

## **EXECUTIVE SUMMARY**

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### **PURPOSE**

To determine the extent and nature of States' participation in the At-Risk Child Care program and to describe their problems and successes with it.

### **BACKGROUND**

The At-Risk Child Care program provides child care services for children (usually under age 13) of low-income working families not receiving Aid to Families with Dependent Children (AFDC), who need child care in order to accept or maintain employment, and who would otherwise be at risk of becoming eligible for AFDC.

The program was enacted in November 1990, but was made effective October 1, 1990. Final regulations give States considerable latitude in implementation. For example, they can define "low income" and "at risk." Their participation is optional.

This program is one of several overseen and funded by the Administration for Families and Children (ACF) in the Department of Health and Human Services (HHS). The other child care programs include AFDC Child Care, Transitional Child Care, the Child Care and Development Block Grant and a portion of the Social Services Block Grant used for child care. Funding for the At-Risk program was \$300 million in each of Fiscal Years (FY) 1991 and 1992, and represented 15 percent of the \$2.1 billion in total HHS funding for child care programs in FY 1992. The ACF has encouraged States to coordinate all the funding streams for child care so as to provide "seamless" service to families. This means providing eligible parents access to and payment for child care services and programs which respond to parents' child care needs, even as eligibility changes over time; services are provided without the necessity of changing the child care provider.

### **METHODOLOGY**

We selected a purposive sample of 16 States: 12 drawn from those 45 with approved At-Risk State plans and with At-Risk Child Care expenditures qualifying for funding in FYs 1991 and 1992; two from three with approved State plans but with no expenditures qualifying for funding; and two of three which did not submit State plans for approval. We then selected respondents purposively and interviewed them by phone. They included State officials, local agency representatives, child care providers, and representatives of advocacy groups. We analyzed, both qualitatively and quantitatively, State and local documents and records and key interview responses by all respondent groups.

## FINDINGS

### **DESPITE SLOW START, MOST SAMPLE STATES NOW EXPECT TO MAKE FULL USE OF AVAILABLE AT-RISK CHILD CARE FUNDS**

Seven of the 13 sample States with At-Risk Child Care programs drew down Federal funds in FY 1991. The number increased to 12 of 13 in FY 1992, and all but 2 States report serving more children in FY 1992 than in FY 1991. States initiated or increased their spending in FY 1992 primarily because their legislatures made initial or additional matching funds available. Twelve of the sample States with At-Risk programs expect to qualify for all available Federal funds in FY 1993.

### **STATES REPORT TARGETING FAMILIES MOST AT RISK OF GOING ON WELFARE**

The 13 sample States with At-Risk programs have set a wide range of income eligibility scales for the At-Risk Child Care program, with ceilings for a family of four ranging from \$17,982 to \$40,491. However, States believe they are serving the families in greatest need of child care. In all 13 States, respondents estimate that most of the families actually receiving services have annual incomes between \$10,000 and \$15,000.

### **STATES ARE COORDINATING THE AT-RISK CHILD CARE PROGRAM WITH OTHER SUBSIDIZED CHILD CARE PROGRAMS; SOME CONCERNS EXPRESSED**

States believe they are coordinating the different child care funding streams. However, many State, local and advocate respondents feel that States are accomplishing this despite funding and statutory variations among Federal funding streams which make them fragmented, inconsistent and difficult to administer.

## COMMENTS

We shared a copy of the draft of this report with ACF and subsequently met with ACF representatives to discuss their comments. All of ACF's comments were technical in nature, and corresponding changes have been incorporated into this final report.