



Implementation of 12-Month Child Care Subsidy Eligibility Redetermination: A Case Study from Maryland

Elizabeth E. Davis, Caroline Krafft, Nicole Forry and Kathryn Tout
University of Minnesota and Child Trends

EXECUTIVE SUMMARY

Establishing and maintaining eligibility is a necessary precursor for families to be able to access subsidized child care services. State child care subsidy programs, like most social assistance programs, set policies regarding periodic re-review of families' eligibility for benefits. A recent federal policy proposal promotes the use of 12-month eligibility periods for families in the child care subsidy program. In order to provide insight for states that may be implementing longer eligibility periods, this brief examined the characteristics and evolution of eligibility periods over time in Maryland, which has a 12-month eligibility period policy. In Maryland, both six-month and 12-month eligibility periods are common, and longer eligibility periods have become more frequent since 2007. However, only about one-third of child care subsidy vouchers had eligibility periods of at least 48 weeks, and most were considerably shorter than 12 months.

Eligibility redetermination can be a burdensome process for families, and previous research indicates that the need to re-determine eligibility is related to disruptions in child care subsidy participation. As more states adopt 12 months as the standard length of an eligibility period, families in the child care subsidy program may experience longer eligibility periods. Whether the 12-month policy leads to increased continuity of subsidy receipt and stability of child care arrangements will depend in part on how the policy is implemented. Caseworkers in Maryland may assign an eligibility period shorter than 12 months based on family circumstances. For example, if the parent is in a short-term training program, the length of the training may be used to set the family's eligibility period at less than 12 months. Only a small amount of the variation in eligibility periods across jurisdictions in Maryland appears to be related to family circumstances, however, suggesting that local offices differ in the way they implement the policy. From a policymaker's perspective, it is important to know how policies regarding dates for eligibility redetermination are actually implemented by caseworkers. The information in this brief may help other states as they implement the recommendations of the Office of Child Care with regards to redetermination of eligibility for families receiving child care subsidies.

INTRODUCTION

The purpose of this research brief is to examine the practical implementation of a 12-month child care subsidy eligibility redetermination policy, using data from the state of Maryland to illustrate how often and for whom the length of eligibility periods differs from the standard set in policy. From a policymaker's perspective, it is important to know how policies regarding dates for eligibility redetermination are actually implemented by caseworkers. This research may help other states as they

implement the recommendations of the Office of Child Care with regards to redetermination of eligibility for families receiving child care subsidies (“Child Care and Development Fund (CCDF) Program; Proposed Rule,” 2013).

Establishing and maintaining eligibility is a necessary precursor for families to be able to access subsidized child care services. State child care subsidy programs, like most social assistance programs, set policies regarding periodic re-review of families’ eligibility for benefits. Recent proposed federal policy changes have included lengthening the eligibility period for families participating in the child care subsidy program—that is, lengthening the time between periodic re-review of eligibility for some or all families (“Child Care and Development Fund (CCDF) Program; Proposed Rule,” 2013). The primary purpose of the proposed policy change is to reduce the burden on families that is associated with redetermination of eligibility at frequent intervals. Studies have demonstrated that families are more likely to drop out of the subsidy program in the month that their eligibility expires compared to other months (Grobe, Weber, and Davis 2008). In addition, in a study that assigned longer eligibility periods randomly to some families, those with longer eligibility periods had longer continuous spells of subsidy receipt (Michalopoulos, Lundquist, and Castells 2010). In 2013, the Administration on Children and Families proposed establishing a 12-month period for eligibility redetermination (“Child Care and Development Fund (CCDF) Program; Proposed Rule,” 2013). The intent is to help eligible children continue to receive subsidies and to increase the stability of their care arrangements. Longer eligibility periods may also reduce the administrative burden on local government offices.

States vary widely in their policies and practices with regard to the process for establishing a family’s eligibility for child care assistance and authorizing payments for the child care services received (Adams, Snyder, and Sandfort 2002). Maryland has a 12-month eligibility period policy, however, a family may be given a shorter eligibility period, particularly in cases where family circumstances that are related to subsidy eligibility are likely to change within the year.¹ For example, redetermination dates may be set based on the length of a training program, school-aged children’s summer schedules, or the period of temporary employment.

In Maryland, after a caseworker determines that the family is eligible for child care assistance, a voucher is issued for child care services for each eligible child in the family. Once the parent chooses a child care provider, the enrollment start date on the voucher indicates the first day for which care will be paid. A voucher is issued for care for a specific child with a certain provider for the stated number of authorized hours per week. A new voucher is issued if the parent changes providers or when family circumstances change (such as when income or work hours change substantially). Each voucher has an expiration date, which may be prior to the date on which the family must recertify eligibility for the program. According to Maryland regulations, the voucher shall be “related to the schedule and duration of the applicant’s activity.”² Thus, the length of the voucher authorization may be shorter than the eligibility period for the family.

The terminology around eligibility and authorization is confusing and has different meanings in different states. Some states refer to the time when the family must recertify eligibility as the “authorization period” and, unlike Maryland, do not make a distinction between the family’s eligibility period and the length of time a voucher is authorized. Federal rules refer to a proposed standard for the length of

¹According to Maryland regulations, eligibility must be reviewed “at least every 12 months” or “when there are significant changes in the family situation.” (COMAR, Maryland Office of the Secretary of State <http://www.dsd.state.md.us/comar/getfile.aspx?file=13a.14.06.06.htm>)

²COMAR, Maryland Office of the Secretary of State <http://www.dsd.state.md.us/comar/getfile.aspx?file=13a.14.06.06.htm>

an eligibility period, but do not require a specific length of time for voucher authorizations. Because Maryland has distinct end dates both for vouchers and eligibility recertification, both are analyzed in this brief.

RESEARCH OBJECTIVES

In this brief we use administrative data from Maryland to investigate both the length of eligibility periods—that is, the time period until the family needs to recertify eligibility—and the length of vouchers, meaning the length of time that service with a particular provider is authorized for the child. In Maryland, the requirements imposed on families differ at recertification and when a voucher expires, and so may impact continuity of subsidy receipt differently. This brief has three key research objectives:

- 1) to investigate the distribution of (family) eligibility periods for children who participated in the child care subsidy program in recent years;
- 2) to investigate the typical length of vouchers, and whether it varies over time; and
- 3) to examine the relationship between eligibility periods and voucher lengths over time, by family characteristics, by month/season of the year, and by jurisdiction.

DATA AND METHODS

The data used in this brief were provided by the Maryland State Department of Education (MSDE) and Towson University Regional Economics Studies Institute (RESI)³ under a data-sharing agreement. The subsidy administrative data used in the study cover approximately five years from 2007 to 2012. The dataset is structured such that each observation is one voucher. A voucher provides information on the care authorized for one child for a specific time period and a specific care provider. A child may have multiple vouchers simultaneously and may have several vouchers during the time period covered by the study. A voucher is the unit of analysis. We report findings using all vouchers that began after the start of the study period (in other words, we exclude the “left-censored” vouchers). All vouchers have an eligibility start and end date, so none are “right-censored,” whether or not the services continue after the end of the study period. The voucher data are weekly, so we measure the length of eligibility periods and vouchers in terms of weeks. Additional details on measures and methods are provided in an appendix.

FINDINGS

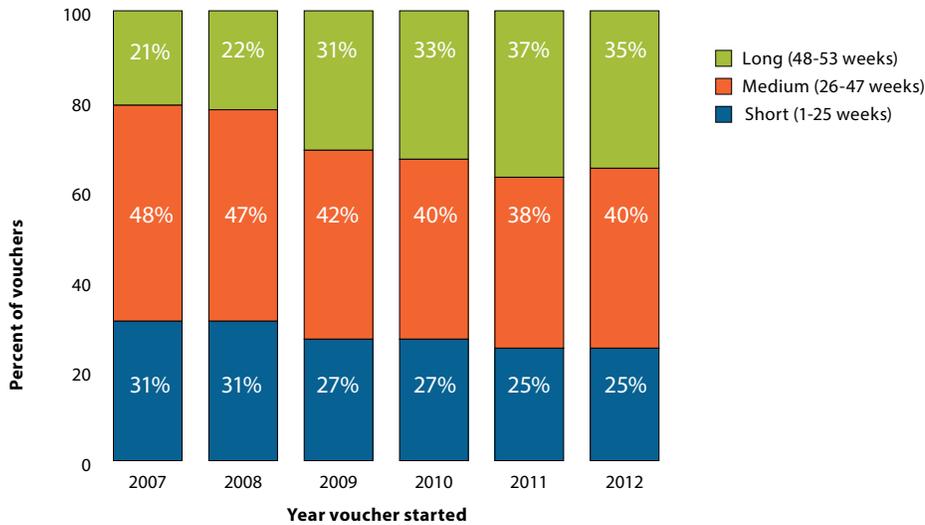
Key finding #1: Most eligibility periods are shorter than 12 months, even though eligibility periods have been getting longer over time.

In Maryland, caseworkers have discretion to set a redetermination date such that the eligibility period is shorter than one year, depending on their knowledge of the family’s circumstances or based on local office practices. The eligibility periods measured on a weekly basis ranged from one to 53 weeks long, with the most common lengths at 26 weeks (10.1% of vouchers) and 52 weeks (13.0%). About one quarter of vouchers had eligibility periods of about six months (26 to 30 weeks) and another quarter had eligibility periods between 49 and 53 weeks long. Thus, for about half of the vouchers, the eligibility periods were approximately six or 12 months long. Between 2007 and 2012, the majority of eligibility periods were less than 52 weeks.

³This research expands on analysis of the data done by John Spears of RESI showing the differences between eligibility periods and voucher authorizations across counties. “MD CCADA Project 2013-6: Subsidy Continuity, High Quality Care and Case Management”, Webinar presentation, January 24, 2014.

Figure 1 shows the frequency of eligibility periods that were short (one to 25 weeks), medium (26 to 47 weeks) and long (48 to 53 weeks) in duration. Between 2007 and 2012, the percentage of eligibility periods that were shorter than 26 weeks fell from 31% to 25%. The percentage of long eligibility periods (48 weeks or longer) increased from 21% to 35%. The median eligibility period increased from 27 to 31 weeks between 2007 and 2012, slightly more than six months. The majority of eligibility periods were still less than 12 months, although the length has been increasing.

Figure 1. Frequency of short, medium, and long eligibility periods by year

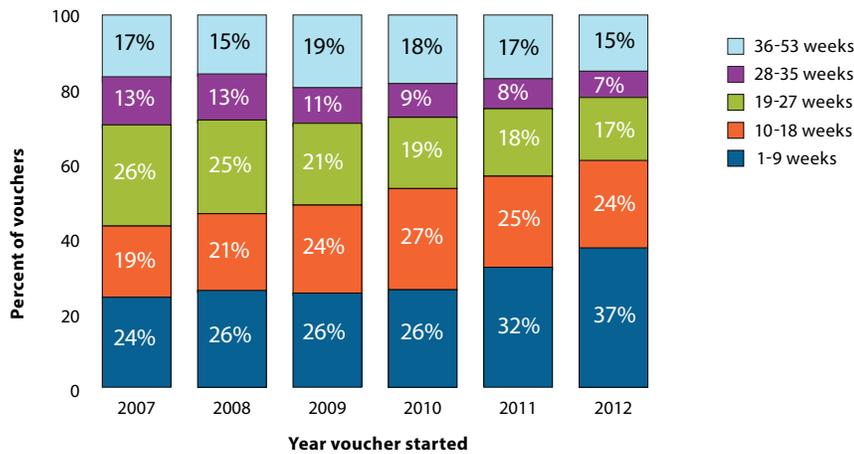


Source: Authors' analysis of Maryland administrative data.

Key finding #2: Vouchers are shorter than eligibility periods on average, and are getting shorter over time.

In contrast to eligibility periods, fewer than 10% of vouchers were issued for one year (50 to 53 weeks), and half were issued for 18 weeks (about four months) or less. Figure 2 shows the distribution of voucher lengths in each year. In Maryland, between 2007 and 2012, the proportion of vouchers issued for 36 weeks or more ranged from 15% to 19%. Only a small percentage of vouchers were issued for one year. The proportion of short vouchers (one to nine weeks) increased considerably over the time period, from 24% of vouchers in 2007 to 37% of vouchers in 2012. The median length of vouchers declined from 22 weeks to 13 weeks (about three months) between 2007 and 2012.

Figure 2. Distribution of the length of vouchers, by year



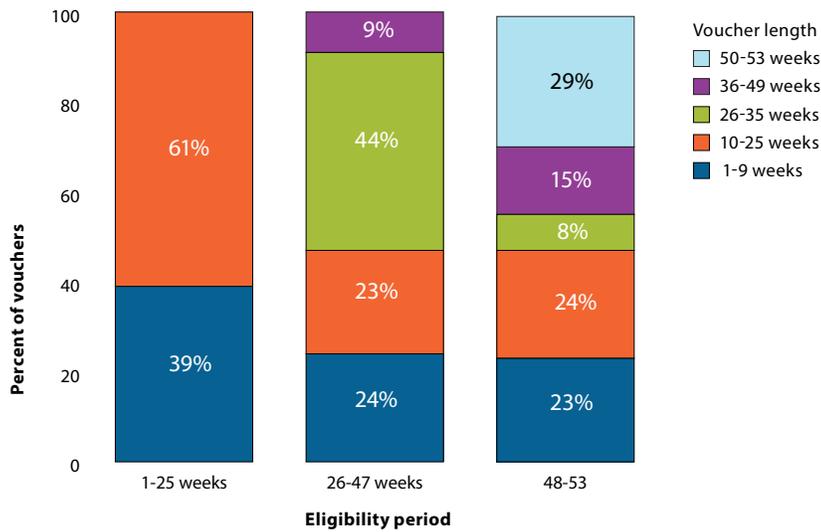
Source: Authors' analysis of Maryland administrative data.

Key finding #3: Vouchers are the same length as eligibility periods for about half of all vouchers, but in many cases the voucher is issued for a much shorter time period.

Figure 3 compares the length of the voucher authorization period to the length of the eligibility period on a voucher, and shows the breakdown of voucher lengths based on whether the eligibility period is short, medium, or long. For those with short eligibility periods (defined as 25 weeks or less), 39% of vouchers were issued for less than ten weeks. The remaining 61% of short eligibility periods were associated with vouchers 10 to 25 weeks long. Among long eligibility periods (those at least 48 weeks long), 29% of vouchers were issued for approximately one year (50 to 53 weeks). Yet about one-half of the vouchers associated with long eligibility periods (48 to 53 weeks) covered 25 weeks or less (23% of vouchers covered 1 to 9 weeks, and 24% covered 10 to 25 weeks). Thus, between 2007 and 2012, many families had short vouchers despite having a long eligibility period.

For about half of the vouchers, the length was essentially the same as the eligibility period (a difference of less than one week). However, a quarter of vouchers were shorter than the eligibility period by 21 weeks or longer. Between 2007 and 2012, family eligibility periods increased slightly while vouchers got shorter; consequently, the average difference between voucher and family eligibility rose from eight weeks to 15 weeks. The trends in median length of eligibility periods, voucher lengths, and the difference are summarized in Table 1.

Figure 3. Length of voucher by eligibility period, 2007-2012



Source: Authors' analysis of Maryland administrative data.

Table 1. Length of eligibility periods and vouchers (in weeks), 2007-2012

Length in weeks	2007	2008	2009	2010	2011	2012
Family eligibility period (median)	27	27	30	30	31	31
Voucher length (median)	22	21	19	18	16	13
Difference between eligibility period and voucher length (mean)	8	8	11	12	14	15

Note: Estimated using all vouchers that began after June 25, 2007 (excluding any that began before the start of the data set), N = 393,223. Note that 2007 and 2012 do not include a full 12 months of data. Source: Authors' analysis of Maryland administrative data.

Key finding #4: Characteristics of the family, child, and voucher are related to differences in the length of vouchers, but not differences in eligibility periods.

The length of vouchers differed more across subgroups of the population than did eligibility periods. There were only very small differences in eligibility periods related to the characteristics of children, families, or type of care. In contrast, the differences in the length of vouchers across subgroups were substantial (see Table 2). The median voucher length for a family receiving Temporary Cash Assistance (TCA) was just 11 weeks, compared to 25 weeks for a family not on TCA. Vouchers starting in June were shorter than in other months, probably because many of them will be only for care in the summer months. Vouchers were shorter, on average, for formal care than other types of care. Younger children had shorter vouchers, with infants and toddlers having a median of 16 weeks, while school-aged children had a median voucher length of 21 weeks. If the reason for subsidy was employment, the voucher tended to be longer than for other reasons, such as training and education.

Table 2. Median voucher and eligibility period length by characteristics of family and voucher, 2007-2012

	Median voucher length (weeks)	Median family eligibility period (weeks)	Number of vouchers
Family receives TCA			
TCA	11	28	253,178
Not TCA (incl. TCC)	25	31	140,045
Start date			
In June	14	31	35,822
Not in June	18	30	357,401
Type of care provider			
Formal care	17	29	323,976
Not formal care	24	31	69,247
Child age			
Infant-Toddler	16	29	89,936
Preschool-aged	18	29	155,563
School-aged	21	31	147,724
Reason for subsidy			
Employment & Training/ Educ.	15	29	36,641
Employment	22	31	275,109
Training/Education	13	28	68,381
Protective Services	16	27.5	196
Other	12.5	27	12,896
All vouchers	18	30	393,223
Source: Authors' analysis of Maryland administrative data.			

Key Finding #5: The length of vouchers and eligibility periods differs dramatically across jurisdictions within the state.

As shown in Table 3, there was considerable variation across counties in the length of vouchers and eligibility periods. Counties in which half of the vouchers were issued for at least 40 weeks include Allegany, Calvert, and Kent. In a number of counties, the median voucher length was 26 weeks, indicating that half of the vouchers issued during this time period extended for six months. These counties included Caroline, Dorchester, Somerset, Talbot and Worcester. The median eligibility period also varied widely across counties. In a number of counties the median eligibility period was 26 weeks, including Charles, Frederick, Garrett, Harford, Montgomery, Prince George's and Talbot. It was shorter (23 weeks) in Anne Arundel County. A few counties had a median eligibility period of 51 or 52 weeks over the time period, including Calvert, Carroll, Howard, Kent and Washington. The differences in lengths between eligibility and vouchers also varied across counties.

Table 3. Median voucher and eligibility period length by characteristics of family and voucher, 2007-2012

County	Voucher length (median)	Family eligibility (median)	Difference between eligibility and voucher length (mean)	Number of vouchers
Allegany	46	49	4	6,846
Anne Arundel	19	23	3	11,546
Baltimore County	13	48	21	59,240
Calvert	44	52	14	3,376
Caroline	26	28	4	3,479
Carroll	21	51	20	6,939
Cecil	33	49	6	4,692
Charles	22	26	3	9,650
Dorchester	26	31	4	4,802
Frederick	22	26	5	10,922
Garrett	22	26	5	1,760
Harford	24	26	7	17,899
Howard	18	52	21	11,009
Kent	50	52	9	1,024
Montgomery	11	26	12	35,925
Prince George's	22	26	2	46,557
Queen Anne's	31	48	5	1,723
Saint Mary's	27	36	9	6,670
Somerset	26	30	10	5,128
Talbot	26	26	3	2,478
Washington	19	51	20	13,848
Wicomico	21	45	15	11,623
Worcester	26	29	4	2,822
Baltimore City	17	49	12	113,265
All counties	18	30	11	393,223

Key Finding #6: Variation in eligibility periods over time and across counties is due only partly to differences in the characteristics of children and families served.

As shown previously in Table 2, the typical eligibility period did not vary substantially by child and family characteristics such as TCA status, age of child, and type of care. Thus, the sizeable differences across counties in the median eligibility period are unlikely to be due to differences in the proportion of children with different characteristics. Although we do not report multivariate (regression) models in this brief, these analyses showed that the county differences in eligibility periods can be explained only in small part by differences in caseload characteristics. However, the trend over time toward shorter voucher lengths reflects in part an increase in the proportion of the child care subsidy caseload that is on TCA.

CONCLUSION

Federal policy promotes the use of 12-month eligibility periods for families in the child care subsidy program. In order to provide insight for states that may be implementing longer eligibility periods, this brief examined the characteristics and evolution of eligibility periods over time in Maryland, which has a 12-month eligibility period policy. In Maryland, both six-month and 12-month eligibility periods are common, and longer eligibility periods have become more frequent since 2007. However, just 35% of child care subsidy vouchers had long (48 week+) eligibility periods in 2012.

One objective of the proposed federal 12-month eligibility policy is to increase continuity of subsidy receipt and stability of child care arrangements. Eligibility redetermination can be a burdensome process for families (Adams, Snyder, and Sandfort 2002), and previous research indicates that the need to re-determine eligibility is related to exits from the subsidy program and shorter periods of child care subsidy receipt (Grobe, Weber, and Davis 2008; Michalopoulos, Lundquist, and Castells 2010). Whether the new policy leads to increased continuity of subsidy receipt and stability of child care arrangements will depend in part on how the policy is implemented. The data from Maryland shows that many families were not assigned a 12-month eligibility period. In fact, the substantial variation in median eligibility periods across jurisdictions in Maryland suggests practical implementation of the policy varied across locations within the state.

While increased continuity for children is one of the policy objectives (“Child Care and Development Fund (CCDF) Program; Proposed Rule,” 2013), state and local officials may be concerned about issuing 12-month eligibility periods for families whose circumstances (and eligibility) are likely to change within a year. Although there were only small differences in the length of eligibility periods based on child, family, or care characteristics, allowing caseworker discretion in setting an appropriate eligibility period depending on family circumstances may help to address those concerns.

Although Maryland has been lengthening eligibility periods over time, families also need to maintain voucher authorizations to continue receiving care through the state’s child care assistance program. Voucher lengths tend to be shorter than eligibility periods, and voucher lengths have been decreasing substantially, down to a median of just 13 weeks in 2012. In Maryland, getting a new voucher tends to be a less burdensome process for families than eligibility re-certification, but given the trend toward shorter vouchers, there is reason for concern that shorter vouchers will lead to disruptions in subsidy participation and child care arrangements. The voucher authorization issue may be relevant only to a few states, like Maryland, that set end dates for the voucher distinct from the family eligibility period. Information on which states might have similar policies is difficult to find; a database of state child care subsidy policies (Minton et al. 2013) includes information on eligibility recertification periods but not voucher authorization policies.

As more states adopt 12 months as the standard length of an eligibility period, they may allow caseworkers to vary the eligibility redetermination period based on family circumstances, as Maryland does. Caseworkers balance the policy of 12-month eligibility recertification against regulations that vouchers be issued for child care needed in relation to the timing and duration of the parent’s work or educational activity. Families are required to report changes in income, activity, or other circumstances that affect their eligibility for child care subsidies; nonetheless, concerns over improper payments and error rates may lead some local offices to require families to get a new voucher or recertify eligibility more often than once per year. Little of the variation in eligibility periods across jurisdictions in Maryland appears to be related to family circumstances, which suggests that local offices differ in the way they implement the policy.⁴ In other states, adopting a policy of 12-month recertification of eligibility may increase continuity of subsidy participation for some families, but it may increase stability less than anticipated, depending on how it is implemented.

⁴It is possible that some of the differences in length of eligibility periods are due to differences in local office practices with regards to updating eligibility dates in the management information system.

APPENDIX: DEFINITIONS AND MEASURES

Throughout the brief, we use a voucher as the unit of analysis. A voucher is issued for care for a particular child with a specific provider during a specified time period. Unlike previous studies, we are not studying the time period during which the child received subsidized care, but instead focus on how long an eligibility or voucher authorization period was designated at the start of the voucher.

Voucher authorization period, or voucher length: The effective start date for a voucher is defined as the date on which the voucher becomes authorized for service. The effective end date is the date on which voucher is no longer authorized for service. We use these variables to define a voucher authorization period as the length of time between the start and end date of on the voucher (in weeks). When the effective end date of the voucher is reached, the family must obtain a new voucher in order for the child to continue to receive subsidized care (and for the provider to continue to be paid). The steps required to obtain a new voucher vary across counties in Maryland, although in general they are less burdensome than the steps needed to recertify eligibility.

Eligibility period: The end of an eligibility period is based on the date by which the family must recertify eligibility for the child care subsidy program, as determined by a caseworker. Each voucher for child care services has start and end dates for family eligibility. The eligibility start date is the date on which the family became eligible for service (for that voucher). The eligibility end date is the date on which the family ceases to be eligible for service (according to that voucher). We use a family's eligibility dates on a voucher to define an eligibility period as the difference between a voucher's start of eligibility and end of eligibility (in weeks).

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