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# CCDBG Implementation: Alabama

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*When the Child Care and Development Block Grant (CCDBG) was reauthorized in 2014, states faced unique paths to comply with the new law. CLASP interviewed stakeholders in three states—Alabama, California, and Louisiana—to understand successes and challenges on their road to CCDBG implementation. In each of these profiles, we summarize key takeaways, lessons learned, and opportunities that lie ahead for the selected state.*

## Context: An Under-resourced System Struggling with Inequity

Alabama has struggled to provide equitable access to high quality child care for children and families. In 2016 only about one in five of eligible children in Alabama received child care assistance. When CCDBG reauthorization passed in 2014, both income eligibility and provider payment levels for child care assistance in Alabama were low, and the state had a waitlist of almost 8,400 children.<sup>1</sup>

In the past, Alabama's child care subsidy waitlist grew to as large as 18,000. Instead of allocating additional dollars for child care subsidies the state lowered the income eligibility threshold. As a result of lowered eligibility, the waitlist shrunk to fewer than 7,000 children as of 2017 despite an unchanged need for child care assistance.<sup>2</sup> Low payment rates have also been a major problem for child care providers in Alabama. Unreliable reporting of costs and poor data collected through the state market rate survey, combined with lack of resources, has led to chronically low reimbursement rates for providers, and related problems with quality of care. As one advocate said, "[child care providers] can't provide a safe environment for an infant on 92 dollars a week."<sup>3</sup>

Finally, Alabama's child care system has been built on a foundation of inequitable regulation. In 1983, the state approved an exemption for faith-based child care programs from child care licensing requirements. Notably, some child care programs operated by religious institutions are licensed and regulated, and there are other, non-faith based license-exempt child care providers in the state, but faith-based programs are the lion's share of Alabama's license-exempt child care providers.<sup>4</sup> Although fifteen other states like Indiana, Virginia, and North Carolina give religious child care centers license-exempt status, Alabama allows faith-based programs to operate with particularly limited oversight.<sup>5</sup> Alabama's faith-based child care centers also stand out because they make up a larger than typical share of the state's overall child care centers; the percentage of parochial child care centers in Alabama is more than three times the national average. In September 2017, there were 431 license-exempt religious child care programs operating in Alabama accepting child care subsidies—27 percent of all programs accepting subsidies in the state. These license-exempt religious programs served over 13,000 children and received over \$3 million in state child care payments.<sup>6</sup> That year, 42 percent of children in Alabama who received child care subsidies used them in faith-based, unregulated settings.

## A Focus on Licensing in Implementation

With a large portion of the child care system exempt from licensing, basic health and safety provisions became a central focus of the state's CCDBG reauthorization agenda.

The licensing exemption for faith-based programs has contributed to poor quality – and even unsafe – programs in the child care subsidy system. While many license-exempt providers in Alabama are excellent caregivers, the exemptions have been blamed for a string of health and safety incidents that have taken place in unlicensed centers. Multiple children have died in faith-based unregulated child care centers including one as recently as August 2017.<sup>7</sup> Unlicensed providers have also been associated with widely documented cases of neglect and abuse. Child care providers have reportedly identified themselves as faith based, to avoid having to comply with licensing requirements like maintaining certain staff-to-child ratios, implementing employee training, and undergoing inspections.<sup>8</sup>

## Reactions to Reauthorization

CCDBG reauthorization was enacted to address many long-term quality, access, and payment rate issues in state child care systems. Given the lack of resources for implementing the reauthorization, many advocates and providers in Alabama were concerned with the capacity of the Department of

Human Resources (DHR) – the state’s lead child care agency – to make improvements required by the federal law. Advocates were also confused about how the new law would impact faith-based child care facilities.

Others, however, saw the implementation of CCDBG reauthorization as an opportunity to build a more unified system of care, where all child care centers would meet minimum licensing standards, creating an even playing field and a safer system for children.

## Implementation Process

### *Competing priorities*

Despite struggling with low and inequitable access to child care subsidies, health and safety concerns, and chronically low payment rates, Alabama was largely in compliance with many of the CCDBG reauthorization’s provisions when they went into effect. At the same time, media attention increased public awareness about the dangers of unregulated child care centers after deaths in such centers. News reports uncovered poor conditions in some of the state’s worst unregulated centers and explored how background checks or regulation may have prevented deaths. The reporting also emphasized how much Alabama’s religious child care licensing exemption differs from other states. The attention on child safety concerns combined with the public conversation around reauthorization presented a unique opportunity for child advocates.

Long-standing provider organizations and advocacy groups in Alabama such as VOICES for Children in Alabama and The Women’s Fund of Greater Birmingham played a key role in elevating the child care conversation, focusing it on the experiences of children and families, and strategically building support for fundamental changes in the system. Reauthorization was an opportunity to engage with the CCDBG lead agency, the Department of Human Resources, and the state legislature to make the case for implementing the required provisions and improving the quality of child care in the state overall.

Advocates worked closely with members of the state legislature to introduce new legislation. Alabama State Representative Pebblin Warren introduced the Child Care Safety Act (House Bill 277) in 2017. The bipartisan bill was an effort to regulate unlicensed child care centers and would have required all child care facilities to become licensed. After receiving pushback from religious organizations, the bill was altered to only require licensing for facilities accepting state or federal funds (including CCDBG-funded child care subsidies). The revised HB 277 overwhelmingly passed the state house on April 20, 2017 but it failed to pass the State Senate.

The Child Care Safety Act was reintroduced in 2018, as HB 76. The bill contained language specifying that the law did not infringe upon the religious teachings or practices of faith-based child care facilities. In 2018, HB 76 passed the state legislature and was signed into law by Governor Kay Ivey.<sup>9</sup>

### *Progress and Setbacks*

Passage of the Child Care Safety Act along with implementation of the other provisions of CCDBG reauthorization were important steps forward, but they also created additional challenges for Alabama’s children and families.

After Alabama implemented key health and safety provisions of CCDBG reauthorization there was a significant decline in the number of providers participating in the child care subsidy program. HB 76 provided a pathway for unlicensed, faith-based, child care centers that had been serving children using subsidies prior to the law's passage to become licensed. This provision gave providers 90 days to comply with licensing requirements, but unfortunately some decided to drop out of the subsidy program, either by closing entirely or by continuing to operate without accepting children using child care subsidies, rather than become licensed. After the passage of the Child Care Safety Act there was a 25 percent decrease in the number of exempt programs participating in the subsidy program, further worsening the earlier decline in providers.

## Next Steps

The recently submitted Alabama Child Care and Development Fund State Plan for 2019-2021 indicates that the state has met most CCDBG reauthorization requirements. However, Alabama still has to take steps to build upon the important quality improvements won in recent years and to counter the loss of capacity in its subsidy system. Stakeholders must work together to prioritize the use of newly available CCDBG dollars to meet critical systemic needs and serve more eligible families. To date, Alabama has dedicated as much as \$14 million of its new CCDBG funds to increase its subsidy payment rates and it has also eliminated its waiting list.<sup>10</sup> The state should also consider increasing its income eligibility levels and expanding access to subsidies to reach more families. Finally, Alabama will have to rebuild capacity in the subsidy system based on data and the articulated needs of eligible families in the community.

The additional CCDBG funds appropriated by Congress in 2018 can bolster the efforts of advocates and state policymakers, but new dollars alone won't advance policies. A small number of advocates and legislative champions committed to the safety of children led the effort to change licensing standards. In such an intensely under-resourced environment, advocates have not had the capacity to move a broader policy agenda forward. Key child care stakeholders and community leaders need to build on their strong relationships and expertise with ongoing and increased financial support and organizational capacity to develop a comprehensive agenda and make lasting and meaningful improvements to the child care system in Alabama.

## Endnotes

<sup>1</sup> Karen Schulman, Helen Blank, *Turning the Corner State Child Care Assistance Policies 2014*, National Women's Law Center, 2014, [https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2015/08/nwlc\\_2014statechildcareassistancereport-final.pdf](https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2015/08/nwlc_2014statechildcareassistancereport-final.pdf).

<sup>2</sup> National Women's Law Center, *State Child Care Assistance Policies: Alabama, 2018*, [https://nwlc.org/wp-content/uploads/2018/03/alabama-childcare-subsidy2017\\_v2.pdf](https://nwlc.org/wp-content/uploads/2018/03/alabama-childcare-subsidy2017_v2.pdf)

<sup>3</sup> Interview with child care advocate, 2017.

<sup>4</sup> Federation of Child Care Centers of Alabama (FOCAL), *Coming Undone: The State of Child Care in Alabama*, 2005, <http://www.alisj.org/wp-content/uploads/2014/03/FOCAL-Coming-Undone-Report-2005.pdf>; Alabama Department of Human Resources, *# of Children & Reimbursement by Provider Legal License Status and Type*, 2017, [http://www.dhr.state.al.us/services/Child\\_Care\\_Services/documents/Statistics/2017reports/SeptemberStats.pdf](http://www.dhr.state.al.us/services/Child_Care_Services/documents/Statistics/2017reports/SeptemberStats.pdf).

<sup>5</sup> Bronwyn Roantree, *Challenging Statutory Accommodations for Religiously Affiliated Daycares: An Application of the Third-Party Harm Doctrine*, 86 Fordham Law Review. 1393, 2017, <https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=5465&context=fldr>.

<sup>6</sup> Alabama Department of Human Resources, *# of Children & Reimbursement by Provider Legal License Status and Type*; The Annie E. Casey Foundation Kids Count Data Center, *Child Care Facilities*, 2018, <https://datacenter.kidscount.org/data/tables/4652-child-care-facilities?loc=2&loct=2#detailed/2/any/false/871,870,573,869,36,868,867,133,38,35/968,969,970,971,972/10811>.

<sup>7</sup> Anna Claire Vollers, *After Death of 5-Year-Old, A Look at the Alabama laws that left his Day Care Unlicensed*, Al.com, 2017, [https://www.al.com/news/index.ssf/2017/08/after\\_day\\_care\\_van\\_death\\_of\\_5-.html#article](https://www.al.com/news/index.ssf/2017/08/after_day_care_van_death_of_5-.html#article).

<sup>8</sup> Amy Julia Harris, *Alabama Woman Keeps Resurrecting Shoddy Day Cares in God's Name*, Al.com, 2016, [https://www.al.com/news/index.ssf/2016/04/alabama\\_woman\\_keeps\\_resurrecti.html](https://www.al.com/news/index.ssf/2016/04/alabama_woman_keeps_resurrecti.html).

<sup>9</sup> Fox 10 News, *Gov. Kay Ivey signs new Alabama Day Care Bill*, 2018, <http://www.fox10tv.com/story/37818415/governor-ivey-signs-new-day-care-bill>; Legiscan, *Bill Texts: AL HB 76 | 2018 | Regular Session, 2018*, <https://legiscan.com/AL/drafts/HB76/2018/>.

<sup>10</sup> Alabama Department of Human Resources, *Child Care Subsidies Paid by the Department of Human Resources to Increase*, 2018, [http://dhr.alabama.gov/news/news\\_detail.aspx?ID=12992](http://dhr.alabama.gov/news/news_detail.aspx?ID=12992); Anna Claire Vollers, *Alabama Parents No Longer Wait Years to get Help Paying for Child Care*, Al.com, <https://www.al.com/news/2018/12/alabama-parents-no-longer-wait-years-to-get-help-paying-for-childcare.html>.