STATE POLICY VARIATION:
Common Approaches to Early Care and Education (ECE) Policy

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RESEARCH QUESTIONS

1. How do states' ECE policy choices differ across preschool, subsidy, tax, and regulatory policy tools?

2. Do states choose common "mixes" of ECE policy tools? What are the most common approaches?

3. Are states' ECE policy approaches associated with their economic context, political context, and/or female representation?

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DEFINITION: ECE POLICY TOOLS

- Policy tools in general:
  - Are methods through which collective action is institutionalized to address a public problem
  - Determine the rules for policy implementation
  - Directly affect the nature of services offered to children and families

- Common state ECE policy tools include:
  - Preschool investment
  - Child care subsidies
  - Child care tax provisions
  - Child care regulations

MEASURING STATE ECE POLICY

- Data sources:
  - Preschool data (Adams, 1994; CDF, 1998; NIEER, 2004)
  - Subsidy data (CDF, 1995; 1998; 2002)
  - Tax provision data (NWLC, 1987; 1994; 1998; 2002)
  - Regulation data (NCCIC, 1994; 1998; 2002)

- All monetary data was adjusted for cost-of-living differences and is presented in 2002 dollars

- Generated state scores for each policy tool
  - Standardized (M=0; SD=1) across states and years
  - Calculated state averages across 1990s

Measuring Preschool Investment

- Sum of:
  - State spending on prekindergarten programs
  - State supplements to Head Start
  - Divided by number of 3 - and 4-years-olds in state
  - M=$161, SD=$228

- Transformed into standardized score (M=0, SD=1)

- Averaged across four time periods
  - 1991, 1994, 1998, 2002

Measuring Subsidy Generosity

- ✍ Equally weighs four policy choices:
    - ✍ Eligibility levels for family of three
        - ✍ M=$27,098, SD=$6,455
    - ✍ Reimbursement rates for a 4 -year old in center
        - ✍ M=$485, SD=$132
    - ✍ Co-payment rates for family in poverty
        - ✍ M=$55, SD=$53
    - ✍ State investment above match and MOE per child 0 - to 5-years old in the state
        - ✍ M=$155, SD=$114

- ✍ Transformed into standardized score (M=0, SD=1)

- ✍ Averaged across three time points:
    - ✍ 1995 (data on low -income child care programs)
    - ✍ 1998 and 2002 (data on CCDF)

Measuring Tax Generosity

- ✍ Equally weighs two tax policy choices:
    - ✍ Maximum value of credit/deduction
        - ✍ M=$410, SD=$506
    - ✍ Whether credit is refundable
        - ✍ M=.14, SD=.35

- ✍ Transformed into standardized score (M=0, SD=1)

- ✍ Averaged across four time points:
    - ✍ 1987, 1994, 1998, 2002

- ✍ ***Note:*** *We did not calculate tax scores for nine states, which do not have state income tax, tie their state tax to the federal tax, or otherwise could not use a child care tax provision in the state.*

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Measuring Regulation Stringency

- ✍ Equally weighs four policy choices:
    - ✍ Child:Teacher ratio
        - ✍ Under 12 months: M=4.6, SD=1.4
        - ✍ 4-year olds: M=13.0, SD=3.1
    - ✍ Training requirement for center teachers
        - ✍ Pre-service hours: M=28.5, SD=54.9
        - ✍ Annual in-service hours: M=10.9, SD=8.1
    - ✍ Family child care licensing threshold
        - ✍ M=4.6, SD=3.1
    - ✍ Number of tiers in state regulatory policy
        - ✍ M=1.5, SD=0.9

- ✍ Transformed into standardized score (M=0, SD=1)

- ✍ Averaged across four time points:
    - ✍ 1991, 1994, 1998, and 2002

RQ #1: STATE VARIATION

- ✍ Question:
    - ✍ How do states' ECE policy choices differ across preschool, subsidy, tax, and regulatory policy tools?

- ✍ Analytic Strategy:
    - ✍ Average policy choice scores across four tools
    - ✍ Graph scores on each policy tool for states with lowest and highest overall score
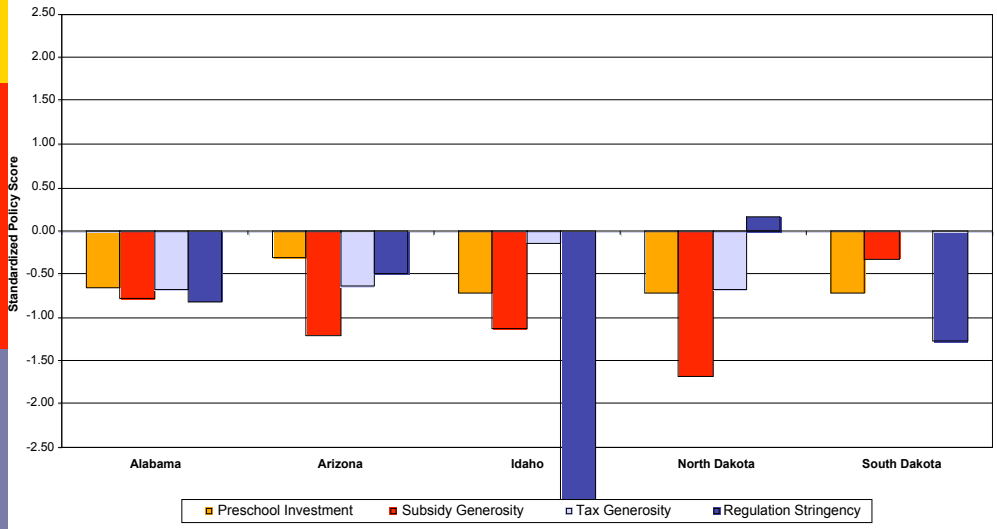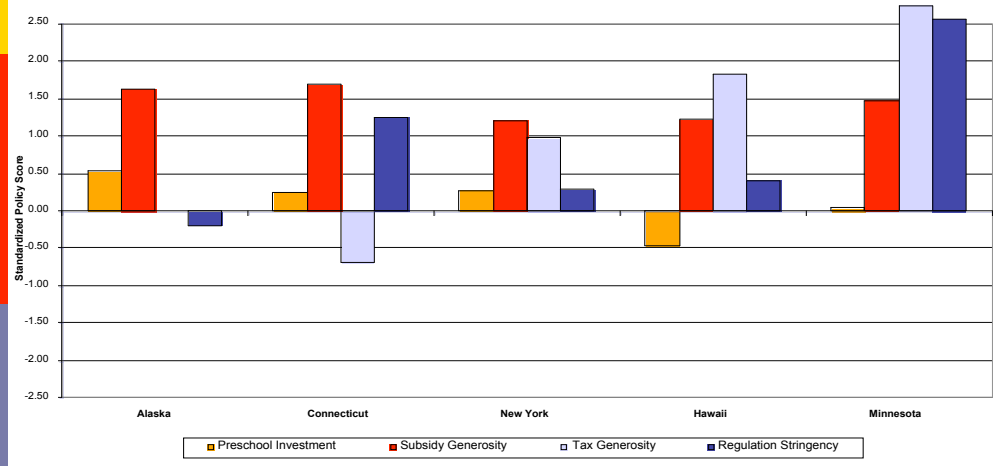
Figure 1.
States with Lowest Scores (1998-2002)

Figure 2.
States with Highest Scores (1998-2002)

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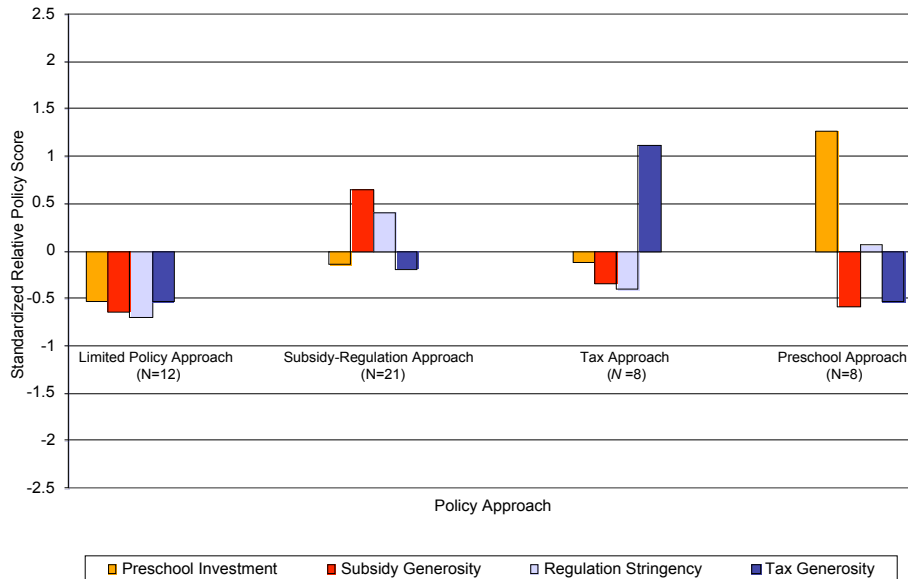212-678-8255; der68@columbia.edu

State Variation (Figures 1 & 2)

- ✍ Found stark differences between group of states with lowest and highest overall scores

- ✍ However, lowest scoring states varied across policy tools with the greatest variation in regulation stringency

- ✍ Similarly, highest scoring states emphasized different mixes of policy tools with <u>no state</u> leading on all four policy tools

RQ #2: COMMON APPROACHES

- ✍ Question:
  - ✍ Do states choose common "mixes" of ECE policy tools? What are the most common approaches?

- ✍ Analytic Strategy:
  - ✍ Cluster analysis to identify common patterns of policy effort
    - ✍ Cluster analysis on 41 states
      - ✍ Excluding 9 without tax score
      - ✍ Assigned those 9 states to closest cluster
    - ✍ Re-estimated cluster means

Figure 3.
Common ECE Policy Approaches

Figure 3. A bar chart titled "Standardized Relative Policy Score" (y-axis) vs "Policy Approach" (x-axis) showing four policy approach groups: Limited Policy Approach (N=12), Subsidy-Regulation Approach (N=21), Tax Approach (N=8), Preschool Approach (N=8). Series: Preschool Investment, Subsidy Generosity, Regulation Stringency, Tax Generosity.

Common Approaches (Figure 3)

- ✍ During the 1990s, states chose common mixes of early care and education policy,
  - ✍ Limited approach: 12 states had limited policy across all four ECE policy tools (e.g., AL, AZ)
  - ✍ Subsidy and/or regulation approach: 21 states had leading policy in regulation and/or subsidies with average/limited preschool and tax policies (e.g., VT, WI, RI)
  - ✍ Tax approach: 8 states had generous child care tax provisions but average/limited policies for other policy tools (e.g., HI, OR, AR, CO)
  - ✍ Preschool approach: 8 states invested a great deal in preschool but have average/limited policies for other policy tools (e.g., IL, NJ, OK)
  - ✍ Generous child care approach: 1 state had generous child care subsidy and tax policies, as well as stringent regulations – but average preschool investment (MN)

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RQ #3: POLICY APPROACHES AND STATE CONTEXT

- ✍ Question:
  - ✍ Are states' ECE policy approaches associated with their economic context, political context and/or female representation?

- ✍ Analytic Strategy:
  - ✍ Multinomial logistic regression to predict cluster membership by:
    - ✍ Economic context (wealth and tax effort)
    - ✍ Political context (ideology and party control)
    - ✍ Female representation (female elected officials and women's interest groups)
  - ✍ All contrasts compare approaches to the limited approach states (omitted group)
  - ✍ Minnesota is excluded for *N*=49 since not within the four most common clusters

Key Variables

- ✍ Economic Context
  - ✍ Per capita income: in 1,000s (M=25.60, SD=3.38)
  - ✍ Tax effort: ratio of state taxes to income (M=.06, SD=.02)

- ✍ Political Context
  - ✍ Political ideology: public opinion liberalism as reported in public opinion polls (M= -.14, SD=.09)
  - ✍ Democratic control of state government (M=.27, SD=.40)

- ✍ Female Representation
  - ✍ Female governor (M=.05, SD=.19)
  - ✍ Percentage female legislators (M=.20, .08)

  Note: female representation variables were entered in separate m odels to avoid multicolliniarity and preserve statistical power

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Economic Context and Policy Approa

? Compared to states with limited policy:

- ? Subsidy/regulation and preschool approach states had both higher per capita income and higher tax effort

- ? Tax approach states had higher tax effort without significantly greater per capita income

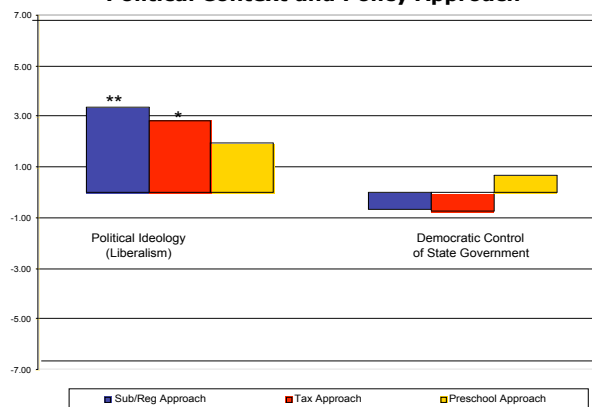**Figure 4. Associations between Economic Context and Policy Approach**
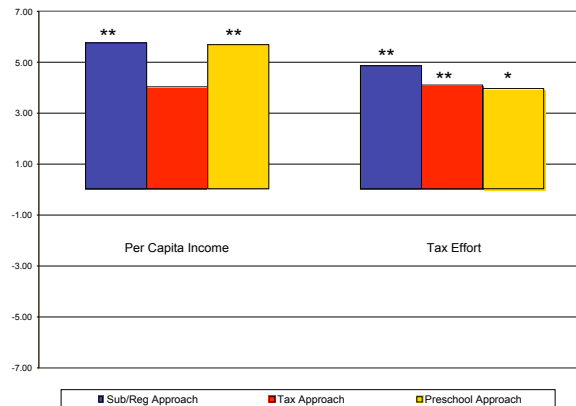
N=49; Standardized betas from multinomial logistic regression; limited policy states are omitted/comparison group; *p<.10, **p<.05

Political Context and Policy Appro

? Compared to states with limited policy:

- ? Subsidy/regulation and tax approach states had citizens with more liberal public opinion

- ? Preschool approach states did not differ significantly in ideology

- ? No significant differences in party control across different approaches

Figure 5. Associations between Political Context and Policy Approach

N=49; Standardized betas from multinomial logistic regression; limited policy states are omitted/comparison group; *p<.10, **p<.05

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Female Representation and Policy Ap[p

? Compared to states with limited policy:

   ? Preschool approach states had fewer female legislators

   ? No other significant associations between female representation and policy approach

Figure 6. Associations between Female Representation and Policy Approach
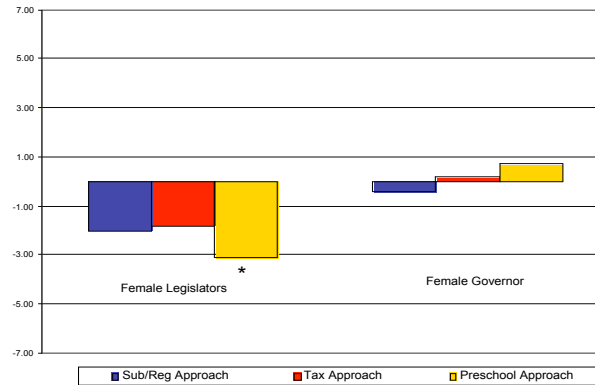
N=49; Standardized betas from multinomial logistic regression; limited policy states are omitted/comparison group; *p<.10, **p<.05; NOTE: Separate models were run for each variable.

SUMMARY OF FINDINGS

? During the 1990s, states choose different levels and mixes of each of the four early care and education policy tools

? No state emerged as a clear "leader" across all four policy tools

? Instead, states chose different policy approaches:
   ? Subsidy/regulation approach (*N*=21)
   ? Limited approach (*N*=12)
   ? Tax approach (*N*=8)
   ? Preschool approach (*N*=8)
   ? Generous child care (*N*=1)

? States that chose different policy approaches also differed with regard to state wealth, tax effort, political ideology, and percent of female legislators

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