play areas, install or update HVAC systems, make repairs, remediate lead paint, or install water filters.

- Allow for multiple modes of application submission, including in person, written, and online.[73]

- Conduct targeted outreach to areas with low child care supply and areas with historically marginalized populations. Collect and analyze disaggregated data on applications that have been submitted, accepted, and denied to determine additional actions that need to be taken to improve equity and support throughout the licensing application process.

- Invest in community-based or other responsive licensing practices or training that prioritize a supportive—rather than contentious—relationship between the licensing agency and providers. Colorado and Indiana have implemented comprehensive efforts to hire, onboard, and support licensing monitoring staff with the competencies and directives to work with providers as partners, working together to ensure providers have what they need to comply with regulations and run successful programs.[74]

States should increase service coordination by consolidating early childhood program administration

States' early childhood program administration is often fragmented across multiple governing entities, including home visiting, state-funded preschool, quality improvement, subsidy administration, and early education licensing programs. However, in recent years, more and more states have worked to consolidate early childhood programs into a single, unified department or cabinet-level agency, enabling better coordination of funding, data, and improved service delivery to participating families.[75]

By embedding state licensing programs into a consolidated early childhood-focused agency, state policymakers can better coordinate their efforts and administrative functions across programs that affect child care quality, including by setting responsible regulations around children's health and safety. It can also help state administrators foster stronger relationships with the provider community and adopt an effective licensing process that addresses the barriers providers face in navigating the licensing system, including understanding the licensing content, managing upfront costs, and navigating the application process.[76] If they have not already done so, state policymakers should consider steps to implement a consolidated governance structure that houses child care licensing under the same administrative body as other programs related to early childhood, including child care subsidy programs, Head Start collaboration offices, and child care quality improvement systems.[77]

States should make crucial investments – including in compensation for the workforce, facilities upgrades, and offsetting start-up costs – that will build supply

Harmful deregulation does not improve supply, reduce costs for families, or alleviate the burden on an overworked and underpaid early education workforce – in fact, it does quite the opposite. And the risks policymakers take gambling children's health, safety, and development rather than addressing the true cost of care through public investments can have disastrous short- and long-term consequences.

In order to achieve the goal of increasing supply, state lawmakers must:

- Direct robust, sustained investments to child care providers so that they can adequately compensate their staff with higher wages, benefits, retirement offerings, and health care.

- Offer more generous grants and contracts to help offset the cost of facilities upgrades and improvements associated with addressing aging infrastructure—particularly for home-based providers—and to combat the effects of climate change through weatherization and repairs. As climate disasters become

Read more:
https://www.americanprogress.org/article/states-seek-to-improve-early-childhood-outcomes-through-consolidated-governance-structures/

increasingly common and intense, child care providers who lack the capital to make those upgrades are vulnerable to losing their businesses—and families their child care options.[78]

- Invest in early educator workforce preparation and ongoing professional development to help build a sustainable pipeline of qualified early educators with support to grow in the field.

- Direct resources to offset the high costs associated with starting a new program, particularly for underserved populations, including infants and toddlers, children with disabilities, culturally and linguistically diverse families, and families living in child care deserts. The costs associated with procuring a facility, obtaining liability insurance coverage, finding staff and early educators, and more can be prohibitive. In communities without sufficient options for care and inadequate resources to address that shortage, state policymakers play a crucial role in directly supporting supply-building efforts.

Conclusion

Investments in children are some of the most important that communities can make and can provide large and lasting societal returns. The federal government plays an important role in identifying basic health and safety standards for child care providers, but the vast majority of the requirements for opening and operating a child care business are established at the state level. State leaders have a range of methods at their disposal to reduce administrative burden, boost supply, and promote quality programming without sacrificing basic safety regulations—such as limiting ratio and group sizes and supporting teacher training—and risking children's safety. Educating and caring for young children is, and should be, a sizable investment: High-quality early learning helps children establish foundational skills that will serve them throughout life and promotes economic stability and growth by ensuring that as parents work or attend school, they can trust their children are in good care.

When it comes to child care, Americans pay either way—through robust investments that benefit children or through the ripple effects of the broken child care market throughout the U.S. economy.

When it comes to child care, Americans pay either way—through robust investments that benefit children or through the ripple effects of the broken child care market throughout the U.S. economy. But instituting licensing requirements that preserve children's health and safety while reducing administrative and cost burdens on providers means adopting a licensing framework that works for everyone. Supporting early care and education by reducing red tape, supporting the workforce, and making robust, sustained investments in the sector is crucial for ensuring that parents have a range of care options that meet their needs and that their children have the best chance for a successful future.

Endnotes

1 Julia Callahan, Georgia parent, interview with authors via phone, January 27, 2025, on file with authors.

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