



## Research Summary

# Shifting Child Care Subsidy Administration to a Private, Centralized System: Implications for Child Care Stability in Maryland

Rebecca Madill, Nadia Orfali, and Amy Blasberg

Maryland recently made a major change in its administration of the federal child care subsidy program (CCDF, the Child Care and Development Fund). Through late 2015, local departments of social services in each county and in Baltimore City provided case management for families applying for and receiving child care subsidies. After that point, Maryland shifted case management to a private, centralized system called Child Care Subsidy Central (CCS Central).<sup>a</sup>

In many local departments of social services, case managers work with families across multiple social programs (e.g., Medicaid and SNAP<sup>b</sup>). Prior to centralization, a case manager might have streamlined a family's case management by aligning, or linking, the eligibility periods for the family's benefits. If another social program required a shorter eligibility period, a family's eligibility period for a child care subsidy may have been shortened as a result. **Centralizing the administration of child care subsidies effectively delinked the child care subsidy program from other social programs.** Early childhood leaders in Maryland made this change, in part, to promote more stable child care arrangements for children receiving subsidies.

This summary compares several predictors of stability in subsidized child care in Maryland, before and after the shift to CCS Central. This shift was one of several strategies that Maryland adopted around this time in preparation for the 2016 CCDF Final Rule, which went into effect just after this study ended. The Final Rule required states to assign all families an initial subsidy eligibility period of at least 12 months to promote more stable arrangements for subsidized children.<sup>c</sup>

## SUBSIDIZED CHILD CARE IN MARYLAND

- In Maryland, receiving subsidized child care requires an initial establishment of **eligibility**, followed by the receipt of a **voucher** for every subsidized child care arrangement.
- The **eligibility period** is the length of time that a family is authorized to participate in the child care subsidy program, as determined by a case manager. Maryland allows eligibility periods of up to 12 months. Families must recertify their eligibility when the eligibility period ends.

<sup>a</sup> Because local departments of social services continued to manage subsidies for families receiving Temporary Cash Assistance (Maryland's Temporary Assistance for Needy Families program), families receiving Temporary Cash Assistance were excluded from this study.

<sup>b</sup> SNAP is the Supplemental Nutrition Assistance Program.

<sup>c</sup> Child Care and Development Fund (CCDF) Program; Final Rule (2016). Federal Register. 81 (190), 67438–67595.

- The **voucher** length is the length of time that a *specific child care provider* is authorized to be paid for care for a specific child through the child care subsidy program, as determined by a case manager. Maryland allows for vouchers as long as 12 months, but vouchers cannot be longer than the corresponding eligibility period.
- A **voucher** might not cover the full length of the **eligibility period** for several reasons, including the following:
  - A parent’s work or education activity might be expected to end before the eligibility period ends.
  - A school-aged child might only need a voucher during the summer break.
  - A case manager might assign a voucher that is shorter than necessary to motivate the parent to complete the requirements for other eligibility-based programs, such as SNAP.<sup>d</sup> **This could happen in a local department of social services, but not in CCS Central.**

### How can child care subsidies affect child care instability?

- Every time a family needs to recertify its eligibility for the child care subsidy program, parents must fill out complex paperwork.
- Children are most likely to leave the subsidy program when their eligibility period or voucher ends, so short eligibility periods and vouchers may increase child care instability.<sup>e</sup>
- When a voucher ends before the family’s eligibility period, a child may end up leaving child care even though he or she is still eligible for a subsidy.

### After the shift to CCS Central, were eligibility periods and vouchers longer?

- Yes. Both eligibility periods and vouchers were significantly longer when subsidies were managed by CCS Central, compared to each previous year (see Figure 1).<sup>f</sup>
- Eligibility periods, but not vouchers, were already getting longer by 2015—before the shift to CCS Central.

**Figure 1.** Child care subsidy eligibility periods and vouchers were longer after Maryland shifted to private, centralized case management through CCS Central.



Note: Children receiving Temporary Cash Assistance were excluded from analyses. The unit of analysis was the voucher.

Source: Authors’ analyses of Maryland administrative data.

<sup>d</sup> Supplemental Nutrition Assistance Program

<sup>e</sup> Davis, E., Krafft, C., & Forry, N. (2017a). The role of policy and practice in short spells of child care subsidy participation. *Journal of Public Administration Research and Theory*, 27(1), 1–19.

<sup>f</sup> June 2015–February 2016 are excluded from all analyses because the subsidy program was in flux during this time. The transition to CCS Central occurred on August 31, 2015, but the months just before and after August 31 do not accurately represent typical practices in either local departments of social services or in CCS Central.

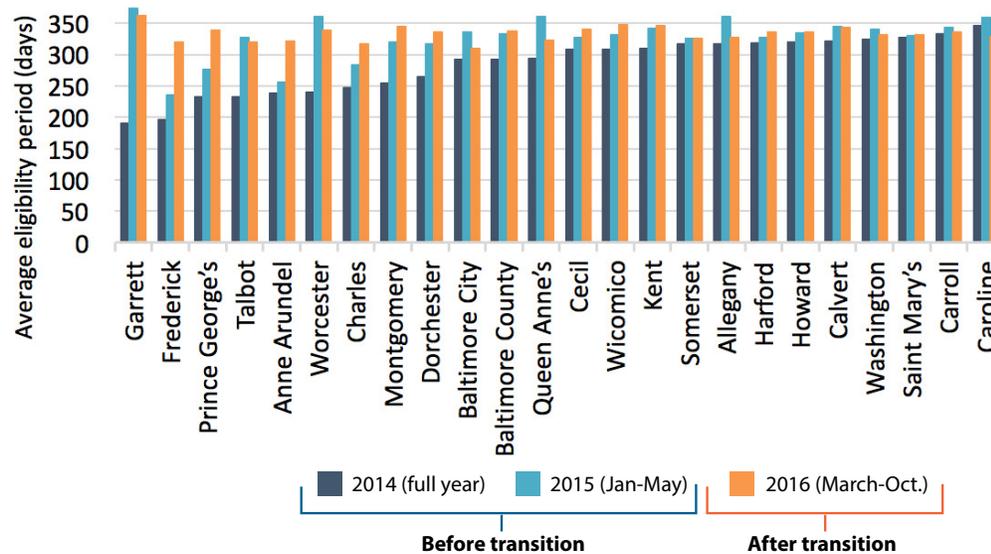
## After the shift to CCS Central, did more vouchers cover the full length of the eligibility period?

- Yes. In 2014, just under half (45 percent) of vouchers covered the full eligibility period. This decreased to one-third (33 percent) in 2015, when more 12-month eligibility periods were assigned *without* 12-month vouchers. In 2016—after the shift to CCS Central—more than half of all vouchers (58 percent) covered the full length of the eligibility period.

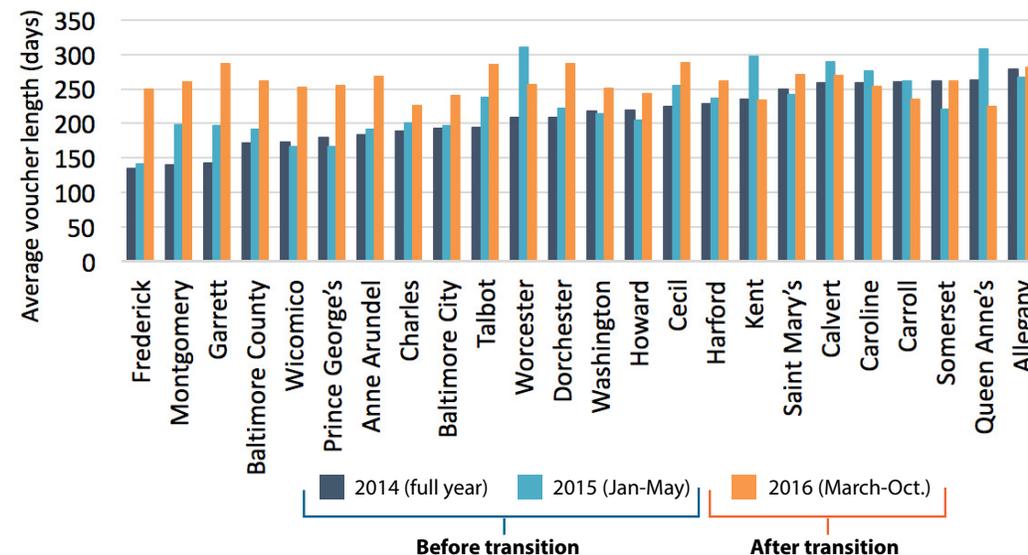
## After the shift to CCS Central, was there more consistency across counties in the lengths of vouchers and eligibility periods?

- Yes. Before the shift to CCS Central (i.e., in 2014 and 2015), eligibility periods varied greatly by the child’s county of residence (Figure 2). County figures became much more similar in 2016, after case management had shifted to CCS Central. The same was true for the voucher lengths (Figure 3).

**Figure 2.** The lengths of eligibility periods were more consistent across counties in 2016, after the transition to CCS Central.



**Figure 3.** The lengths of vouchers were more consistent across counties in 2016, after the transition to CCS Central.



Note: Children receiving Temporary Cash Assistance were excluded from analyses. The unit of analysis was the voucher.  
Source: Authors’ analyses of Maryland administrative data.

- 1. Ensure that administrative procedures help case managers meet federal regulations for the subsidy program.** In October 2014, Maryland prepared for the upcoming federal requirement to implement 12-month eligibility periods by modifying case managers' computer systems. Instead of manually entering eligibility start and end dates, subsidy case managers encountered a default 12-month length. Case managers could easily shorten the eligibility period when special circumstances arose. Although it is uncertain whether this change in the computer system was the main cause of the increased use of 12-month eligibility periods in 2015, automation may be an important factor in helping case managers authorize subsidies in accordance with federal regulations.<sup>9</sup>
- 2. Consider how families' participation in other eligibility-based programs affects their experience with the subsidy program.** Subsidy caseworkers in local departments of social services in Maryland often interact with families across multiple social programs (e.g., SNAP or child support enforcement). While we do not know for sure, vouchers and eligibility periods may be longer under CCS Central because caseworkers at CCS Central do not consider families' activities in other social programs when making decisions about voucher lengths and eligibility periods.
- 3. Assess the variability in subsidy receipt at the county/local level.** In states with local administration of the subsidy program, CCDF administrators may conduct an internal care review audit to determine whether local offices are implementing policies differently. If so, administrators can speak with case managers, managers, and other relevant staff to identify potential explanations for disparities. CCDF administrators should then make changes based on the identified cause(s) of variation.

---

<sup>9</sup> Ultimately, administrative procedures must allow a subsidy case manager to meet key program goals. This includes meeting the unique needs of each family and preventing improper subsidy authorizations.

This project was developed as part of the Maryland Child Care Administrative Data Analysis Cooperative Agreement (MD CCADA). This project is funded by the ACF Office of Planning, Research, and Evaluation: Grant Number 90YE0148. These findings are presented in more detail the full report: Madill, R., Orfali, N., & Blasberg, A. (2017). Shifting Child Care Subsidy Administration to a Private, Centralized System: Implications for Child Care Stability in Maryland. Publication number 2017-39. Bethesda, MD: Child Trends.