

# Challenges and Opportunities in Studying Child Care and Development Fund Policy Levers' Effects on Early Care and Education Access

Child Care and Early Education Policy Research Consortium (CCEEPRC)

June 29, 2023



# Overarching Challenge

**What are the effects of CCDF policies on outcomes for children, families and providers?**

# Session Overview

**1.** Maryland reflections

**2.** National analyses & state studies in MN & OR

**3.** State Guide for Examining CCDF policies & outcomes

**4.** Discussion





# Promoting Equal Access to High-Quality Early Care and Education in Maryland: Examining the Role of CCDF Policy Shifts over 5 Years



# Maryland: Research Questions

## 1. Providers' experiences:

- a. Did the supply of child care change following QRIS participation requirements?
- b. Did the supply of child care change following the increased reimbursement rates and increased income eligibility thresholds?

## 2. Families' experiences:

- a. Are families who use scholarships participating in higher quality programs (i.e., levels 3, 4, and 5) after new income eligibility and reimbursement policies went into place?
- b. Which demographic groups have seen an increase in the number of children using a scholarship to obtain higher quality care?



# Maryland: Major Policy Levers

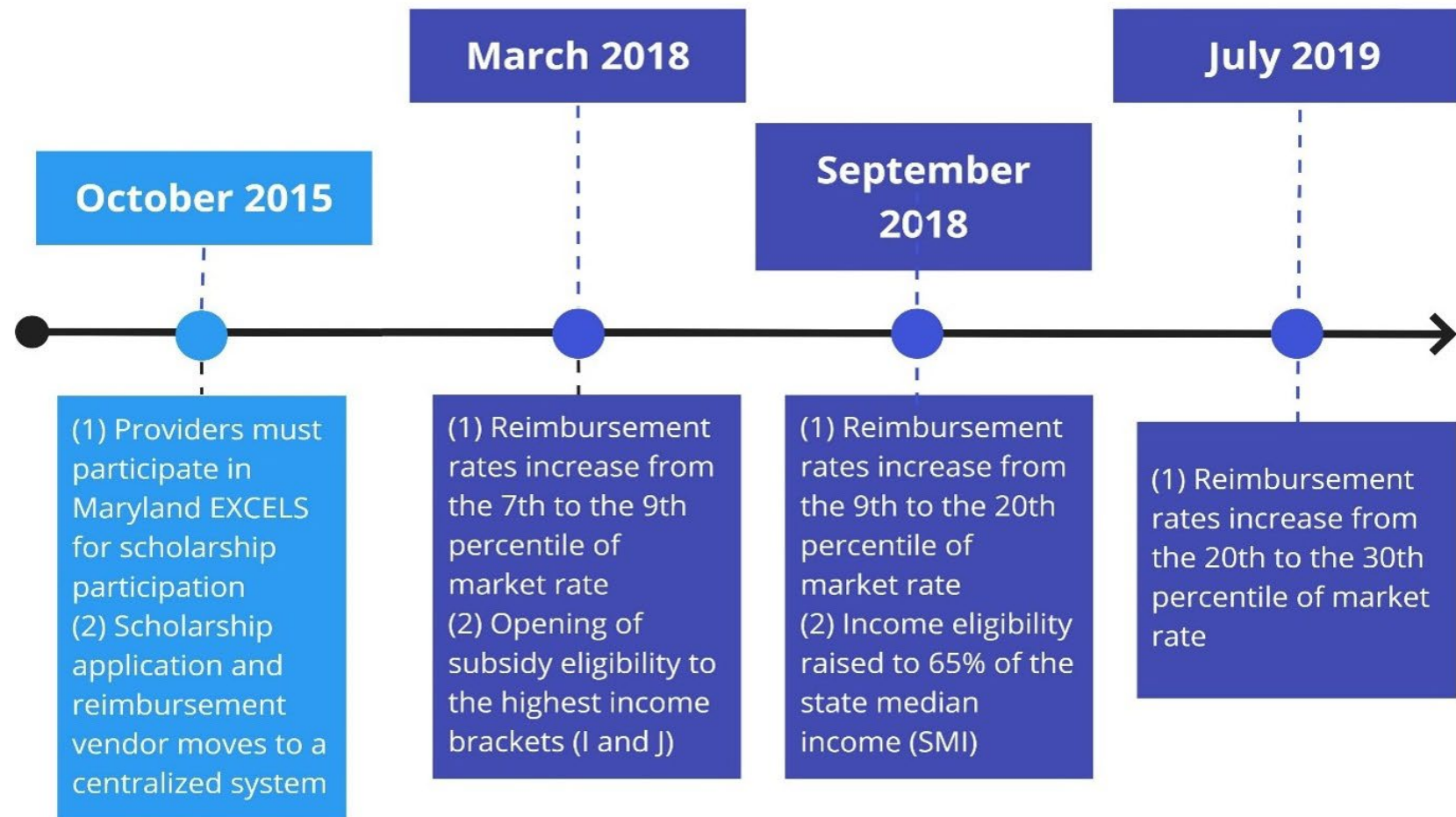
## Key terms

### *Scholarship:*

A CCDF-funded subsidy in Maryland

### *Maryland EXCELS:*

Maryland's state QRIS



# Maryland: Methodology

	<b>Analysis of Providers' Experiences</b>	<b>Analysis of Families' Experiences</b>
<b>Data Sources</b>	Provider licensing data, Child-level scholarship data	Child-level scholarship data, Maryland EXCELS data
<b>Time Periods</b>	Jan 2015-March 2020	Jan 2018-March 2020
<b>Main Challenges</b>	<ol style="list-style-type: none"><li>1. Navigating time-delay complexities: challenges in accurately evaluating policy impacts due to implementation lags</li><li>2. Identifying causality: difficulty in distinguishing direct cause-effect relationships between a specific policy and its resulting outcomes</li><li>3. Addressing data discrepancies: data linkage and quality issues when analyzing data from multiple data sources</li></ol>	

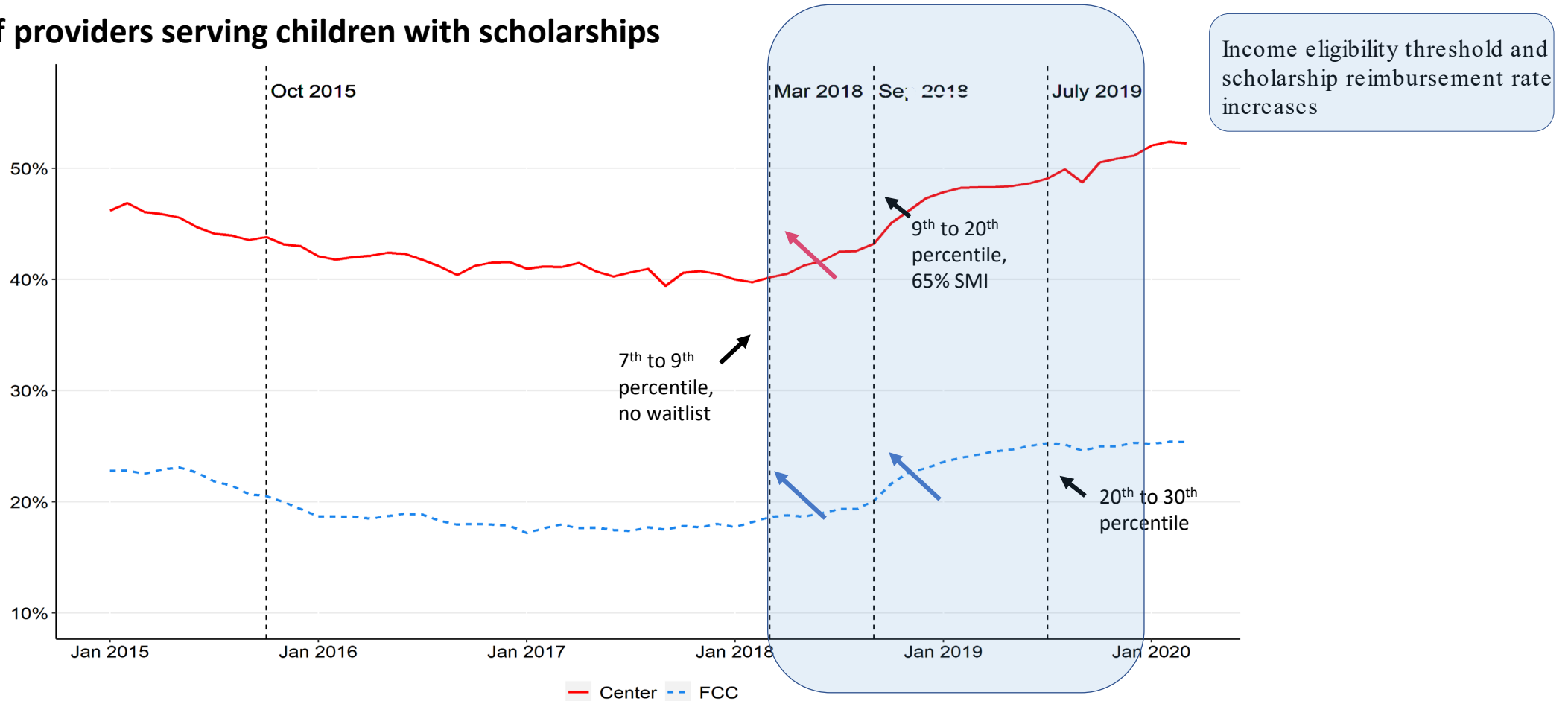
# Maryland: Methodology

	<b>Analysis of Providers' Experiences</b>	<b>Analysis of Families' Experiences</b>
<b>Solutions &amp; Analytic Approaches</b>	<p>Interrupted time series analysis</p> <ul style="list-style-type: none"><li>• Confirmed with the state partner about implementation periods</li><li>• Accounted for lag issues in the model</li><li>• Cross-checked data using different data sources</li></ul>	<p>Descriptive analyses, significance tests, and regression methods</p> <ul style="list-style-type: none"><li>• Conducted subgroup analyses to differentiate between children who maintained a stable provider, those who switched providers, and those newly entered the scholarship program</li><li>• Analyzed providers' quality change over time</li></ul>



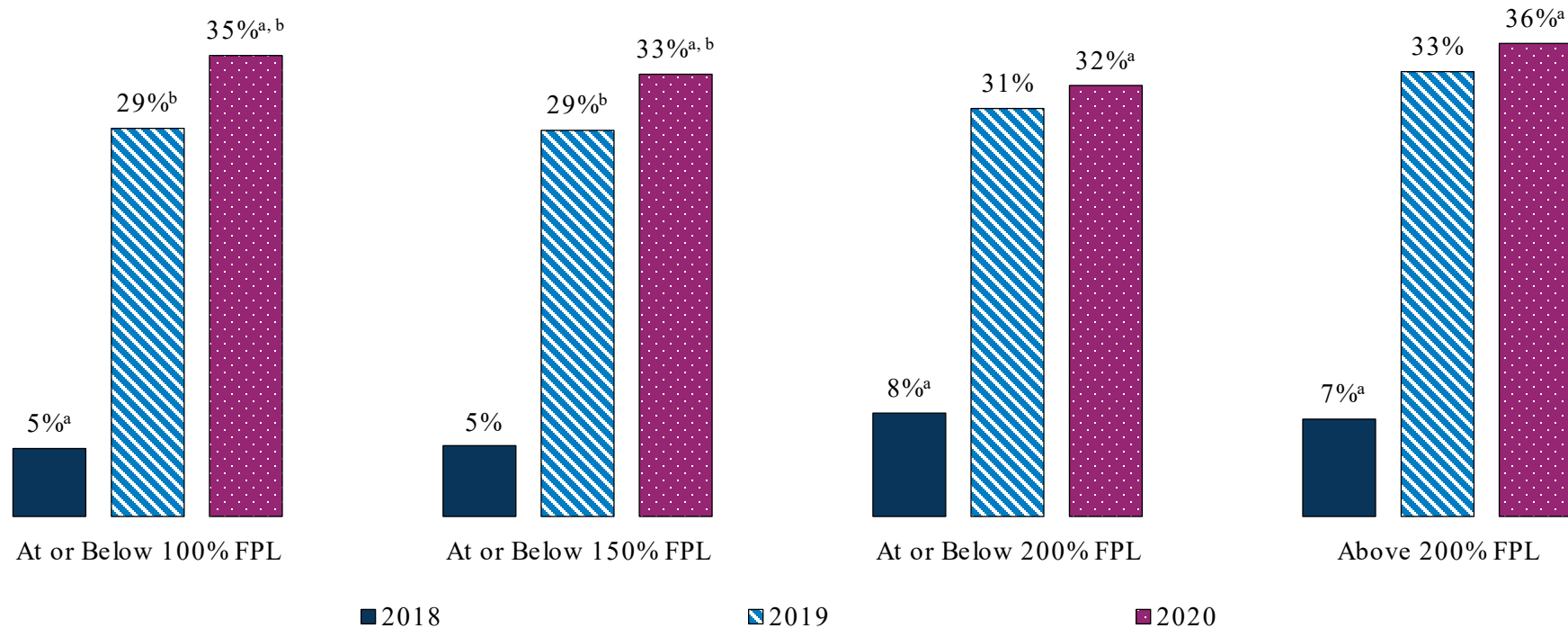
# An Example of Provider Finding: The percentage of FCCs and centers serving children with a scholarship INCREASED following these policy changes.

## Percentage of providers serving children with scholarships



# An Example of Family Finding: Each income subgroup has experienced an increase in the proportion of children using a scholarship to access higher quality care.

Percentage of children using higher-quality programs (levels 3-5), by income: 2018-2020



Note: Percentages were small in 2018 because a small group of providers (n = 160) had a higher rating in 2018.

<sup>a</sup> The percentages are statistically different between 2018 and 2020 (p < 0.01).

<sup>b</sup> The percentages are statistically different between 2019 and 2020 (p < 0.01).

Source: Authors' analysis of Maryland EXCELS data and MSDE's child-level scholarship data (2018-2020)

# Maryland: Summary

- The combination of policy changes led to a significant increase in the number of providers serving children with scholarships, across all provider types.
- Each demographic group (e.g., income) witnessed a substantial increase in the usage of higher-quality providers between 2018 and 2020.
- The combined impact of the policies affected providers' experiences in such a way that it became challenging to isolate the effect of individual policies.
- The policy lag is unpredictable when studying families' choice of care.
- Understanding the implementation timeline of the policies was crucial to determine the best approach to study the impacts of policies.

# CCDF Subsidy Policies and Outcomes:

A state study template informed by national & state analyses

June 29, 2023

Child Trends, University of Minnesota, Oregon State University





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*The views expressed in this presentation do not necessarily represent the views or policies of the Office of Planning, Research, and Evaluation, the Administration for Children and Families or the U.S. Department of Health and Human Services.*



# Presentation Overview

- **Phase I:** Background & National Analyses
- **Phase II:** Lessons learned in Minnesota & Oregon
- **Phase III:** State Guide for Examining CCDF Policies & Outcomes



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# Phase I: Background & National Analyses

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# National Analyses Background

- **Goal**
  - To identify associations between state CCDF policies and trends in outcomes for children, families, and providers.
- **Research Questions**
  - How have the characteristics of participating children, families, and providers changed over time?
  - How have subsidy payment policies changed over time?
  - Can specific subsidy policies (individually or in specific combinations) explain differences in trends for children, families, and providers?





# National Analyses Background

- Data sources: CCDF Policies Database, National Women's Law Center reports, ACF 800/801
- Approach: descriptive and correlational analyses



## National Analyses : Key Findings

Can specific subsidy policies (individually or in specific combinations) explain differences in trends for children, families, and providers?

- No consistent pattern of association between subsidy payment policies and trends in subsidy participation among children, families, or providers across states was identified.
- This finding prompted the suggestion to try a case study approach that could document and address the unique context of states.



# Phase I Reflections

There are multiple approaches to understanding the relationship between subsidy policies and outcomes, which contributes to the complexity of developing an analytic approach.

Examining existing data without more information about state context limited the questions we could answer and the conclusions we could draw.

Case studies conducted by researchers in partnership with state CCDF lead agencies may help explain findings in context and over time



# How the work evolved

## Phase I

National CCDF  
policy analyses



## Phase II

MN and OR pilot  
case studies



## Phase III

CCDF conceptual  
model & partial  
logic model; State  
Guide





# Steps for Examining CCDF Policies & Outcomes

**Step 1: Describe the context of the state subsidy program**

**Step 2: Define the purpose and goals of the state subsidy program**

**Step 3: Examine major changes to policies and practices over time**

**Step 4: Examine trends in program participation of families, children and providers**

**Step 5: Explore the perspectives of families and providers receiving a subsidy**

**Step 6: Use the access framework to explore outcomes aligned with CCDF goals**



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# Minnesota & Oregon Analyses

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# Pilot Case Studies

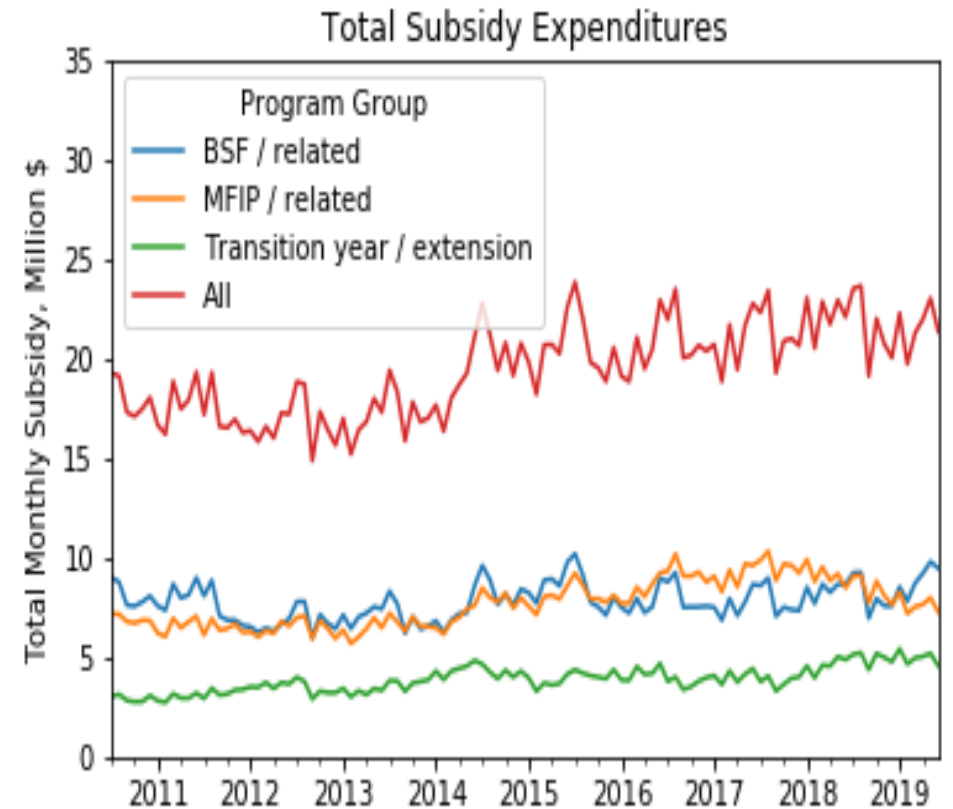
**Goal:** To study changes in subsidy policies and child, family, and provider trends over time with attention to state context in order to understand what leads to differences in the following program outcomes/outputs:

- Enrollment
- Stability
- Type of care used



# Minnesota Context

- State-level policy, county administration
- Dept. of Human Services: Agency focus is employment, economic self-sufficiency and reducing use of cash assistance (TANF)
- Sub-programs: MFIP–related (TANF) ; Basic Sliding Fee (employment) and Transition Year
- Total budget rising slowly, costs per child increasing.
- State Legislature sets payment rates & worries about cost and fraud
- Agency focus includes quality and school-readiness.







# Minnesota Policy Overview

**Eligibility:** Entry below 47% SMI or 67% if on TANF

**Copays:** relatively low (max is 14% of family income; DHS estimates that most pay less than 10% of income)

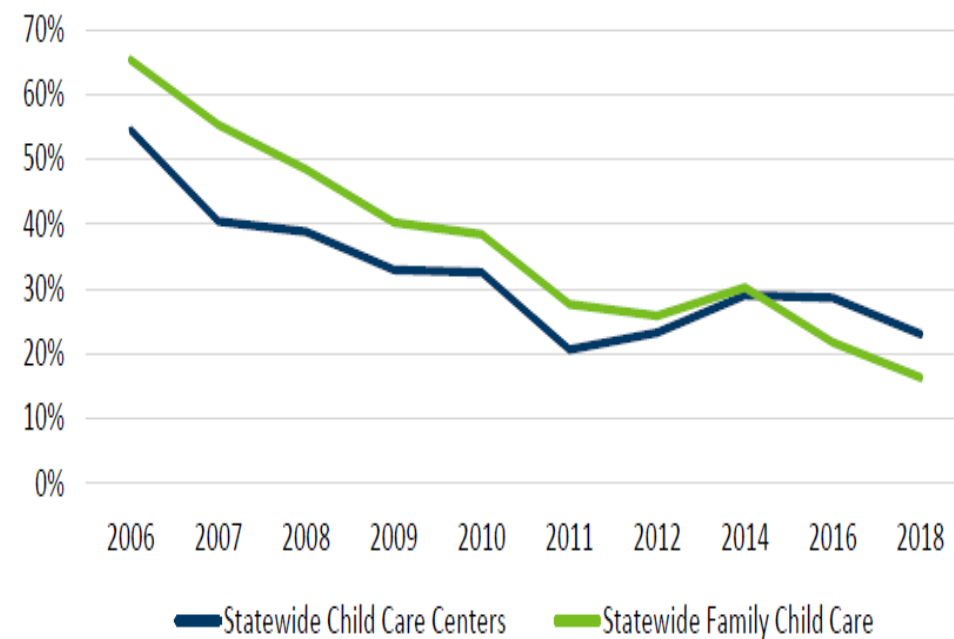
**Payment rate:** Provider payment rates not increased between 2014 and 2019 – base rates fell below 20<sup>th</sup> percentile

**Quality incentives and supports** (15-20% higher payment rates)

**Redetermination** period changed from 6 to 12 months in 2017

**Waitlist:** In some counties

Figure 22. Percent of provider prices that are fully covered by the Child Care Assistance Program standard maximum reimbursement rates





# Minnesota Program Trends

- Number of families served has fallen 30% since 1999
- Caseload changes reflect changing demographics of children in low-income families in Minnesota
  - Shift towards more urban families
  - Shift in race/ethnicity of children subsidized
- Declining number of TANF-related child care families (related to decline in TANF cases)
- Increased use of centers and providers with a quality rating
- Stability of participation has increased



# Benefits of the Minnesota Case Study

- Long-time Research Partnership benefited from two-way learning
- Provided context for understanding policy changes (and lack of policy changes); what else is changing over time?
- Contributed to development of hypotheses for the study of rate changes and interpretation of study findings
- Underscored the importance of changes in who participates (due to economic & demographic changes) as well as policy.



# Oregon Context

- Shared leadership
  - Human Service agency –manage and deliver subsidy program
  - Early Learning Division—CCDF Lead Agency
- General goal:
  - Support employment and improve quality
- No TANF transfer
  - TANF subsidy program not under CCDF policy
- Research Partnership since early 1990s
  - State agencies, researchers, providers
  - Shared motivation: research inform policy



# Oregon Policy Overview

**Eligibility:** 185% FPL

**Copay:** 3<sup>rd</sup> highest of States and Territories

**Payment Rate:** 53<sup>rd</sup> to 76<sup>th</sup> percentile (goal 75<sup>th</sup>)

**Wait list:** active 40% months from 2011-2109

**Budget:** increased over time

**Redetermination period (employed):** 6 months (2005-2009), 12 months for some (2009-2016), 12 months for all (2016--)

**Job search:** none until 2011, 1 month (2011-2106), 3 months (2016--)



# Oregon Subsidy Program Outcomes

Continuously declining caseload

Short subsidy spells

- Median of 3 months in 1997
- Increased to 8 months in 2019
- TANF spells at 3 months through 2019

Movement from license exempt into licensed care

- Almost all decline in use of license exempt nonrelatives
- Majority of children in home-based care in 2019



# Benefits of Oregon Case Study

## Product of Research Partnership

- Essential roles for State and researchers

## Captured context

- Governance
- Budget
- Policy implementation and practice

## Viewed policies and outcomes together and over time

- Created and examined hypotheses on relationship of context, policy, and outcomes





## Case Study Reflections

1. Understanding how the historical, state, and local context influences policies is key.
2. There is interaction between policies that influences outcomes.
3. Looking comprehensively at the impact of policies and over time is important. Outcomes lag policy—sometimes by years.
4. Policies change who participates, which can lead to different outcomes.



## Case Study Reflections

5. States may benefit from guidance on how to:

- define their subsidy program goals/purpose;
- align subsidy policies to those goals; and
- outline intended mechanisms for supporting improved outcomes.

6. States may also benefit from tools that map out a shared decision-making process related to CCDF policy choices.



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# Phase III: State Guide for Examining CCDF Policies & Outcomes

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# Purpose

- Help states describe the relationship between CCDF goals, policies and equitable outcomes.
- Facilitate collaborative goal setting when making CCDF policy decisions.
- Supports efforts to engage families and providers to understand their needs, challenges and preferences.



# Steps for Examining CCDF Policies & Outcomes

**Step 1: Describe the context of the state subsidy program**

**Step 2: Define the purpose and goals of the state subsidy program**

**Step 3: Examine major changes to policies and practices over time**

**Step 4: Examine trends in program participation of families, children and providers**

**Step 5: Explore the perspectives of families and providers receiving a subsidy**

**Step 6: Use the access framework to explore outcomes aligned with CCDF goals**



# Step 1: Describe the Context

- Historical and Temporal Context
  - e.g., changes in state budget and CCDF budget, state governance, CCDF leadership, historical events, state approaches to equity.
- Local and State Context
  - e.g., structure of CCDF leadership and governance, CCDF culture, other political features such as advocacy, unions.
- Other ECE/Family Support Programs
  - e.g., how do other early childhood programs, family support programs, work support programs support families in the subsidy system



## Step 2: Define the purpose and goals

- Describe interrelated CCDF policies and administrative practices
  - What is the purpose of the CCDF program in the state? What is it designed to achieve?
  - What are the program goals? What are CCDF's short-term and long-term goals? What outcomes are prioritized?
  - Which populations have been designated as priority populations? How do policies vary for these populations?
  - Are there CCDF policies that need legislative approval? If so, which policies? How does that shape policy decisions and goals?
  - How do budget constraints and tradeoffs shape the CCDF program?





## Step 3: Examine major changes over time

- What have been the major policy levers over time?
- What is required for child care providers to participate in the subsidy system and how might these requirements influence provider participation in the subsidy program or not?
- What quality initiatives have been implemented and how have those shaped provider participation?
- How have administrative practices evolved over time and how might that influence the families, children and providers who do and do not access subsidies and do and do not participate in the subsidy system over time?



## Step 4: Examine trends in participation

- Program participation among eligible children and families
- Program participation of providers
- Continuity of participation among participating families
- Child care costs as percentage of family income



## Step 5: Explore the perspectives & experiences of families and providers

- What are the major benefits of receiving a subsidy?
- What are the major challenges experienced?
- What are the characteristics of the families who are (and are not) participating in the subsidy system? See Table 1 below for the list of suggested program, provider, family, and child characteristics.
- What improvements would they like to see?

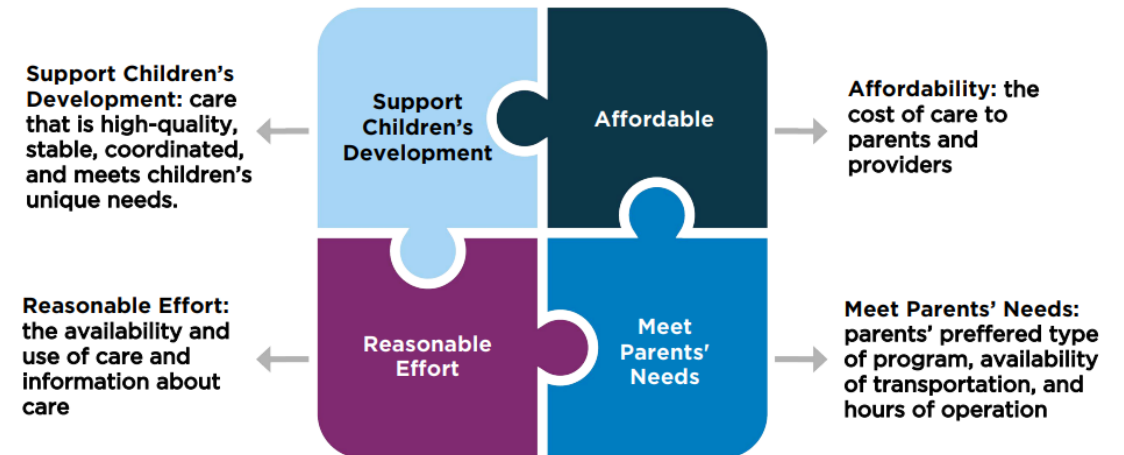


# Step 6: Examine outcomes related to equitable access

**Table 1. Examples of provider and family characteristics to consider when examining equitable outcomes**

Program and Provider Characteristics	Family and Child Characteristics
<ul style="list-style-type: none"> <li>• Care type (i.e., center-based care; family child care; and family, friend, neighbor care, if applicable)</li> <li>• Provider capacity</li> <li>• Geographic location</li> <li>• Subsidy receipt</li> <li>• Child Care and Adult Food Program (CACFP) participation</li> <li>• Provider race/ethnicity</li> <li>• Serving infants/toddlers</li> <li>• Providing non-standard hours of care</li> <li>• Languages spoken</li> <li>• Gender</li> <li>• Income level of children served</li> <li>• Quality Rating and Improvement System (QRIS) rating</li> </ul>	<ul style="list-style-type: none"> <li>• Income level</li> <li>• Race/ethnicity</li> <li>• Child's gender</li> <li>• Geographic location (census tract, urban/rural)</li> <li>• Languages spoken</li> <li>• Family composition</li> </ul>

## The Access Framework



Adapted from Banghart, P., King, C., & Daily, S. (2022). State Guidebook for Measuring Progress Toward Equitably Supporting Child Care Stabilization. Child Trends. <https://doi.org/10.56417/7973w6700h>



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# Discussion

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## Discussion Questions

- How could you see using the state guide or parts of it in your own state/research partnership?
- What kind of support do you envision state CCDF agencies will need to support the use of the case study guide?
- How are your current research partnerships taking state context into account in analysis and the interpretation of results?

# THANK YOU!

This work was funded through the Office of Planning, Research and Evaluation (OPRE) in the Administration for Children and Families (ACF) and managed through a contract with Child Trends.



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