

## Executive Summary

Continuity in care arrangements has been linked to several positive outcomes related to children's attachment and cognitive development (Elicker, Fortner-Wood, & Noppe, 1999; Loeb, Fuller, Kagan, & Carrol, 2004). Child care subsidies can help low-income families afford high-quality, reliable care, and thus may facilitate continuity in care arrangements. Indeed, research has found that low-income families who receive child care subsidies are more likely to have stable care arrangements than low-income families without child care subsidies (Brooks, Risler, Hamilton, & Nackerud, 2002; Danziger, Ananat, & Browning, 2003).

In order to help inform the choices of state administrators seeking to facilitate continuity in subsidized care, this brief reviews current Child Care and Development Fund (CCDF) state policies, compiled through the CCDF Policies Database,<sup>1</sup> as well as research related to these policies. Specifically, this brief reviews state policies<sup>2</sup> which have been associated with continuity in subsidized care through research, or are theorized to be associated with continuity based on related research on low-income families. These policies are: eligibility redetermination periods and policies related to changes in eligibility or benefits, tiered income eligibility, and whether subsidies are provided for job searches. Key findings related to each of these topics are presented below.

- **Eligibility Redetermination and Policies Related to Changes in Eligibility or Benefits.** Research has shown the length of the eligibility redetermination period to be positively associated with the length of time families continuously receive a subsidy (Grobe, Weber, & Davis, 2008; Meyers, et al., 2002; Michalopolous, Lundquist, & Castells, 2010). As of October 1, 2012, 23 states set eligibility redetermination periods at 6 months, 25 states and the District of Columbia set redetermination periods at 12 months, and of the remaining two states, one (Connecticut) used a redetermination period of 8 months and the other (Texas Education Agency) varied redetermination periods by region. States also vary regarding how far in advance they notify families of changes in their subsidy benefits and how they handle subsidy benefits during breaks in school and employment.
- **Tiered Income Eligibility.** Tiered income eligibility, or the establishment of higher income eligibility thresholds at redetermination than application, allows families currently receiving a child care subsidy to continue to receive assistance as they work to increase their income. Sixteen states and the District of Columbia offer tiered income eligibility. The difference between income eligibility at application and redetermination varies across these states (range of 8% to 70% allowable increase), with the median allowable increase in income being 24%.
- **Subsidy Benefits During Job Search.** Offering subsidy benefits during a job search can facilitate continuity of care during periods of employment instability. States vary in their provision of subsidy benefits during job searches on a few different dimensions. Sixteen states allow job search as an approved employment-related activity only when a parent has already been approved for a subsidy. Twenty-one states and the District of Columbia include job search as an approved employment-related activity for families applying for or continuing to receive a child care subsidy. States also vary in the number of allowable job searches per year and time limits imposed on job search activities.

Information provided in this brief may be used to contextualize research findings across states and to inform future policy decisions aimed at facilitating continuity in subsidized care.

<sup>1</sup> The CCDF Policies Database is available online: <http://www.acf.hhs.gov/programs/opre/research/project/child-care-and-development-fund-ccdf-policies-database-2008-2013>

<sup>2</sup> State policies reported in this brief are based on data collected as of October 1, 2012.