

Federalism, State Variation, and Early Care and Education Policy Choices



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Introduction

- During 1990s, we saw increased policy attention to Early Care and Education (ECE)
- Coincided with shifts in the balance of federalism in American politics
 - Devolution of child care funding streams
 - State-level innovations diffused among states
 - Resulted in state governments holding key decision-making authority to shape availability, affordability, and quality of ECE
- Variation in state policy should be monitored and better understood

Research Questions

- RQ #1: To what degree have states' ECE policy choices changed over time? Is variation among states increasing or decreasing?
- RQ #2: Are correlations seen among the four ECE policy areas across states?
- RQ #3: Is ECE policy variation associated with elements of a states' economic context (per capita income) and political context (ideology and partisan control)?

Study Design

- Pooled, cross-sectional, time-series
 - State-years as unit of analysis

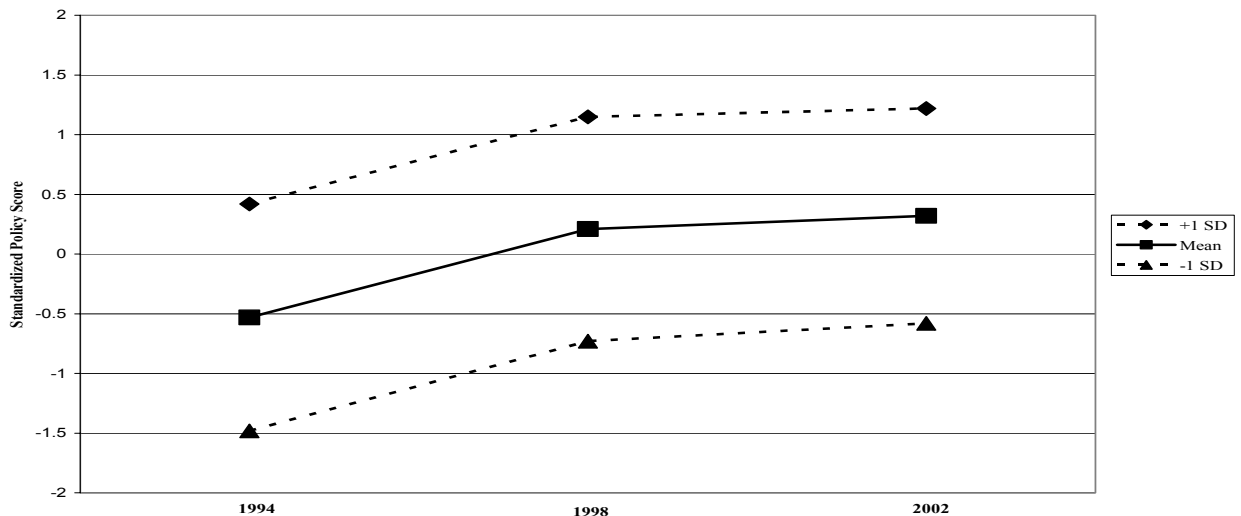
- Three time points ($N=150$)
 - T_1 : 1990-1994
 - T_2 : 1994-1998
 - T_3 : 1998-2002

- Measures
 - ECE Policy Indices
 - Child care subsidy generosity ($M=0, SD=1$)
 - Child care regulatory stringency ($M=0, SD=1$)
 - Investment in preschool ($M=0, SD=1$)
 - Child care tax provisions ($M=0, SD=1$)
 - Independent Variables
 - Per capita income in \$1,000s ($M=\$26.46, SD=\3.21)
 - Liberal ideology ($M=-.14, SD=.09$)
 - Democratic legislature ($M=.59, SD=.40$)
 - Democratic Governor ($M=.46, SD=.44$)
 - Adjusted for cost-of-living differences and presented in 2002 dollars

RQ #1: Change over Time

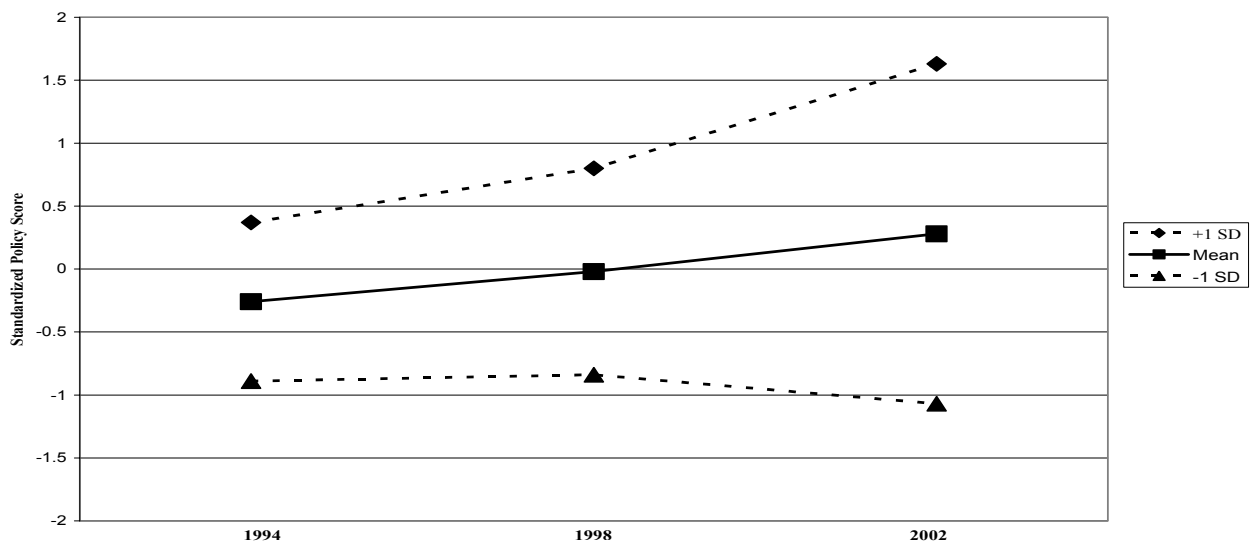
- Child care subsidy generosity and preschool investment grew significantly during the 1990s

Figure 1
Relative Subsidy Generosity Over Time



$N=50$ at each timepoint; 1994: $M=-.53$ ($sd=.95$); 1998: $M=.21$ ($sd=.94$); 2002: $M=.32$ ($sd=.90$); Significant growth between 1994 and 1998 ($F=12.58$).

Figure 3
Relative State Preschool Investment Over Time

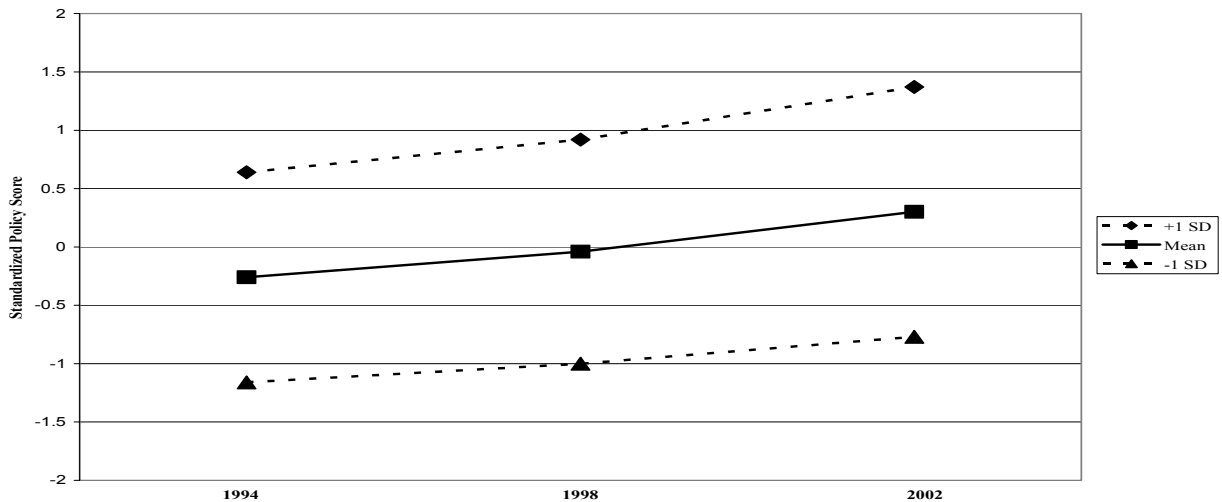


$N=50$ at each timepoint; 1994: $M=-.26$ ($sd=.63$); 1998: $M=-.02$ ($sd=.82$); 2002: $M=.28$ ($sd=1.35$); Significant growth over time ($F=3.86$).

RQ #1: Change Over Time

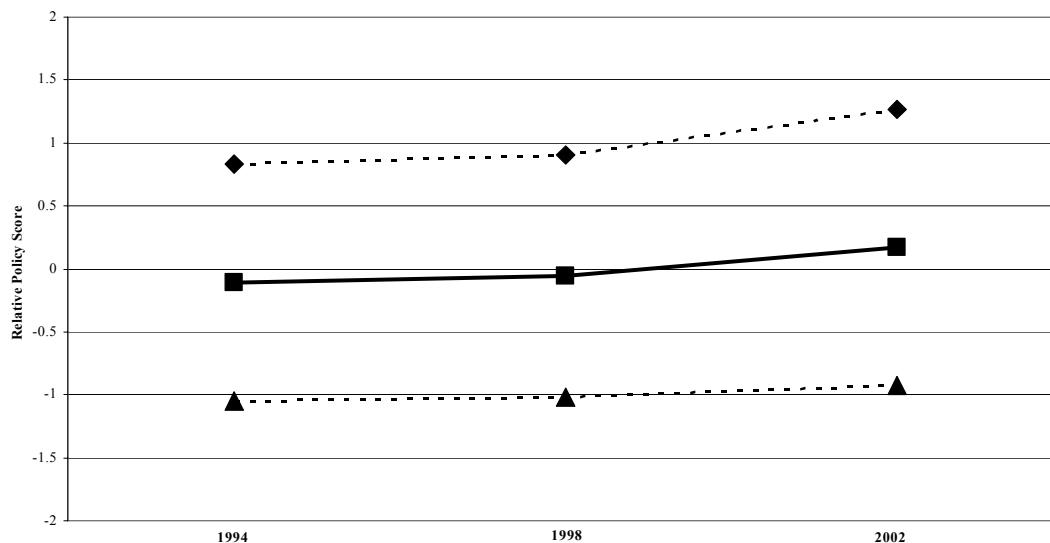
- Less change was seen in child care regulatory stringency and the generosity of child care tax provisions

Figure 2
Relative Child Care Regulation Stringency Over Time



$N=50$ at each timepoint; 1994: $M=-.26$ ($sd=.90$); 1998: $M=-.04$ ($sd=.96$); 2002: $M=.30$ ($sd=1.07$); Significant growth over time ($F=4.20$).

Figure 4
Relative Child Care Tax Provision Generosity Over Time



$N=50$ at each timepoint; 1994: $M=-.13$ ($sd=.94$); 1998: $M=-.07$ ($sd=.96$); 2002: $M=.20$ ($sd=1.09$); No significant growth over time ($F=1.29$).

RQ #2: Policy Correlations

- Child care subsidy generosity, regulation stringency, and tax provision generosity are positively correlated (range .17 to .33; $p < .05$)
- Preschool investment is not correlated with the other three ECE policy areas

RQ #3: Political Context

- Per capita income in thousands is positively associated with subsidy generosity ($B = .130$, $se = .049$) and with preschool investment ($B = .116$, $se = .057$)
- Liberal ideology is positively associated with subsidy generosity ($B = 2.643$, $se = 1.402$) and with regulation stringency ($B = 3.678$, $se = 1.906$)
- Tax provision generosity is not related to state wealth, ideology, or party control

RQ #3: Political Context

Associations between Average State ECE Policies and States' Political and Economic Context (1990-2002)

State Context	Subsidy Generosity	Regulation Stringency	Preschool Investment
Per Capita Income	0.130 ** (0.049)	-0.029 (0.067)	0.116 ** (0.057)
Political Ideology	2.643 * (1.402)	3.678 * (1.906)	-0.758 (1.627)
Democratic Legislature	0.326 (0.266)	0.601 (0.361)	0.456 (0.308)
Democratic Governor	-0.359 (0.298)	-0.073 (0.406)	0.058 (0.346)
Constant	-3.098 ** (1.432)	0.954 (1.948)	-3.460 ** (1.663)
N	150	150	150
R-squared	0.37	0.14	0.14

N=150 (Pooled data on 50 states at 3 time points); Entries are unstandardized beta coefficients with standard errors in parentheses derived from between-effects, linear models that regress the average of each state's policy scores across three time points (1994, 1998, 2002) on state context variables.

*significant at 10%; ** significant at 5%; *** significant at 1%

Note: State child care tax provision generosity is not shown here since it was not associated with any of the four contextual variables.

Summary

- These analyses examine variation on four state Early Care and Education (ECE) policy areas (child care subsidies, child care regulations, preschool investment, and child care tax provisions). Pooling data on 50 states at three time-points (1994, 1998, 2002; $N=150$), we examine trends in the level and variation of states' ECE policy choices over time, as well as associations between these policy choices and elements of states' economic and political context.

- We identify different patterns and associations for each policy area:
 - Child care subsidy generosity grew significantly between 1994 and 1998, likely as a result of federal policy changes in 1996. Despite this overall growth, there was no growth in variation among states during this period of growth. Pooling data across the time points, we find that more generous subsidy policies are found in wealthier and more liberal states.
 - Child care regulation stringency increased slightly in overall stringency, as well as in variation among states during the time period. States' level of regulatory stringency was positively associated with more liberal political ideology among states' citizens.
 - Preschool investment grew significantly over the time period, with widening variation among states. These changes seem to be driven by state-to-state policy diffusion rather than any reaction to federal policy. The level of state investment was not associated with political variables, but only with the level of wealth in a state.
 - Child care tax generosity remained quite stable over the time period with only a few states changing their tax policy changes in the 1990s. The generosity of these provisions was not related to the elements of the economic and political context tested in these analyses.

- These differences supports other accounts of uncoordinated policymaking across the distinct elements of state ECE policy. Most pronounced is the lack of any correlation between states' preschool investment and the other more "child care" focused policy areas.

- The importance of states' economic context for subsidy generosity and preschool investment raises questions about the consequences of allowing states to determine these policy levels. If economic conditions limit states' ability to provide policies as generous as those found in more wealthy states, it is likely that existing societal inequalities in education and economics will simply be reproduced across generations. In a federalist political system such as the U.S., this possibility needs to be investigated further.