

2012 CCPRC Annual Meeting  
Plenary Session 7  
October 25, 2012, 1:30-3:00 p.m.

## **A Framework for Future Child Care Subsidy Research**

### **Description**

The goal of this session was progress toward development of a framework for a proposed subsidy policy research agenda. Presenters summarized what was learned during the subsidy work sessions and proposed a framework for future child care subsidy research that identifies the policy relevant questions that need to be addressed next.

### **Facilitator**

Gina Adams, Urban Institute

### **Presenters**

Isabel Bradbury, Virginia Polytechnic Institute and State University  
Yoonsook Ha, Boston University  
Bobbie Weber, Oregon State University

### **Scribe**

Rachel Anderson, Child Trends

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

- “Access and Choice;” Yoonsook Ha (Workshop A-1)
- “Childcare Subsidy Research Agenda: Provider Perspectives;” Isabel Bradburn (Workshop A-2)
- “Continuity: Building a Subsidy Research Agenda;” Bobbie Weber (Workshop B-2)

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

- **Summary of Presentation #1:** Gina Adams, Opening Remarks
  - It is important to remember that the federal child care program (CCDBG) is just two decades old; prior to CCDBG, there were a variety of State child care programs, with some States having large programs and expenditures and some hardly at all.
  - This session is based on what we know from the Child Trends subsidy literature review (which doesn’t include a lot about providers) as well as studies done by the Urban Institute.
  - The approach for this session is: What do we know and what do we need to know about choice, continuity, and quality?
- **Summary of Presentation #2:** Yoonsook Ha
  - *What we know:* we know that subsidy take-up rates are low; that families on subsidies are more likely to use center-based care; and that results related to quality vary across studies.
    - Findings are inconsistent overall and differ by study samples related to variables that may be omitted, policy context, and varying comparison groups.

- *What needs to be done—research needs to address:*
  - Subpopulations (infants and toddlers, school-age, two parent families, new parents, families with multiple children, etc.).
  - How subsidy funds are and should be targeted: to programs with higher ratings? Which populations benefit most?
  - Mediators linking subsidy receipt and child outcomes: teacher education, salary and well-being, quality and other factors.
  - Collaborations between other publicly-funded ECE programs and how programs can be aligned given these findings.
  - “Ghost outcomes” (outcomes that are important but often overlooked: for example, how subsidies effect family income, smooth bumps in employment, and affect family disruptions).
  - Constellations of policies and practices: contracts vs. vouchers, implementation issues and variations across States.
  - Measures of quality (are we measuring quality the right way, what are the acceptable definitions/thresholds of quality, which components of QRIS relevant to child outcomes?).
  - Cross-State comparisons.
  - Consumer education: family perceptions; effective outreach to parents (BIAS).
  - How can we capitalize on existing data: planned variation using administrative data; access to national and State administrative data.
  
- **Summary of Presentation #3: Isabel Bradburn**
  - Providers are a mediator, but also largely an unknown (black box). They are gatekeepers of subsidy access because they decide whether or not they will accept families using subsidies.
  - Little information exists about subsidies from the provider perspective and the factors that affect provider choices.
    - We know stress, hassles, and economic instability decrease subsidy acceptance, but little about how factors are considered, how they are considered together, and how past experiences inform future choices.
    - What makes subsidy use “worth it”? Are there barriers preventing subsidy use? How do providers make these decisions?
  - We need a deeper understanding of providers including:
    - Characteristics (descriptive information): type of care, percentage of children eligible for subsidies, younger vs. older, for profit or non-for-profit, administrative structures, etc.
    - Interpretation of policies and past experiences.
    - Motivations in providing care.
    - Factors affecting their decision-making.
    - Context (market, local and State policies, other ECE initiatives, rural versus urban, cultural issues, etc.).
  - About data:
    - Methodological considerations (need to clarify key constructs, market rate survey information, and access and quality of existing data).
    - Mixed and multi-method study designs: qualitative data is needed.

- **Summary of Presentation #4: Bobbie Weber**
  - It is increasingly difficult to separate quality and subsidies. This presents challenges for the way we have organized ourselves within CCPRC. For example, continuity of subsidy receipt, continuity of care, and impact of the care on child wellbeing are related.
  - *What we know:* we know that subsidy spells are short; that cycling in and out of subsidies is common; and that exits tend to relate to authorization periods (and reauthorization) and employment changes.
  - *What we need to know about continuity of subsidized arrangements:*
    - As compared to the continuity of subsidy receipt, we know less about continuity of subsidized arrangements and whether changes are good or bad; predictable changes appear less disruptive for children and families than unpredicted changes. Given that administrative data studies do not have observations of unsubsidized arrangements, we don't know if a child gets to stay with his/her provider upon loss of subsidy.
    - The impacts of exits and returns: do children come back to the same provider? How does the end of subsidies affect care arrangements?
    - An OCC information memo-encourages 12 month redetermination periods, coverage for job search, and tiered eligibility. Are we seeing longer subsidy spells in States that are implementing these policies?
    - How much is paid out of pocket by low-income parents, including parents receiving and not receiving subsidies? Does this vary by type of care? What is the impact of allowing or not allowing providers to charge the difference between their usual charge and the State's maximum payment rate?
    - Effects of parental employment on duration of use; characteristics of families with multiple changes?
    - Effects of care quality on duration of use: duration in rated facilities?
    - Methodological considerations: existing studies use methods and data that vary which helps account for inconsistent findings; need for mixed-methods studies (why do we see what we see?), field needs to come to consensus about questions, use of multiple data sources, and methods.

### 3. Brief Summary of Discussion

- Ivelisse: What types of questions could be answered with existing administrative data and current methods to determine how to design the next wave of studies? Has anyone looked at the effects of new accountability policies about school readiness and linking children's school readiness to care experiences and if providers are avoiding subsidized children because of these policies.
  - Some work on willingness to serve was done before the new accountability policies were implemented by OCC; earlier findings suggest that providers consider everything when making choices about whether to accept subsidies.
  - Bobbie-this discussion (and the subsidy work sessions during this meeting) were intended as the start of building a research agenda; many of the questions addressed in this presentation could be addressed in a single study.

- The National Survey of Early Care and Education (NSECE) will help answer some basic questions about providers and families; we should be thinking about which questions we will be able to address with NSECE data.
- How does negative publicity influence the behavior of parents and providers including take-up?
- Gina: It's important not to use entitlement language in our discussions about take-up. If funding is limited, we shouldn't be surprised about low take-up rates. Another question is: are the people we want to be using subsidies actually using them?
- *Prioritization, Who Benefits Most and Desired Outcomes*
  - Issues are cross-cutting across providers, quality and subsidies; need to think about whether the people who are getting subsidies are our priority. If we limit types and quality of care subsidized, what happens to families that need odd hour, fluctuating hour care?
  - Bobbie: States consistently question, who benefits most from subsidies? Who will be harmed the most if they don't get them? These are challenging questions because we have to define what we mean by "benefit" first.
  - One approach to defining benefits is looking at family economic outcomes, while another approach is child school readiness or later academic outcomes.
  - Yoonsook: we need to decide what types of benefit we want and our desired outcomes.
  - Ivelisse: research suggests that subsidies do not impact earnings and employment but we know very little about other outcomes. We need to be more careful and expansive about the types of outcomes we're measuring.
  - Bobbie: the subsidy program works best for families who have it most together; the close link between employment and subsidies creates a built-in dilemma (we are not serving the most vulnerable).
  - Gina: when subsidies are tied to employment status, we lose the least advantaged; people who use subsidies inconsistently also have inconsistent employment and low social capital, etc. So the subsidy program best serves those with some stability and resources.
  - Some States, like Maryland (MD), are trying to serve those who are the most disadvantaged, but that means ignoring other families who need help.
  - It would be helpful to have more research on those who receive subsidies versus those who would benefit most.
  - Georgia: would love to go to yearly determinations, but CCDF is limited and the State is concerned about program integrity issues; who is the priority? The child or the parent?
- *Program Integration*
  - What about the role of Head Start; linkages between Head Start, preK and child care may help in serving the most vulnerable families.
  - We need to look at the whole landscape of ECE, including Head Start. Some programs better serve the poorest than others. We also need to look at State school readiness findings in this context.
  - We need to be thinking in terms of "best fits" for families and children; what information can we provide that would help State administrators in this regard? Can imagine packages of services that include Head Start/prek plus grandmother care.

- Ivelisse: can we test whether families, children, and providers are getting what they need with alternative models of blended funding streams?
- We need direct comparisons and cross-linking between subsidies and other programs (like HS and prek).
- *We need to think in terms of a combined quality and subsidies research agendas.*
  - What programs best fit the needs of different types of families. How can research inform this understanding and related decisions?
  - We can also think about separating what types of care children get: children may need education, but don't necessarily need it from each setting.
  - These questions are relevant for home-based care and FFN care too. (Community Connections in Minnesota provides a model in linking home-based care and pre-k services.)
  - There are data opportunities in linking State administrative systems and combining these systems and State longitudinal systems
  - NSECE will be able to give a portrait of the types of care children are getting throughout the day from formal and informal sources.

#### **4. Summary of Key Issues Raised:**

- *Emerging findings that may be of particular interest to policy-makers and ACF? We know some things about subsidies including take-up rates (low) and length of spells (short); cycling in and out of subsidies is common, and exits tend to relate to authorization periods and employment changes.*
- *Methodological issues.*
  - More information is needed on providers using qualitative data, mixed methods, and multi-method approaches. This includes characteristics, motivations, context and factors influencing their decisions (including about subsidies).
  - Relevant terms need to be clarified to allow for synthesis of existing findings and future research (and hopefully avoid the inconsistency that characterizes current findings across studies and samples).
- *Follow-up activities suggested for addressing questions and gaps.*
  - The NSECE will be able to provide more information on children's care experiences as well as the perspectives of providers.
  - Need to think through what types of questions can be answered with existing administrative data and current methods to determine how to design the next wave of studies. These questions might be addressed through the subsidy research agenda proposed by the Subsidy Workgroup/CCPRC 2012 Planning Group.
- *Recommendations about future ACF child care research directions and priorities.*
  - It is increasingly difficult to separate quality and subsidies including across groups in CCPRC; continuity of subsidy receipt and quality of care are clearly related.
  - More needs to be known about subpopulations, targeting of subsidies, which families benefit most from subsidies, mediators linking subsidy receipt and child outcomes, collaboration among publicly-funded ECE programs, ghost outcomes, constellations of policies and practices, e.g., contracts vs. vouchers, measures of quality, cross-State comparisons, and consumer education/effective outreach (BIAS).

- Should we be thinking in terms of “best fits” for families and children (including the entire ECE landscape)? Can we test whether families, children and providers are getting what they need with alternative models of blended funding streams?