

2011 STAM – CCPRC Meeting
Workshop A2
November 16, 2011, 10:00-11:15 am

Child Care Subsidy Dynamics: Recent Research Findings from Ongoing Studies on Subsidy Stability and Arrangement Continuity (Poster Symposium)

Description

This poster-panel session presented key findings from four ongoing projects addressing issues of subsidy dynamics, including attention to conceptual models and measurement issues, and allowed for a discussion of the determinants and consequences of subsidy duration and exit. The objectives of the session were as follows:

- Share recent findings from ongoing subsidy dynamics studies.
- Engage in participant-audience discussion in support of the ongoing work of these research studies and related ongoing projects.
- Engage in discussion of different conceptual frameworks and measurement approaches to study the determinants and consequences of child care subsidy duration and arrangement continuity.
- Consider the implications of recent findings for Federal and State policy.
- Provide audience members with an opportunity to talk one-on-one with study authors

Facilitator

Julia Henly, University of Chicago

Presenters

Kendall Swenson, U.S. Department of Health and Human Services
Roberta (Bobbie) Weber, Oregon State University
Elizabeth Davis, University of Minnesota
Yoonsook Ha, Boston University
Nicole (Nikki) Forry, Child Trends

Discussants

Minh Le, ACF Office of Child Care
Lynne Shanafelt, Washington State Department of Early Learning

Scribe

Amy Blasberg, Child Trends

1. Documents in Session Folder

- “Stability of Subsidy Use in Oregon,” Roberta B. Weber, Deana Grobe, and Elizabeth E. Davis

2. Summary of Presentations

- **Summary of Presentation #1:** Kendall Swenson
 - Kendall is using CCDF data (ACF-801) and his study includes the 38 states that provide full population rather than sample data about families served through CCDF.

- The results so far are similar across States. Each State is unique, but there are a lot of commonalities. Seasonality is a factor that is associated with spell length. The typical spell length is 4-8 months, although it varies based on the State and the season. There is a lot of cycling on and off of subsidy programs, but there isn't a lot of variation across different demographic factors (age of the child, race/ethnicity, etc.).
 - The project is currently using data from 2004-2008, but adding data from 2009 will allow Kendall to observe patterns during the recent economic downturn. At some point it might be possible to merge these data with Census or ACS data.
- **Summary of Presentation #2: Bobbie Weber**
 - In October 2007, Oregon had a dramatic shift in policy, making it one of the more generous states in terms of subsidy reimbursement. This provided an opportunity to see how the policy shift impacted parental behavior, and specifically, how parents make decisions about child care and employment. The theory was that more generous policies brought a new group of parents in, however results do not support that hypothesis.
 - Bobbie created three groups of parents based on how they experienced the policies: the “old” group that had a spell under the old policy, the “new” group that had a spell under the new policy, and the “both” group which experienced spells under both sets of policies.
 - The new (more generous) policies are associated with longer duration of subsidy spells, higher use of center care (especially for 2- and 3-year-olds in metro areas), and higher use of relative care (especially for infants).
 - An in-depth telephone interview was also conducted and parents were asked about their primary reason for exiting the program. Two-thirds of parents exited because they no longer met the eligibility criteria, 15% left because of increased earnings, and 11% left because of provider changes.
 - The increases in duration and use of center care were small and were greater for the new entrants than for the subsidy users who were already in the system.
 - Changes are continuing in a positive direction, prompting Bobbie to think about the cultural environments that grow up around a subsidy program, and the fact that these cultural environments take longer to change.
 - **Summary of Presentation #3: Elizabeth Davis**
 - Elizabeth presented results from the Maryland-Minnesota Research Partnership. The project examines subsidy continuity and factors that are related to the probability of exiting the program.
 - Three research questions were examined: (1) How long do children receive subsidies? (2) What characteristics are associated with subsidy receipt? (3) How stable are the arrangements?
 - The median spell length in Maryland and Minnesota is, on average, 8 months. The factors related to spell length in the two States are similar to other findings—families working for pay tend to have longer subsidy spells and families on TANF have shorter spells. Most families use only one provider while receiving subsidies.
 - This work is ongoing and will be linked to a parent survey to supplement the administrative data.

- **Summary of Presentation #4:** Yoonsook Ha
 - Yoonsook’s study examined continuity in child care arrangements using administrative data. The main research question was “What is the relationship between instability in care arrangements and stability of child care subsidy receipt?”
 - Children were followed longitudinally and cluster analysis was used to categorize children into four different groups.
 - More than half of children experience some form of instability and children with a new sibling were more likely to experience instable subsidy and care situations.

- **Summary of Presentation #5:** Minh Le, Discussant
 - There is a commitment to honoring the triumvirate of policy, research, and practice. It is important to find the overlap and put out recommendations that reflect the research. Having a lot of data is both a blessing and a curse, and the 801 data will include quality data moving forward. Once we have data on quality, we may find connections between stability and quality.
 - Bobbie’s research shows us that policies can have an impact on the length of subsidy spells. New recommendations have been made to protect families from job loss or extended sick leave or disability leave. Getting more data on why subsidy spells are so short can help facilitate changes to the program to improve tradeoffs between access and quality.

- **Summary of Presentation #5:** Lynne Shanafelt, Discussant
 - In Washington State, when the redetermination period increased from 3 months to 6 months, the things people were worried about (overpayments for families and increased costs) didn’t happen, so now there is a movement toward a 12-month eligibility period. The overall cost of 12-month care was less than that for 6-month care, and care for TANF families is more expensive than care for non-TANF families.
 - A key question is “What does stability mean for child outcomes?” If children are in longer care, but in poorer facilities, the effects will be different than longer care in high-quality facilities. There is also a question of how the economic situation impacts child care stability. Even with extended authorization periods, we could see a decrease in stability based on job loss. Another thing to consider is how context matters in this research—one-third to one-half of families in Washington are using multiple providers, as compared to Minnesota, where most families use only one provider.

3. Summary of Discussion with Presenters and Participants

- *Have you thought about stipulations that would go along with advising extended eligibility requirements to protect against job loss?* Minh Le: We want to give states the flexibility to develop policies as they see fit. We can work with them on the recommendations and tailor them to the local context.
- *Two thoughts come to mind (Gina Adams)*—these researchers are really trying to disentangle the reasons behind instability (there may be good reasons and bad reasons). They are also working to disentangle policy from what’s happening on the ground.

- *One audience member was struck by the percentage of family income that is spent on child care.* Bobbie: We asked families what fees they have to pay in addition to the co-pay. We found we could determine whether or not families are using non-subsidized arrangements. The cost of child care can be high—a lot of studies have found that. Whether or not parents can pay other costs on top of the co-pay varies by State. Nicole Forry: In Maryland, parents are looking for the more affordable, subsidized providers versus those that go above the market rate.
- The Child Care Policies Database Project has a lot of these policies in it and can serve as a resource moving forward. This project is sharing space with the Research Connections booth at CCPRC.