

Child Care Providers & the Subsidy System: A Study of 5 Counties

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■ *Research team*

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Resource & referral agencies, state and local subsidy
administrators & staff, center directors & teachers,
family child care providers

Why focus on providers & subsidies?

- **Key role in supporting subsidy goals**
 - Helping low-income parents work
 - Supporting children's development
- **Relatively little is known about...**
 - Who cares for children receiving subsidies
 - Relationship between providers and the subsidy system

Research goals

- Explore...
 - Characteristics of providers
 - Voucher policies and implementation practices that may affect providers
 - Interaction between provider and voucher system characteristics

Study sites

- **Jefferson County, AL (*Birmingham*)**
- **Hudson County, NJ (*Jersey City*)**
- **King County, WA (*Seattle*)**
- **Monterey County, CA**
- **San Diego County, CA**

Mixed-methods research design

■ Quantitative (*survey*)


- ❑ Center directors & teachers, family child care
- ❑ Characteristics of providers
- ❑ Experiences with voucher system

■ Qualitative (*focus groups/interviews*)

- ❑ Center directors, family child care, subsidy administrators, caseworkers, local experts
- ❑ Voucher policies and implementation practices
- ❑ Experiences with voucher system

Project status

- Now available at www.urban.org:
 - *Child Care Centers, Child Care Subsidies, and Faith-Based Organizations: Preliminary Findings on Five Counties in 2003*
- Remaining reports to be released later this year
- Findings preliminary until final reports released



Part I.
Meeting the need?
**A description of child care
providers supported by the
Child Care & Development Fund**

Monica Rohacek

Survey methodology

- **Stratified random sample of centers and family child care homes**
 - Children under age 5
 - 40 hours per week
 - Fee-paying or voucher-subsidized clients*

- **Instruments**
 - Computer assisted telephone interview (CATI)
 - 45-60 minutes with center directors & family child care
 - 15 minutes with teachers

Survey methodology

■ Sample size (response rate)

- 407 center directors ($\approx 82\%$)
- 534 family child care providers ($\approx 87\%$)
- 385 teachers ($\approx 77\%$)

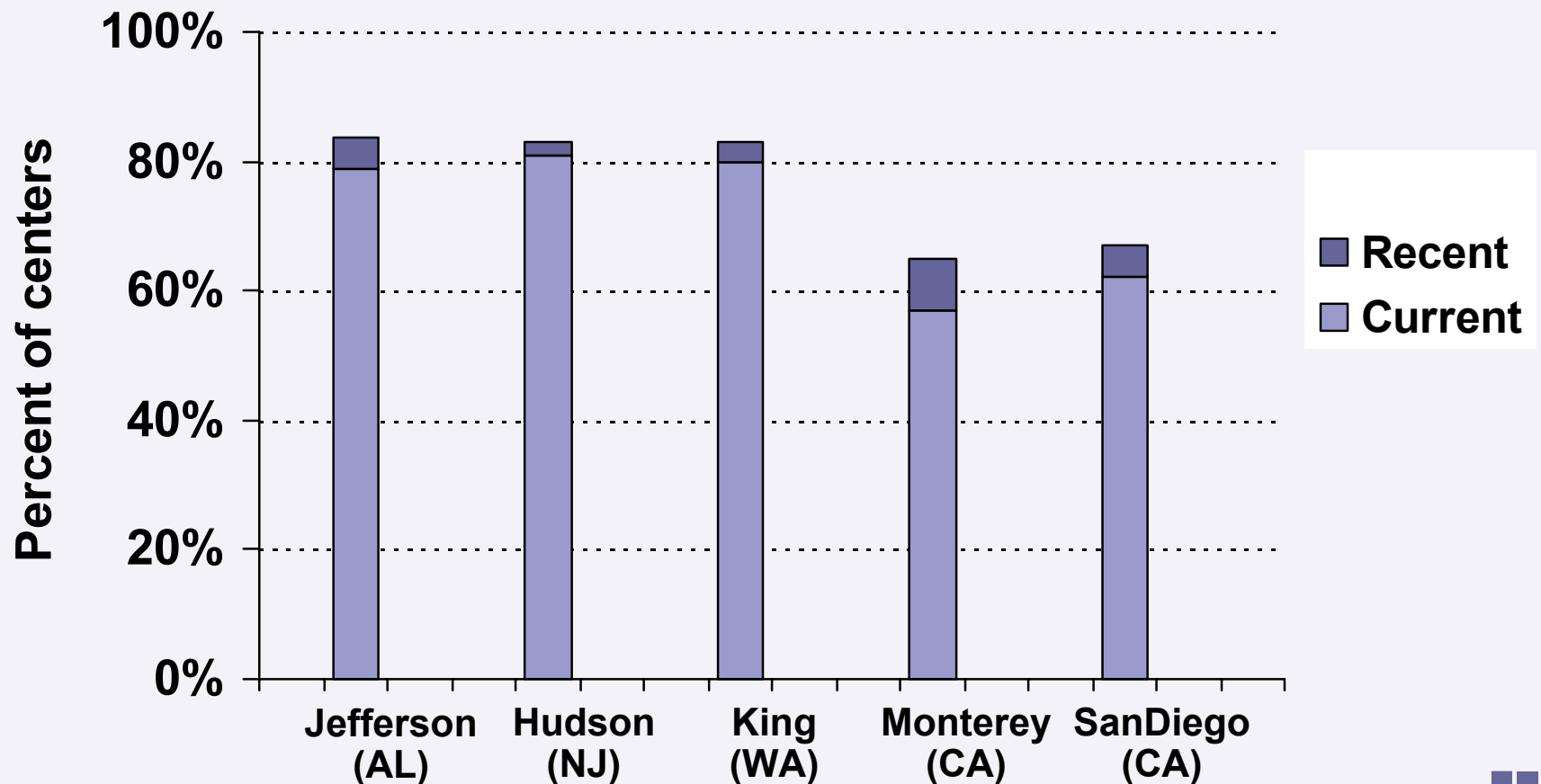
■ Analysis

- Exploratory study \rightarrow $\alpha = .10$ for tests of significant differences
 - Reduces chance of Type II error
 - Increases chance of Type I error
- Low power \rightarrow only relatively large differences detectable

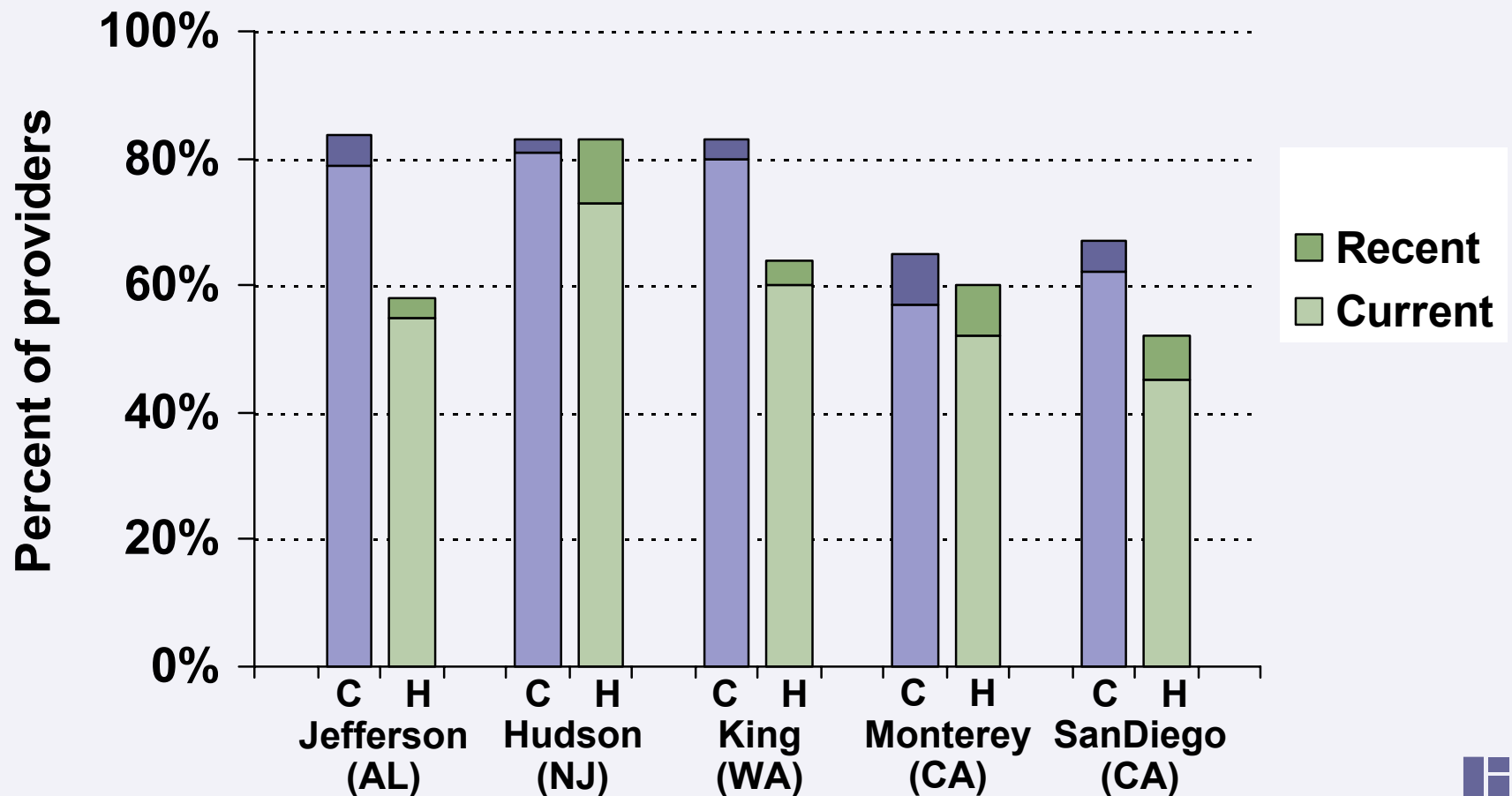
Rates of voucher receipt in centers and homes

- Any children whose fees are paid through vouchers?
- How many?
- If not, were there in the past?

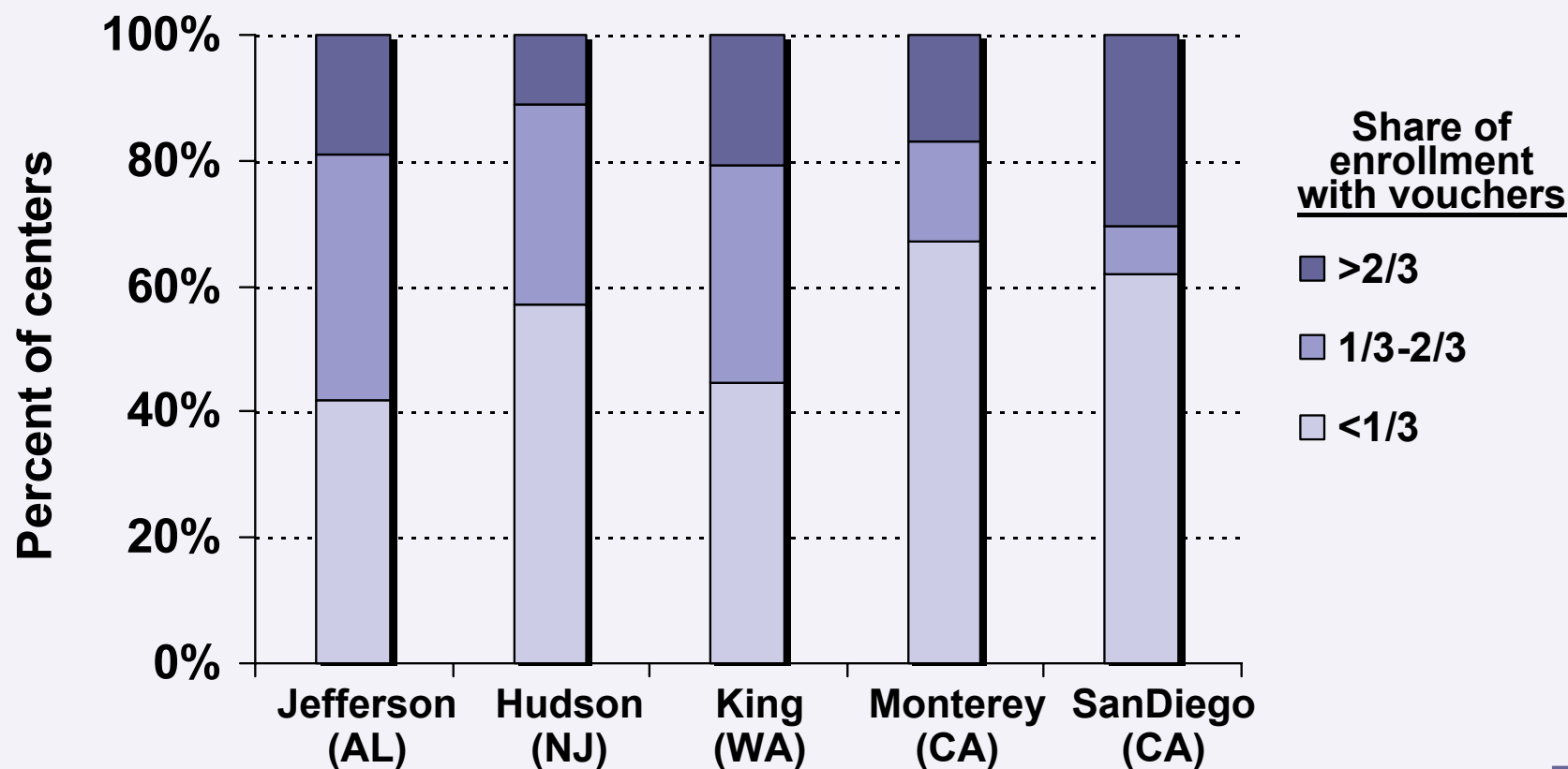
Percent of centers that currently or recently cared for at least one child with a voucher



Percent of centers and family child care homes that currently or recently cared for at least one child with a voucher



Percent of centers in which $<1/3$, $1/3-2/3$, or $>2/3$ of children have a voucher (among centers with current/recent voucher children)



Characteristics of centers and family child care providers

- Operating days and hours
- Wages and benefits
- Education and training characteristics
- Ratio/group size and other proxies for quality

Offer care outside of traditional days/hours (*homes*)

Homes	Jeff. AL	Huds. NJ	King WA	Mont. CA	SanD. CA
*Offer evening care	▲	—	▲	▲	▲
*Open Sat. and/or Sun.	—	▲	—	▲	▲

Arrows indicate sites in which subsidized providers were significantly higher or lower on measure than unsubsidized providers.

Purple arrow = subsidized providers look “better”

Green arrow = subsidized providers look “worse”

M = direction of difference depends on level of subsidy involvement

-- = no significant differences

** Significant difference in consistent direction in a majority of sites*

+ Significant difference in a majority of sites but direction varies

Education & training characteristics

	Jeff. AL	Huds. NJ	King WA	Mont. CA	SanD. CA
<i>Centers</i>					
*Directors w/Bachelor+ degree	▼	—	▼	▼	▼
*Teachers w/Bachelor+ degree	▼	—	▼	▼	▼
Teachers w/no college or CDA	—	—	—	▲	—
50% of teachers had 10+ hrs training	—	—	—	▼	—
Early literacy training	—	—	—	▼	—
Offer paid time off for training (TS)	—	—	—	M	—
+Training cost covered (TS)	▼	—	—	▲	▼
<i>Homes</i>					
*10+ hours training previous year	▲	▲	—	▲	▲
*Early literacy training	▲	▲	▲	▲	▲
Associate+ degree	—	—	—	▲	—

Wages & Benefits

	Jeff. AL	Huds. NJ	King WA	Mont. CA	SanD. CA
<i>Centers</i>					
*Teacher wages	▼	▼	▼	▼	—
*Assistant wages	▼	▼	▼	▼	▼
*Teacher raise last 12 months	▼	▼	▼	▼	▲
+Offers paid health insurance	▼	▼	—	M	—
+Teacher has any health insurance	▼	▼	▲	▲	M
+Teacher has 2+ weeks leave	▼	—	▼	▲	—
*Teacher turnover	—	▲	▲	▲	—
+Assistant teacher turnover	—	▼	—	▼	▲
<i>Homes</i>					
Has any health insurance	▲	—	▼	—	—
*Days closed for holiday/vacation	▼	▼	—	▼	—

Ratio/group size & proxies for process quality


<i>Homes</i>	Jeff. AL	Huds. NJ	King WA	Mont. CA	SanD. CA
*Ratio/grp size don't meet APHA rec.	▲	▲	▲	▼	▼
In field because...“It’s a career”	▲	—	—	—	▲
“It’s a job with a paycheck”	—	—	—	▲	—
Would choose work in other field	—	—	—	—	—
*Traditional childrearing beliefs	▲	▼	▲	▲	▲
Depressive symptoms	▼	—	—	—	—
Average # literacy activities weekly	▲	—	—	—	—
*Number of children’s books	▼	▲	▼	▼	—
+Take children to the library	▲	▼	—	▲	—

Ratio/group size & proxies for process quality

<i>Centers</i>	Jeff. AL	Huds. NJ	King WA	Mont. CA	SanD. CA
Ratio/grp size don't meet APHA rec.	—	▼	—	M	—
In field because...“It’s a career”	—	—	—	▲	▼
“It’s a job with a paycheck”	—	—	—	▼	—
*Would choose work in other field	▲	▲	—	▼	▲
Traditional childrearing beliefs	▲	—	—	▲	—
Depressive symptoms	—	—	▼	—	—
Average # literacy activities weekly	▲	▲	—	—	—
Never take children to the library	▼	—	—	▲	—

Concluding thoughts

- How much of the child care market is being reached with vouchers?
- How do programs with vouchers compare to programs fully funded through parent fees?
- Why do we care about this?
- What might contribute to these patterns?



Part II.
How Does it Work?
How Child Care Providers
Experience
the Subsidy System

Gina Adams

Areas of Findings

- Centers and licensed family child care homes
- Faith-based providers
- Family, friend, and neighbor caregivers (FFN)

Overview of Center/Family Child Care Findings

- **Administrative Context**
- **Payment Issues**
- **Working with the Agency**
- **Working with Parents**
- **Implications**

Varied Administrative Context

- **Number of agencies and programs**
- **Types of agencies**
- **How allocate provider-related functions:**
 - **Provider registration/approval**
 - **Authorizing level of payment (parent worker)**
 - **Payment logistics (checking attendance forms, approving payment)**
 - **Cutting the check**
 - **Problem resolution**

Payment Issues

- **Perceptions of overall payment**
 - Overall
 - In comparison to private pay
- **Experiences with selected policies affecting how much they receive**
 - Absent days
 - Copayment policies/collection
 - Notification around transitions in/out of the program

Working with Subsidy Agency: “Hassle Factor”

- Paperwork
- Getting in touch with agency
- Resolving payment disputes
- Overarching perception about working with subsidy agency

Working with Subsidies: Benefits

- Will be paid
- Can serve families they otherwise couldn't serve
- Agency can help deal with “problem” parents
- Program allows those who are “mission-driven” to serve low-income families

Working with Families

- Help navigate system
- Turnover
- Complexity / dynamic nature of client's lives
- Work with parents who really need service

Implications

- **Summary view depends on perspective and what is “good enough”**
- **System functioning for a good number of providers in a number of sites**
- **Yet key problem areas are cause for concern:**
 - **Result in lost revenue**
 - **Result in lost time and increased effort**

Selected Findings on Faith-based Providers and Subsidies

- **Defining “faith-based providers”**
 - **Affiliated with FBO or private religious school**
 - **Being housed by FBO**
 - **Providers who have prayer or religious instruction**

- **Focus here on faith-affiliated**

Selected Findings: Faith-based Providers and Subsidies

- **In most sites, no evidence of difference in voucher receipt among faith-affiliated providers**
- **No barriers perceived due to faith status**
- **May be more likely to have certain characteristics that make participation challenging**

Selected Findings: FFN Providers and Subsidies

- **Subsidized FFN providers not homogeneous**
- **Entry into subsidy system challenging**
- **Determining payment levels reflects agency priority and goals**
- **Collecting copayments different**

Selected Findings: FFN Providers and Subsidies

- Once in system, care about same issues
- Agency respondents concerns:
 - Less understanding about subsidies
 - More complex/time-consuming approval
 - More potential for fraud
 - Less stable form of care

Next Steps

- Explore implications of these issues for providers and for the quality/stability of their care
- Examine these issues in the context of other factors that affect providers ability to provide quality care
- Identify innovative policy strategies that support providers

Slides to use if there are questions on levels of characteristics during Q&A...

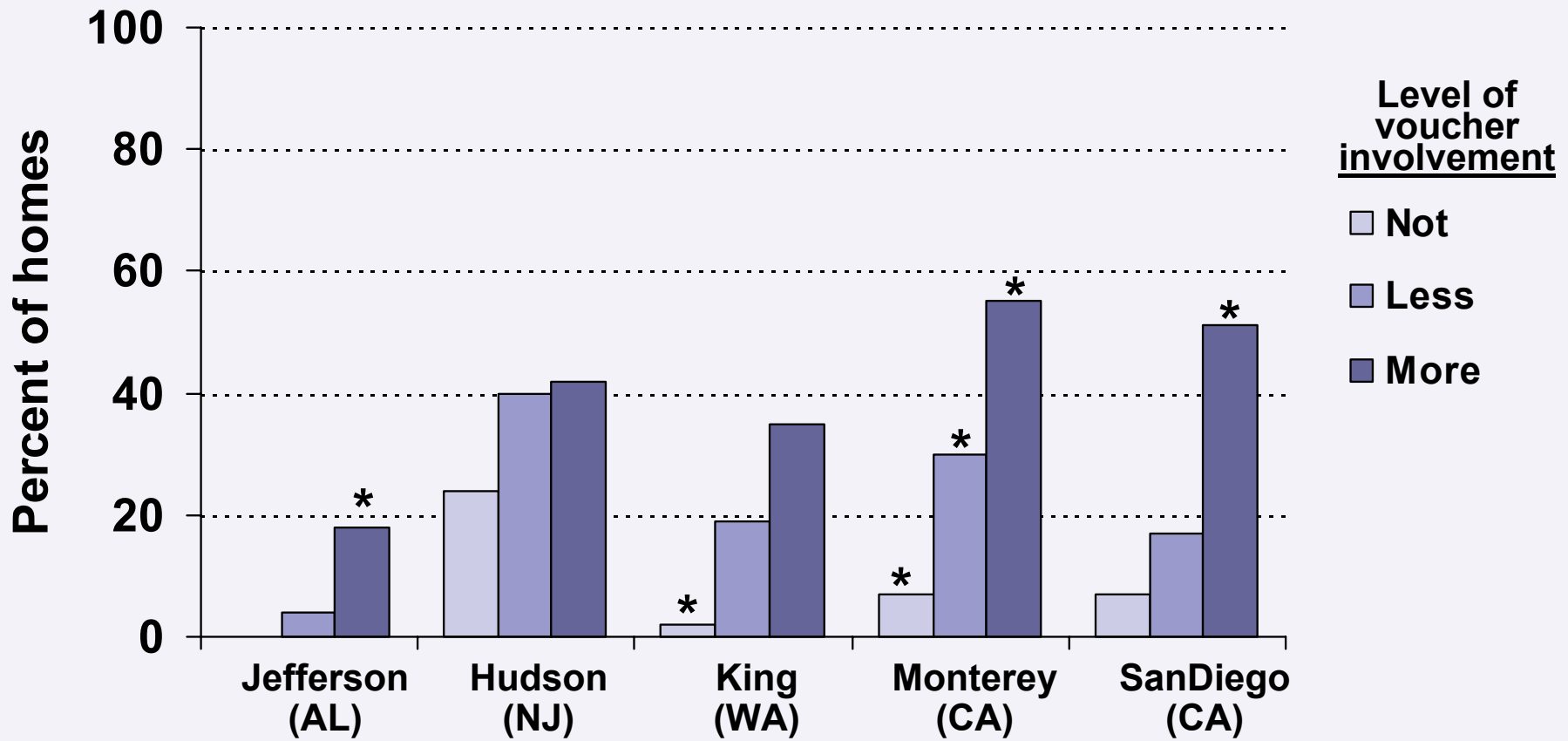
Characteristics - Comparisons are by level of voucher involvement

- **Not involved (Unsubsidized)**
 - No current or recent children with vouchers

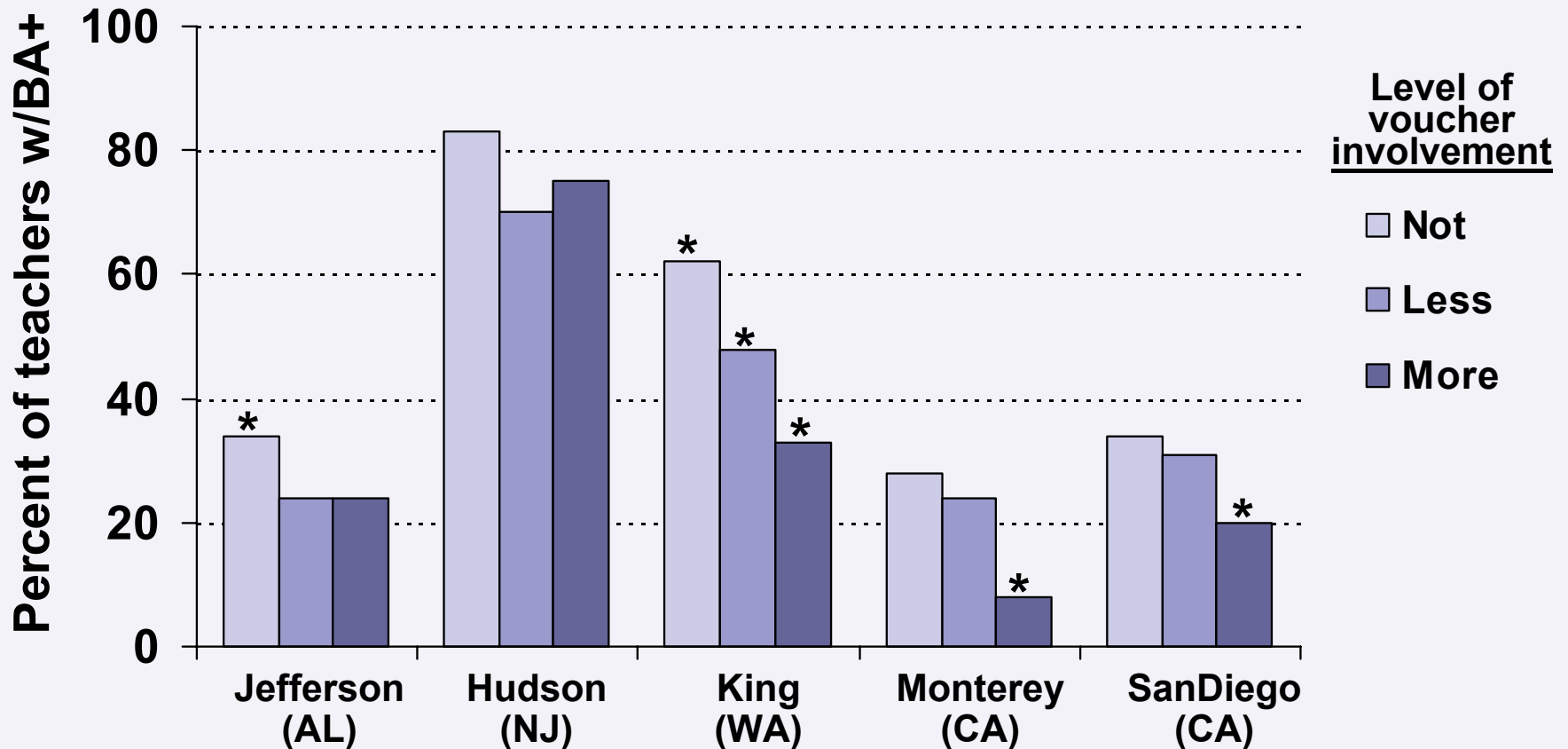
- **Less involved (Subsidized)**
 - Either current or recent children w/vouchers
 - Centers - <20% enrollment w/vouchers
 - Homes - <50% enrollment w/vouchers

- **More involved (Subsidized)**
 - Current children w/vouchers
 - Centers – 20%+ enrollment w/vouchers
 - Homes – 50%+ enrollment w/vouchers

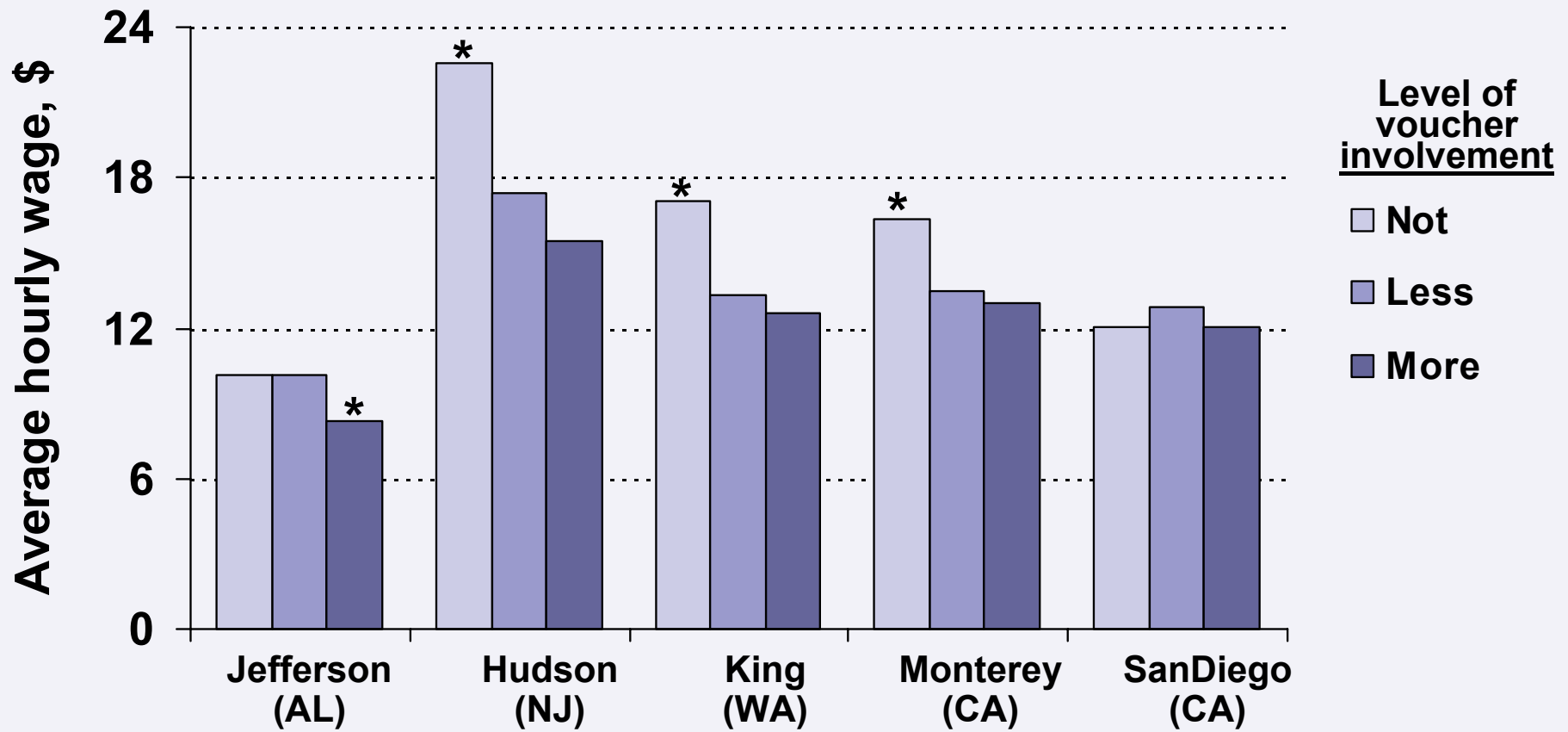
Percent of family child care homes that offer evening care, by level of voucher involvement



Average percent of teachers in center who have a Bachelor or higher degree, by level of voucher involvement



Average hourly wage for highest paid teachers, by level of voucher involvement



Percent of homes that exceed recommended ratio and/or group size, by involvement with voucher system

