



1050 17th Street, N.W.
Suite 1150
Washington, DC 20036
202.525.5717

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Comment Regarding the Office of the State Superintendent of Education's Notice of Proposed Rulemaking amended 5-A DCMR Chapter 1 to extend the deadline for staff members to comply with specific credential requirements

Even in a nation overwhelmed by well-intentioned but misguided occupational licensing laws, the District of Columbia's childcare degree requirement has achieved particular notoriety.¹ While we appreciate the Office of the State Superintendent of Education's (OSSE) decision to extend the timeline for childcare workers to meet the new requirements, we think OSSE should use this opportunity to reconsider the need for these requirements in the first place.

Specifically, the requirement that childcare workers obtain an associate degree in early childhood education or childhood studies (or at least an associate degree that includes 24 semester credit hours in these subjects) is problematic for three main reasons:

1. *The requirement disproportionately hurts low-income childcare workers and individuals seeking to become childcare providers.*

Requiring current and would-be childcare workers to receive an associate degree or higher in order to work in the industry is far from costless. According to the College Board, the average tuition for two-year colleges in 2016-17 was \$3,520.² This puts the total tuition cost at over \$6,000 for two years, which does not include other costs such as textbooks and room and board.

Unfortunately, for many childcare workers, this expense is a near-impossible burden to shoulder. The Bureau of Labor Statistics estimates that the mean hourly wage of childcare workers is \$11.02, while the mean annual salary for childcare workers is \$22,930.³ It's unreasonable to require childcare workers to pay the high costs of tuition given these average levels of compensation.

OSSE has initiated efforts to provide resources to childcare workers in the District to help them meet these new educational requirements, but these efforts are unlikely to be

¹ Michael Alison Chandler, *D.C. Among First in Nation to Require Child-care Workers to Get College Degrees*, WASH. POST (Mar. 31, 2017), https://www.washingtonpost.com/local/social-issues/district-among-the-first-in-nation-to-require-child-care-workers-to-get-college-degrees/2017/03/30/d7d59e18-0fe9-11e7-9d5a-a83e627dc120_story.html?utm_term=.760900e71ae2.

² COLLEGE BOARD, TRENDS IN COLLEGE PRICING 2016 at 3 (2016), https://trends.collegeboard.org/sites/default/files/2016-trends-college-pricing-web_0.pdf.

³ *Occupational Employment and Wages, May 2016: Childcare Workers*, BUREAU OF LABOR STATISTICS (Mar. 31, 2017), <https://www.bls.gov/oes/current/oes399011.htm>.

sufficient. And even if they were, they do not address the other costs and time constraints would-be childcare workers would face, including the opportunity cost of missed work time.

2. *The requirement reduces the ability of out-of-state childcare workers to move to the District of Columbia*

The college degree requirement may also hurt out-of-state childcare workers looking to move to D.C. This month, the National Bureau of Economic Research (NBER) released a working paper exploring how occupational licensing requirements act as a barrier to interstate migration and geographic mobility. NBER researchers found that interstate migration rates are 36 percent less for those individuals whose occupations have licensing exams and requirements than those without such restrictions.⁴

To translate these results into lay speak, licensing makes it difficult for people to move to a new state and continue practicing their occupation, since the new state may have additional licensing requirements pertaining to that occupation. The District's childcare educational requirements surely fit this description. A savvy, experienced daycare worker from Maryland who moves to the District, for instance, would no longer be able to continue practicing his occupation if he lacks the appropriate degree.

Even if a daycare worker had the means to obtain such a degree, it would be at least two years before he completed the requirement—which means he would have to put his career on pause to get a degree for something he has already been doing successfully. For a city that has long been recognized as having one of the highest mobility rates in the country, this makes little sense.⁵

3. *The requirement will raise the cost of daycare in the District*

The literature on occupational licensing consistently demonstrates that licensure drives up the cost of services. As the 2015 Occupational Licensing Report produced by the Obama Administration summarized, “In 9 of the 11 studies we reviewed, significantly higher prices accompanied stricter licensing.”⁶

By requiring childcare workers in the District to obtain a degree—a *de facto* form of licensure—the cost of childcare can be expected to rise significantly. As noted above,

⁴ Janna E. Johnson and Morris M. Kleiner, Is Occupational Licensing a Barrier to Interstate Migration? (Dec. 2017) (unpublished NBER Working Paper No. 24107), <http://www.nber.org/papers/w24107>.

⁵ Lisa A. Sturtevant, *Washington D.C. Region is One of the More Transient Areas in the Country*, WASH. POST (Dec. 18, 2012), https://www.washingtonpost.com/blogs/where-we-live/post/washington-dc-region-is-one-of-the-more-transient-areas-in-the-country/2012/12/17/1ca26680-4883-11e2-820e-17eefac2f939_blog.html?utm_term=.a97162449b3f.

⁶ DEP'T OF TREASURY OFFICE OF ECONOMIC POLICY, COUNCIL OF ECON. ADVISERS, & DEP'T OF LABOR, OCCUPATIONAL LICENSING: A FRAMEWORK FOR POLICYMAKERS 60 (July 2015), https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf.

post-secondary degrees are not free, and the costs of educating the workforce under this expensive new degree requirement will be passed on to consumers.

This requirement is especially untenable given the astronomical costs of childcare in the District. According to the Economic Policy Institute, the average annual cost of childcare in the District is \$22,631, making it the most expensive childcare locale in the nation.⁷ Put another way, the average D.C. family with a toddler and an infant would have to spend up to 63.6 percent of their annual income to enroll their kids in childcare.⁸ Yet the District is determined to *raise* childcare costs.

Adding to this already high cost would hurt the most vulnerable; low- and middle-income families could easily be priced out of the childcare market.

For these reasons, OSSE should revisit its planned childcare educational requirements. The proposed delay in the requirements timeline is marginally helpful, but it fails to address the issues we lay out above. Namely, many current and would-be childcare workers will remain unable to afford the cost of a post-secondary degree; the requirement will prevent childcare workers from migrating to the D.C. area, even if they are already well qualified to perform childcare roles; and the cost of childcare in the District will rise at a time when many D.C. families can ill-afford an increase.

In closing, both of the undersigned note that they possess college degrees but feel utterly unqualified to act as childcare workers. While neither of them majored in or extensively studied childhood education, OSSE's requirement of at least 24 semester credit hours in childhood education would likely not have changed that outlook. College is a wonderful opportunity for many Americans, but the idea that it is the key to training people in how to take care of children is dubious at best. Both of the undersigned also had wonderful childcare workers take care of them growing up, few of whom possessed post-secondary degrees. And, of course, it should go without saying that the main form of primary caretakers in this country—parents—are themselves often non-college educated individuals.

If the District truly deems it necessary to impose more extensive regulations to ensure that childcare workers are qualified to perform their duties—itsself a questionable proposition—there are certainly more narrowly- tailored approaches they could pursue than the costly, one-size-fits-all approach of a college degree.

OSSE has a chance to change course and correct this oversight. We urge them to do so.

Signed,

C. Jarrett Dieterle, Governance Fellow; Shoshana Weissmann, Policy Analyst

The R Street Institute is a free-market think tank based in Washington, D.C.

⁷ *The Cost of Child Care in Washington, DC*, ECON. POLICY INST. (Apr. 2016), <http://www.epi.org/child-care-costs-in-the-united-states/#/DC>.

⁸ *Id.*