

Session #D-4

Title: New Research and Administrator Perspectives on the Characteristics and Experiences of Providers in the Subsidy System

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Debbie Thomas, M.Ed., State Child Care Administrator, AL

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SUMMARY OF PRESENTATION

Monica Rohacek - *Child Care Providers & the Subsidy System a Study of 5 Counties* (see handouts)

- Study focused on child care subsidies and providers
- Research goals: characteristics of subsidy provider, voucher policies that affect providers, interaction between providers and voucher system characteristics
- Mixed method research design (qualitative and quantitative)
- Study availability at www.urban.com with more briefs to come
- Provided an overview of methodology on research goal one: characteristics of subsidy providers.
- At the time of the survey 60% or more of centers were serving subsidy kids. Fewer family child care homes were serving subsidy kids but it was still high.
- Most centers had moderate proportions of children served by vouchers. FCC homes had a greater proportion of their kids being vouchers.
- Flexible and odd hour care was more likely to be offered in subsidized FCC than those not using a lot of subsidy.
- In a majority of sites, subsidized centers were less likely to have staff with BAs and above. In FCC there was no significant difference in formal education between providers who used subsidy and those who don't.
- In a majority of centers, wages were lower in subsidized centers. Teacher turnover was higher in subsidized centers.
- FCC homes with high subsidy use were closed less days per year than non-subsidy homes.
- In two of the three counties, the subsidy FCC home ratios were worse than non-subsidy. In the other there they were better.
- Teachers in subsidy centers were more likely to want to work in another field than teachers in non-subsidy centers.

Gina Adams - *Child Care Providers & the Subsidy System a Study of 5 Counties* (see handouts)

- Provided an overview of methodology on research goal two: how voucher policies affect providers.
- Providers felt they were being paid too little, related to a belief that entire cc market was underpaid. However they felt the payments could be counted on. Felt that they were getting as much (or more) than they would get from parent pay. Providers felt that unpaid absent days resulted in a huge revenue loss. Collection of co-pays in largely in the hands of

providers which they didn't consistently enforce. Some were worried that collecting co-pay would drive parents away. These issues not necessarily different from programs that serve predominately parent pay kids.

- Notifications of authorization and termination. Providers reported this is also a significant area of revenue loss.
- Subsidy "hassle factor". Providers revealed difficulty with paperwork, getting in touch with agency, resolving payment disputes, overarching perception about working with subsidy agency. 4 out of 5 sites found it was "rarely or never easy to get a hold of subsidy staff".
- Provider benefits for working with subsidy system: will be paid, helps keep slots fill, supports mission driven programs.
- Providers critical in helping families navigate subsidy system however, providers felt a big burden of helping subsidy agencies do their job (track down families, get verification), providers felt subsidy families are high need in general.
- Definition of faith based providers.
- No evidence of difference in voucher receipt among faith affiliated providers and no barriers perceived due to faith status.
- FFN caregivers have a wide variety of motivations and profiles. They saw entry into the subsidy system as complex – uncomfortable about paperwork.
- Agencies felt that FFN providers take more time and effort for them, thought they were more likely to commit fraud, felt it was a less stable form of care.

Kay Hendon, Child Care Administrator, City of New York

- 75% of children served are via vouchers. 1/2 of those vouchers are used in FFN care. Faith based centers serve a large proportion of voucher children.
- Not hearing from providers that absence and co-pay policies are a problem for FFN providers. Complain about notification of terminations and enrollment. Don't feel they can reach the child care worker or TANF worker. Standard is a two week response which isn't always achievable with staff limitations. Automated attendance reporting system that speeds payment and dropping children. Now has a union of AFT to represent informal caregivers.

Debbie Thomas, Child Care Administrator, Alabama (see handout)

Beverly Wellons, State Child Care Administrator, New Jersey (see handout)

- 91% of subsidy children in licensed environments
- Subsidy administration is via CCR&Rs
- Registered FCC providers have declined by 50% in the last two years
- 90% of licensed and registered providers do accept vouchers. They feel it is high because they can charge parents a co-pay AND the differential between the market rate.
- All CCR&Rs will be trained in Strengthening Families protective factors.
- Looking at a new dispute resolution process.

SUMMARY OF DISCUSSION

KEY POINTS

A large share of the child care market is supported by vouchers.

The voucher policies do affect care in the market.

Program with vouchers do tend to look better on a small number factors. Most of the programs looked no better or worse than centers relying on parent fees.

Programs serving a large number of voucher children tend to be located in economically disadvantaged areas which may impact the factors that were examined.

Key problem areas are a cause for concern: result of loss revenue, result in loss time and increased effort.

Faith based providers are playing a significant role in the voucher child care market and there weren't any inherent barriers to them participating.