

2012 CCPRC Annual Meeting  
Workshop Session B-2  
October 24, 2012, 3:30-5:00 p.m.

## **Subsidies and Continuity: Fostering Consistency through Policies and Practice**

### **Description**

Using a review of existing literature and a summary of the information needs of States, this session was intended to develop a list of needed research based on what we know and don't know about the duration of subsidy receipt and subsidized child care arrangements. The session included short presentations on: 1) what we know from research about the continuity of subsidies and subsidized child care arrangements, e.g., associations between subsidy continuity and redetermination periods, and the actual and perceived value of subsidies; and 2) questions States are asking about continuity and child care subsidies. These presentations were followed by facilitated small group discussions during which participants discussed the following: what do we know with confidence; what do we know with less confidence; what are the gaps in research; and what policy-relevant questions do we need to address next?

### **Presenters**

Elizabeth (Liz) Davis, University of Minnesota  
Minh Le, OCC, ACF

### **Facilitators**

Amy Claessens, University of Chicago  
Bobbie Weber, Oregon State University  
Lee Kreader, Research Connections  
Ann Rivera, OPRE, ACF

### **Scribe**

Laura Rothenberg, Child Trends

### **1. Documents in Session Folder**

- “Subsidies and Continuity: Overview of Findings of Recent Studies;” Elizabeth Davis.
- “B2: Subsidies and Continuity: Fostering Consistency through Policies and Practices;” summary of small group work.

### **2. Brief Summary of Presentations**

- **Summary of Presentation #1:** Liz Davis
  - Liz started her presentation with thanks to Child Trends, specifically Nikki Forry and Paula Daneri, for their contributions to the literature review.
  - She noted four key findings from the literature on subsidies and continuity:
    - *Median spells of subsidy receipt are relatively short, typically about 6 months.* There is some variation in median spell length, but there is a lot of consistency across States despite differences in State policies and characteristics of children and families. Some studies report longer spell lengths but do not use comparable

methods. The median seems to be a more appropriate measure than the mean because of the skewed distribution of spell lengths.

- *Many families have more than one spell of subsidy receipt.* Research consistently finds that many families return to the subsidy program after leaving.
- *Exiting the subsidy program is sometimes related to policy (e.g. redetermination month and copays).* The length of the redetermination period or the fact that a family has to redetermine in a particular month is related to leaving the subsidy program. The evidence on copays is varied, which may be attributable to methods. Subsidy value and provider payment rate research shows that higher payment rates are related to longer subsidy spells.
- *Exiting the subsidy program is often related to events, particularly to employment changes.* Several studies show that most subsidy exits are related to job loss or low earnings. The relationship between timing of job events and subsidy exits is challenging, as the two are closely intertwined.
- **Continuity of Subsidized Care Arrangements:** There are many reasons why a parent may change a child's care arrangement (planned and unplanned). One of the ways people have looked at this is to measure the number of arrangements or changes in arrangements over a period of time.
  - Liz cited several studies highlighting short times with providers and changes in providers. We have reason to think that there is a link between continuity of subsidy use and stability of arrangements. In other words, there may be a link between instability of subsidy use and instability of care arrangements, but causal relationships are difficult to untangle.
  - Few studies have tried to make the comparison between subsidy users and similar other children to examine stability differences in their arrangements.
- **Summary of Presentation #2: Minh Le**
  - Minh talked about subsidy receipt and OCC recommendations based on work with States, tribes, and available research. The recommendations included:
    - *Increasing the retention of a subsidy by implementing a 12-month eligibility period, i.e., including job search in the definition of "work, training, or education," adopting eligibility strategies that take family circumstances into account, and providing coverage for child sick or vacation days).*
    - *Reducing administrative burden by broadening information collection options to better accommodate parents, i.e., coordinating across localities, aligning eligibility periods with other early education programs, partnering with providers to leverage their relationships with families, and sharing information with other benefit programs to reduce duplication of efforts.*
  - *OCC has heard several questions about the recommendations from States:*
    - What are the reasons that families leave the child care system? Research suggests that families leave when they are still eligible. If this is true, what could be successful in keeping families in the system?
    - What are the main economic drivers within CCDF that impact continuity?
    - How much overlap is there between CCDF and other federal programs (not only in processes but in the populations served)?

- What are the major differences between the subsidy system and the private child care market? Which of these impact the subsidy system and the child care provider working with families?

### 3. Brief Summary of Discussion/Key Issues Raised

- The group broke into small groups and discussed what we know with confidence in the field, what we know with less confidence, what we don't know (gaps in the research), and what policy-relevant questions we need to address next. Highlights include:
  - We need to understand why changes and discontinuity are happening. Are changes good or bad or equal? This depends on who we are talking about and may differ in terms of child outcomes and parental outcomes; sometimes these don't move in the same direction. We can't always say what something is attributed to, but can we say a change was planned versus unplanned?
  - Methodological issues and possible approaches:
    - The data is very sticky and difficult to disentangle, such as employment and care.
    - Identifying pieces related to administrative policy is important. Combine administrative data analysis with qualitative research.
    - Need to work with other systems to examine them for lessons learned.
  - There is a subset of families that experience a lot of changes. If we could identify these families and what's going on with them, it's likely they are the same families that experience poor outcomes for children. Wyoming has changed its policies recently, allowing a maximum of three provider changes in a six-month period.
  - As CCDF has shifted to include more focus on ECE, has the research lens also shifted or are we looking at things through an outdated lens? If we are interested in thinking about how subsidy receipt can improve access to care, or the amount of time a child is exposed to better care, are we still looking at the right unit of analysis? Do we need to be thinking about other ones?
  - What are the reasons that families leave the child care system? Research suggests that families leave when they are still eligible. If this is true, what could be successful in keeping families in the system?