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Shifting Child Care Subsidy Administration to a Private, Centralized System

Implications for Child Care Stability in Maryland

Presenters:
Rene D. Williams, Maryland State Department of Education
Rebecca Madill, Child Trends

September 28, 2017
Maryland State Department of Education

Office of Child Care Subsidy

THE DECISION TO CENTRALIZE
Child Care Subsidy Authorization

Presenter:
Rene D. Williams, Maryland State Department of Education

September 28, 2017
Maryland Child Care Subsidy (CCS) Program

- **10,413 active cases**, as of September 2017
- **4,343 Children on Wait List**, as of August 31, 2017
- Family size of four, Wait Listed at $28,185
- Family size of four, ineligible at $35,702
- Maryland had 3rd highest State Median Income in 2016
- CCS Reimburses at the 10th percentile of the Market Rate Survey
Decision to Centralize CCS Services

Question: Which is more likely to achieve consistent implementation of CCS policy statewide?

Administrative oversight of 24 programs or 1 program?

Centralized Child Care Authorization
Delinking Program Eligibility

Administrators should determine:

Is CCS being aligned in accordance with CCDF regulations?

CCS authorization can be lengthened to align redeterminations, but not shortened.*

*CCDF Final Rule, pg. 103
Delinking CCS Eligibility

Prohibits CCS termination based upon a parent’s eligibility or participation in another eligibility programs*

Administrators should determine:
Is CCS being used as a positive reinforcement for participation in eligibility programs

*CCDF Final Rule, pgs. 28-29
Increases positive educational and child development experiences by keeping child care from becoming a “revolving door” experience for children (CCDF Final Rule, pg. 479).

Administrators should determine:

What data can be used to identify if CCS is being authorized based upon CCDF policy or other factors?
Timeline: Maryland Child Care Subsidy (CCS) Program

- CCATS modified October 2014
- Initial CCS Centralization, August 31, 2015
- Modified CCS Centralization, December 18, 2015
- Current Structure: 24 LDSS & CCS Central

MSDE, CCDF Lead
Challenges Transitioning to Centralization

- Variation in Policy Interpretation/Implementation
- Culture
- Volume
- Program Priorities
- Computer System
- Human Service vs Automation
Benefits of Centralization

- Faster Application Processing
- Consistent Policy Implementation and Interpretation
- Easier Implementation of Policy
- Easier Training and Technical Assistance
- Greater Accountability
- Easier checks and balances
- Increased Benefits to Children

Centralized CCS Authorization

CCDF Final Rule, pgs. 4-16
Challenges of Centralization

- Automation
- Change in Culture
- Stricter policy interpretation
- Customer Service Balance
- Human Touch
- One size fits most, not all

Centralized CCS Authorization
Data on CCS Central

**JULY 2017**

- Answered 8,567 Calls
- Addressed 5,324 Emails
- Received 18,094 IVR Calls
- Distributed 11,766 Invoices
- Mailed 20,480 Correspondence
- Processed 1,139 Applications

DATA SPEAKS VOLUMES & TELLS THE STORY
Lessons Learned

- Know the history of CCS in your state
- Know the impact on providers
- Know all components to maintain seamless services
- Know barriers prohibiting seamless services
- Know the impact on other eligibility programs
- Know that everyone will not cheer the decisions
- Know that the smallest change is felt
- Know the “squeaky wheel will get oil”
- Know your why, when faced with difficulty

Make all decisions based on the welfare of children
Goal:

• Use research to refine policies and practices to
  – Facilitate greater continuity and stability
  – Make services more family-friendly and supportive of positive child outcomes
Obtaining a Subsidy

• To obtain subsidized child care a family must:
  1. Establish **eligibility**, then
  2. Obtain a **voucher** for each arrangement.
Definitions

- **Eligibility period length**: The length of time, in days, that a family is authorized to participate in the child care subsidy program.

- **Voucher**: An agreement between the state of Maryland, the family, and the child care provider stating that the child care subsidy program will pay some, or all, of the costs of a child care arrangement for a *specific child* with a *specific child care provider* during a *specific period of time*.

- **Voucher length**: The length of time, in days, that the voucher covers.
Stability and Children’s Development

Stability

- Fewer changes in child care
- Longer amount of time in a child care arrangement

Positive outcomes for families

- More secure attachments with caregivers (Elicker et al. 1999)
- Fewer internalizing problems (Elicker et al. 1999)
- Greater cognitive growth (Loeb et al., 2004)
- Parents can be more reliable employees (Forry & Hofferth, 2011)
Children are most likely to leave the subsidy program when their **eligibility period** or **voucher** ends. A child may end up leaving child care even though he or she is **still eligible** for a subsidy.

Longer eligibility periods and vouchers may promote child care stability (Davis, Krafft, & Forry, 2017).
Research Questions

• **RQ1**: Were subsidy eligibility periods and vouchers longer after the shift to a private, centralized subsidy case management system (for families not receiving TANF)?
Research Questions

• **RQ1**: Were subsidy eligibility periods and vouchers longer after the shift to a private, centralized subsidy case management system (for families *not* receiving TANF)?

• **RQ2**: Was there greater consistency across counties in the length of eligibility periods and vouchers after the shift to a private, centralized subsidy case management system (for families *not* receiving TANF)?
• Child care subsidy administrative data from 2007 to 2016
  – Data are at the **voucher** level

- ~650,000 vouchers
- ~300,000 vouchers excluded TANF and/or during transition
- ~350,000 Vouchers analyzed
RQ1: Were subsidy eligibility periods and vouchers longer after the shift to CCS Central?
Method: Descriptive analysis

- CCATS modified: October 2014
- Transition to CCS Central: August 31, 2015
Method: Descriptive analysis


During transition: June 2015 – February 2016

After transition: March – October 2016

CCATS modified: October 2014

Transition to CCS Central: August 31, 2015
Method: Descriptive analysis

- **Before** transition: January 2007 – May 2015
- **During** transition: June 2015 – February 2016
- **After** transition: March – October 2016

- 2014: March - October
- 2015: January - May
- 2016: March - October
Key finding #1: Subsidy eligibility length

March 2014 - October 2014 (Before Transition)

24% of all eligibility periods during this time period were 12 months

2014
Key finding #1: Subsidy eligibility length

January 2015 - May 2015 (Before Transition)

38% of eligibility periods during this time period were 12 months

2015
Key finding #1: Subsidy eligibility length

2016
Eligibility periods were significantly* longer after the transition to CCS Central, although they were already getting longer by 2015.

*The difference between 2016 and all previous years was statistically significant, after controlling for child, family, and child care factors
Key finding #2: Subsidy voucher length

March 2014 - October 2014 (Before Transition)

13% of all vouchers during this time period were 12 months

2014
Key finding #2: Subsidy voucher length

January 2015 - May 2015 (Before Transition)

17% of vouchers during this time period were 12 months

2015
Key finding #2: Subsidy voucher length

2016

March 2016 - October 2016 (After Transition)

42% of vouchers during this time period were 12 months

Percentage of vouchers

Voucher length (days)
Key finding #2: Subsidy voucher length

- **Vouchers** were significantly* longer after the transition to CCS Central.

*The difference between 2016 and all previous years was statistically significant, after controlling for child, family, and child care factors*
Key finding #3: Vouchers covering the full eligibility period

• More **vouchers** covered the full **eligibility period** after the transition to CCS Central.
RQ2: Was there greater consistency across counties in the length of eligibility periods and vouchers after the shift to CCS Central?
Key finding #4: Consistency across counties

*Multivariate analyses controlling for child, family, and child care factors*
Key finding #4: Consistency across counties

Eligibility periods

*Multivariate analyses controlling for child, family, and child care factors*
Key finding #4: Consistency across counties

*Multivariate analyses controlling for child, family, and child care factors"
Key finding #4: Consistency across counties

- After the shift to CCS Central, there was more consistency across counties in the lengths of **eligibility periods**.

*Multivariate analyses controlling for child, family, and child care factors*
Key finding #4: Consistency across counties

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Key finding #4: Consistency across counties

Voucher Length

*Multivariate analyses controlling for child, family, and child care factors*
Key finding #4: Consistency across counties

- After the shift to CCS Central, there was also more consistency across counties in the lengths of **vouchers**.

*Multivariate analyses controlling for child, family, and child care factors*
County explained less variance in the length of **eligibility periods** and **vouchers** after the transition to CCS Central.

### Key finding #4: Consistency across counties

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<td>Percentage of variance explained by county</td>
<td>11%</td>
<td>11%</td>
<td>1%</td>
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*Multivariate analyses controlling for child, family, and child care factors*
Key finding #4: Consistency across counties

- County explained less variance in the length of **eligibility periods** and **vouchers** after the transition to CCS Central.

### Diagram

- **Eligibility period length**
  - 2014 (full year): 11%
  - January 2015 - May 2015: 11%
  - March 2016 - October 2016: 1%

- **Voucher length**
  - 2014 (full year): 8%
  - January 2015 - May 2015: 6%
  - March 2016 - October 2016: 1%

*Multivariate analyses controlling for child, family, and child care factors*
Recommendations for CCDF Administators and Researchers
1. Ensure that administrative procedures are aligned with federal regulations for the subsidy program.
CCDF Administrators

1. Ensure that **administrative procedures** are aligned with **federal regulations** for the subsidy program.

2. Assess the **variability** in subsidy receipt at the **county or local level**.
CCDF Administrators

1. Ensure that administrative procedures are aligned with federal regulations for the subsidy program.

2. Assess the variability in subsidy receipt at the county or local level.

3. Consider how a family’s participation in other eligibility-based programs affects their experience with the subsidy program.
1. At regular intervals throughout the project, include individuals who are involved with day-to-day management of the child care subsidy program.
Researchers

1. At regular intervals throughout the project, include individuals who are involved with day-to-day management of the child care subsidy program.

2. Carefully define transition periods when studying program activities before and after policy changes.
Discussion
Discussion Prompts: Administrators

1. Questions for Rene about the process of centralizing?
2. What are your experiences with delinking or centralizing social programs?
3. What resonates with you about the findings in Maryland?
1. Have you found administrative practices to sometimes be misaligned with policies? If so, what?

2. Have you been doing similar work? What have you been learning?

3. Do you have questions for us regarding the findings or process for this study?