

Session #: C-6

Title: Parental Choice: Intersection between Research and Policy

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**Michael Jett, State Child Care Administrator, CA**

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## SUMMARY OF PRESENTATION

### Parental Choice: A Review of Research, Tamara Halle

- Factors that influence timing of entry, amount, and type of non-parental child care
  - Family and child characteristics
  - Characteristics of the child care market
  - Convenience
  - Work schedule
  - Parent preferences
  - Public policies
  - Many studies have examined a few at a time, but few have looked at multiple characteristics in the same study
- Child care subsidies and parental choice
  - Overall availability of subsidy funding can affect child care market
    - In California, overall quality increased with subsidy availability
  - Public funding may play particularly important roles in rural areas
  - National Study of Child Care for Low-Income Families
    - Subsidies did increase access to regulated care and quality of care children received
    - But – although parents can afford higher quality settings, they may not gain access to these settings because not all providers are willing to accept subsidies
  - Substudy of national study focused on families using home-based care (family child care: ~500 families)
    - Selected sample, so cannot be generalized to all families' child care decisions
    - 31% families felt they did not have another child care option, but only 10% of families would prefer a different arrangement
    - No single reason dominated their choice
      - 24% cited safety
      - Convenience – 22%, Relationship with provider – 20%
      - Supporting children's development and school readiness were not cited by many, which could be a selection factor
    - 30% of families were receiving subsidies at the time of the study, but subsidy receipt was not related to the quality or type of care (parents did not change care when starting or stopping subsidy receipt)
- Quality information and parental choice

- Florida study: Provided families with online information about child care programs, but results were unclear about whether it influenced parents' choice (influenced inspectors' visits)
- Quality Rating Systems (QRS) becoming more common in states
  - More research on whether QRS affects parent choice is needed
- Possible next steps
  - Existing research focuses on endpoint (use of care) rather than decision-making process, and has focused on a single or a few predictors rather than examining multiple predictors at once
  - Decisions are iterative processes, embedded in family systems, and driven by numerous factors
  - Research on why and what kinds of child care providers are willing or not willing to accept subsidies, and how this affects parents' access to child care
  - More research is needed on how parents make use of QRS
  - A better articulation of the parental choice model is needed
  - Marcia Meyers and Lucy Jordan's article on Research Connections reviews this research in a contextualized way

Michael Jett, California State Child Care Administrator

- Welfare reform in 1990s provided funding for parent choice
  - Most money went to Alternative payment program (vouchers), but some went to center-based programs, particularly in low-income areas
  - State transferred significant amount of money from TANF to CCDF
  - Voucher/alternative care went from 10-15% of child care funds to more than half
  - Expansion of parental choice – Social services started focusing on quality, Early education started focusing on parental choice
- Parental preferences, convenience, and work schedules highlighted as driving factors in low-income families' child care choices
- Adopted 2-generational approach
  - Employment support for parents
  - High quality care for children
- CA does provide subsidies for faith-based care, but religious instruction cannot occur
- Voucher program (~200,000):
  - Parents can choose public centers, licensed centers and family child care homes, and license-exempt care (relatives or registered non-relatives)
  - Parents pay co-pay starting at 40<sup>th</sup> income percentile
  - Serve families up to 75 percent of state median income
  - License-exempt care use very high (48%)
  - Of the 52% who choose licensed care, 60% choose family child care
  - CCR&Rs work to educate voucher-receiving families to promote high quality choices
  - Provides funds for child care during training and commute time
- The longer families are in the welfare-to-work voucher program, the more likely they are to choose licensed care

- Because reimbursement rates are high (90% of ceiling), some families make child care choices based on income needs of relatives and community
  - License-exempt providers may charge more for care because licensed family child care providers because they are limited to market rates
  - Suspect rate inflation for family child care, which may be due to increases in public subsidies
- Subsidy funds also create competition between centers and family child care homes for the same children
  - Economic incentives
- Move toward universal preschool, recognize need for wraparound care
  - Some wrapping around of vouchers around pre-k
  - But there may be an economic disincentive for providers to take children to pre-k program because they will receive a lower reimbursement rate

Nina Johnson, New Mexico State Child Care Administrator

- Focusing on types of care in New Mexico
  - Home-based providers must register through CACFP, which includes a background check, to receive subsidies
    - Providers receive 4 visits per year by CACFP
  - 1,000 licensed child care facilities, 400 of which are home
  - QRS was embedded in regulation system, linked to reimbursement rates
  - Providers operating at non-traditional hours receive higher rates
- New Mexico is mostly rural, low-income, diverse state – high need and desire for relative care
  - But trend – fewer subsidized children are in registered home providers than a few years ago
  - Some correlation between new registration requirements and decrease in relative providers
  - Increase in licensed home providers
  - Suspect that relative providers are dropping out of subsidy system but still providing care
- Recent Meeting on QRS
  - Political view that home-based child care standards need to be raised, but difficult to balance with parents’ preferences and needs
  - Discussion of linking QRS to whether providers can receive subsidies (would have to have 2 of 5 stars rather than 1 to receive subsidy, changing from a tiered reimbursement rates)
  - Parents attending meeting believed that their definition of quality differed from QRS definitions of quality
- Goals for future
  - Increase parental involvement
  - Put more effort into marketing QRS to parents
  - Increase resources for registered home providers

SUMMARY OF DISCUSSION

Q & A

- What is the most effective way of reaching parents to disseminate QRS

information?

- Research is scant – descriptive research available (e.g., # of hits on a website), but not much available on how information affects choice
- Reaching low-income families is particularly challenging
- California – relies on CCR&Rs but many families are unaware about subsidy program
  - Evaluations of these dissemination strategies are needed
    - Two elements: 1) Are you reaching families? 2) Are they responsive?
    - Families may disagree about quality ratings
- Do child care choice patterns differ between TANF recipients and non-recipients?
  - In NYC, most TANF recipients choose family, friend and neighbor care, possibly due to family income, whereas only 30% are in contract care despite promotion of contract care
  - The employment-child care timeline inhibits parents' child care choices – once they find a job, parents need to arrange child care very quickly, which often does not allow them to search and coordinate high-quality care whether they have the subsidy and information or not
  - California – 41% TANF recipients are choosing licensed care, most of whom are in the job search process, and there's a gradual shift to licensed care as they receive subsidies over time
- Have states looked at the age of children in relation to subsidy recipients' child care choices?
  - As families receive subsidies for longer periods of time, they shift to regulated care – this could be due to children's age, because research shows infants and toddlers are more likely to be in informal care and preschool-age children are more likely to be in centers
  - Do these choices reflect preferences of parents for younger children, or of rural families?
- Need for child care flexibility
- What are the impacts of raising providers' training standards and the availability of slots?
  - California – trained 5,000 license-exempt providers last year
    - Higher retention rate if providers had individual help and assistance after training
  - New Mexico linked CACFP to subsidy receipt, which ensures some home visits and accountability
    - “Conversations” - an 18-hr course geared toward family, friend and neighbor care, currently voluntary and counts as 2 years of training but low levels of participation
      - Trying to connect tiered reimbursement
  - New York – concerned about large proportion of funds going to unregulated care
    - New state regulations requiring background checks, and providers can get higher reimbursement rates for each 10 hrs of training (not yet clear on details of training)

- Some quality efforts, including peer-to-peer networks, community center activities
- New initiative to set up resource centers for providers to talk with specialists and borrow resources

#### KEY POINTS

- Unpack the determinants of parents' child care choices- the affordability and availability of care (particularly for long or odd hours), consumer education, and the desire for subsidies as a source of a relative's or community income from parents' preferences for care, particularly the child's age
- More research on the effects of Quality Rating Systems on reaching parents and changing their child care choices are needed, as well as evaluations of innovative strategies for disseminating QRS information.
- Coordination between systems, particularly Social Services, TANF, child care, and the Child and Adult Care Food Program, can streamline services and increase efficiency
- Need for more effective strategies to promote quality in license-exempt home-based care