The stability and continuity of child care arrangements are important for parental employment and positive child development (Adams and Rohacek 2010). Yet the lives of many families, particularly low-income families, are often characterized by instability (Dubay and Zarabozo 2013; Sandstrom and Huerta 2013). Sudden job changes and residential moves, for example, may lead to disruptions in child care; conversely, unstable child care can negatively affect parents' ability to work.

Child care subsidies, funded through the Child Care and Development Fund (CCDF), are designed with the dual goals of helping low-income parents maintain employment and supporting children's safety and development while in nonparental care. As such, child care subsidies can contribute to stability for children and parents alike. Many research studies have shown a positive relationship between subsidy use and several employment outcomes, such as a greater likelihood of employment, increased hours and earnings, and greater job retention (Ahn 2012; Baum 2002; Crawford 2006; Danziger, Ananat, and Browning 2003; Goerge et al. 2009; Lee et al. 2004; Tekin 2007).

Evidence suggests, however, that low-income children's participation in subsidized care is often short-lived, lasting only six to eight months on average, and many participants cycle off and back on after a temporary break (Davis, Krafft, and Tout 2014; Ha, Magnuson, and Ybarra 2012; Meyers et al. 2002). Short subsidy spells raise concerns about the ability of the subsidy program to support child care continuity. Available research on the determinants of subsidy stability, however, is limited.

This research brief presents a selection of findings from a four-year, mixed-methods study of a cohort of new entrants to the child care subsidy programs in four selected sites in Illinois and New York. The broader study includes an analysis of data from a telephone survey with subsidy clients, in-depth interviews with a subset of survey respondents, and state administrative records that track subsidy participation over an 18-month period. This brief reports findings from the in-depth interviews related
to the following questions: What do clients recommend to improve the subsidy program to better support families? Are there subsidy program characteristics and job characteristics that parents perceive as hindering subsidy stability and child care continuity? We conclude with a discussion of how these findings align with subsidy policies in the Child Care and Development Block Grant (CCDBG) Act of 2014.

Methods

Study Sites

The target areas of investigation include Westchester and Nassau Counties in New York State and two regions in Illinois: Cook County, which includes the city of Chicago, and a seven-county area in the southwestern portion of Illinois. These four sites were selected for investigation because of their diverse demographic and geographic characteristics and because of unique administrative aspects of the subsidy program in each state. In New York, CCDF-funded child care assistance is administered at the local level by social service departments (local governmental agencies); these agencies have discretion in setting eligibility standards policies, parent co-payment policies, and other policies. In Illinois, subsidy policy parameters are determined by the state, but the child care assistance program is administered at the local level by child care resource and referral agencies (local community-based organizations) that receive state contracts for their services to cover a particular geographic area, called a Service Delivery Area. Compared to New York counties, Service Delivery Areas have much less discretion in setting administrative policies.

Sample

The qualitative study sample this research brief focuses on includes 85 child care subsidy recipients (46 in Illinois and 39 in New York) purposively sampled from the telephone survey conducted as part of the larger research effort \(N=612\). We targeted specific subgroups of subsidy users whose circumstances presented unique obstacles to achieving stability. Specifically, interview participants reflected diversity across four key variables: work schedules, number of jobs since entry into the subsidy program, immigration status, and number of subsidized children at the start of the subsidy. In the New York sample, we also included a mix of subsidy case types, including Temporary Assistance for Needy Families (TANF) child care cases, low-income cases (those in which the recipient earns under 200 percent of the federal poverty level), and Title XX cases (those in which the recipient earns under 225 percent of the federal poverty level). At the time of recruitment into the qualitative interview, an average of 17 months had passed since the families had entered the subsidy program. We took advantage of that window in selecting our sample and included participants who had accrued diverse subsidy trajectories during the intervening months (i.e., participants with stable participation since program entry, participants who experienced a break in subsidy receipt, and participants who no longer received a subsidy at the time of the survey).
Procedures

We conducted a 90-minute in-person interview in English and Spanish with each participant. Trained qualitative researchers followed a semistructured interview guide and probed the following topics: employment history since the start of the subsidy, child care history for all children since the start of the subsidy, reasons for change in jobs and child care arrangements, child care decisionmaking, work-care fit, experiences with subsidy application and recertification, and reasons for leaving the subsidy program (if applicable). All interviews were audio recorded, fully transcribed, and analyzed to identify common themes.

Findings

The assistance families received from the subsidy program provided them the opportunity to seek care arrangements that they would not otherwise be able to afford and secure employment and training outside the home. But many participants reported facing challenges with the subsidy system that caused instability in their receipt of assistance and disruption in their care arrangements. They offered recommendations for program improvements related to four areas: more flexible program eligibility requirements, more efficient processing, better communication and family friendliness of services, and an improved interface with providers.

More Flexible Program Eligibility Requirements

Participants recommended several changes to eligibility requirements, particularly regarding income eligibility criteria, restrictions on school as an approved activity, and employment verification procedures.

RAISE INCOME LIMITS AND CONSIDER HOUSEHOLD EXPENSES FOR SUBSIDY ELIGIBILITY

Some participants recommended higher income limits and the consideration of expenses in the calculation of program eligibility. The limits in place were considered low given the high cost of living and cost of child care in some of the study sites. Participants specifically recommended that eligibility determination and co-payment calculations also account for household expenses such as rent and utilities rather than income alone. Some participants worried that they would earn too much to qualify if they worked additional hours. Others reported having forgone promotions to maintain subsidy eligibility. Participants also recommended graduated phase-out periods that would allow clients to slowly earn their way off the program rather than face a blunt income threshold. One mother had recently lost her subsidy because she received a one dollar raise at work that placed her family above the income limit, yet she still had difficulty affording child care.
I can’t make any moves in my life. I mean, I could, but it probably wouldn’t be smart…. Like I would probably like to apply for some different positions in my office, but, you know, right now, I couldn’t afford to... I couldn’t afford to pay $600 a month [for child care] and pay $600 rent... So like it kind of discourages you in a way from moving forward in your life.

EXPAND DEFINITION OF APPROVED ACTIVITIES

Job search and temporary leave. Participants recommended grace periods or continued assistance during short-term unemployment spells as they searched for a new job. They argued parents need child care when looking for a new job or transitioning between jobs, and stopping the subsidy after a job loss made it more difficult for them to find a job and simultaneously disrupted their children’s care.

Participants further suggested that the subsidy program should offer continued assistance during periods of maternity leave to maintain continuous child care for older siblings. They were particularly worried about the effect a child care disruption would have on their older children. Working mothers who had lost their subsidy during a maternity leave pointed out that they had been technically employed during this period and believed they therefore should have been eligible for child care assistance throughout their temporary leave from work.

Several participants noted that the strict program requirements compromised care continuity and were ultimately not in their children’s best interest. When mothers lost their subsidies, they reported worrying about their children’s development. The availability of child care assistance to support care during working hours was viewed by parents as essential, but parents also reported wishing administrators would do more to promote continuity for the children’s sake.

[Policymakers should] see it more like [a program] for the kids to go to school and learn than of what the parents make or who’s working or who’s not working...Because they’re like “Okay, you guys are not working. What are you doing all day that the baby has to be at school?” Well, she could be at school learning.
School. In the two New York counties, where parental educational activities rarely qualified for subsidy coverage, many participants recommended authorizing the subsidy for parental time in school and not solely work hours. Participants felt that without additional education, they could not obtain better employment and advance economically. Illinois’s subsidy program allows enrollment in a two- or four-year college as an approved activity, but does not approve coverage for online courses. Participants in both states recommended expanding subsidy coverage to both online and classroom courses. Although most states approve some form of postsecondary education, variations in funding levels and eligibility rules lead to significant differences across states in the proportion of the CCDF caseload in education and training, from less than 5 percent in eight states to over 25 percent in three states (Adams, Spaulding, and Heller 2015).

The only thing I don’t like about the child care system is I want to go to college, and they will not provide child care for you to go to school, which I think is very ridiculous... I mean even if they would restrict you, and have you... maintain whatever average or whatever the case may be, maybe attendance.... That would be the most helpful thing. Because, I don’t understand how the government wants people off the system, but then don’t help them get off the system. How are they going to get off? It makes no sense.

Nonwork hours. Several participants with nonstandard work schedules wished that they could use the child care subsidy to cover some child care hours when they are not at work. When applying for a subsidy, applicants in most states are required to submit their work schedule and provide employer verification of their work hours. Parent interviews reveal several challenges to meeting eligibility rules that require a strict match between work and child care hours. Some participants described that their providers were flexible regarding when children could attend, but others reported using providers who would only provide care outside approved hours at the nonsubsidized child care rate. In lieu of the one-to-one matching of child care and work hours, participants suggested allowing parents to use care up to a certain number of approved hours per week or month whether or not the care schedule precisely matched a parent’s work schedule.

OFFER ALTERNATIVE EMPLOYMENT VERIFICATION METHODS
Especially for jobs with fluctuating work hours and irregular payment forms (e.g., cash payment), subsidy clients can be required to obtain employment verification from their employers. Several participants mentioned not wanting to “burden” their work supervisors with employment verification paperwork. In some cases, participants reported employers were hard to track down and that waiting for their signature delayed the submission of required documents. In other cases, participants reported employers being bothered by the verification process. One Spanish-speaking mother described how her
employer was upset when a caseworker showed up unannounced to her house, where the mother worked, to verify that the mother was actually working there.

More Efficient Processing and Family Friendliness of Services

Many participants expressed concerns about the inefficiency of subsidy program administration and how inefficiencies created challenges for employment and child care. Some noted that their experiences with local subsidy offices were often frustrating and unpleasant. They offered several recommendations to improve the family friendliness of services to better meet their needs.

SHORTEN WAIT TIMES FOR SUBSIDY APPROVAL

According to participants’ reports, perhaps the most challenging part of applying for a subsidy was waiting for approval. About one-third of participants reported waiting less than one month to receive approval, one-half waited one to two months for approval, and about one-eighth waited three or more months (maximum of six); a few could not recall. In most cases, the application process itself was delayed or prolonged. In several cases, applications had been approved but notification of approval was delayed, which delayed participants from initiating care.

In general, participants blamed large caseload sizes for most administrative delays. They reported that subsidy offices were understaffed and had too many cases to process, affecting timeliness. Participants who waited for approval for three or more months noted several difficulties during the application process. They had their paperwork returned because of missing information, experienced confusion about required documents, and had trouble getting in touch with caseworkers. As they awaited notification of approval, they felt their child care arrangements and job security were in jeopardy.

By the time you get approved, you’re already supposed to be working for your job. So, now you don’t have money to pay for day care, your child’s supposed to be in day care, because you’re supposed to be working, and these forms are still being processed.

REDUCE PAPERWORK BURDEN

In addition to faster processing times, participants desired less paperwork burden. In particular, they recommended less frequent recertification periods (i.e., longer eligibility periods), especially in Illinois where the standard eligibility period is only six months compared with 12 months in New York. However, New York TANF clients also had a six-month eligibility period, and in Nassau County, clients had to complete a six-month "mini-recertification" to verify employment. The system was reportedly burdensome for clients and sometimes for employers and child care providers. Some participants
reported that by the time they were approved for benefits, they soon had to start the recertification process and were in “a constant state of application.” For many participants, the process seemed unnecessarily repetitive and inefficient, and this was especially true for clients with stable employment and family circumstances who were nevertheless required to collect and submit documentation regularly.

Participants felt the time given to recertify was too short. Notices were reportedly generated one month before the end of the eligibility window. By the time participants received the notification, they reported that it was common to have 10 days or less to mail back documentation to meet the deadline. Gathering all the documentation within such a short time frame, especially employment verification, could be difficult. Consequently, participants reported that cases could be temporarily suspended and subsidy payments withheld pending approval.

[The process] is very long, because many times you make a mistake on a word or don’t sign something, they return the paper... and sometimes you don’t have time because you’re going to work... I work Monday through Friday, and the offices [are open] the same [days]... you can’t tell your job all the time, “I’m leaving for this.”

**IMPROVE LINES OF COMMUNICATION AND ACCESS TO SUBSIDY OFFICE STAFF**

Participants described how subsidy office workers were hard to reach by phone. Although some participants, especially those with limited English proficiency, preferred face-to-face interactions, they reported that long wait times at local offices made the process unnecessarily challenging. Given large caseloads, subsidy program staff reportedly did not have time to meet individually with clients to assist them with paperwork. Yet many submitted documents were returned after being found incomplete. Office wait times reportedly varied from 10 to 30 minutes for a drop off and one hour to nearly a full day to wait to speak with someone. One out of five participants, including half of Spanish-speaking, limited English proficient participants, reported taking time off of work to visit the office to apply for the program, drop off paperwork (to ensure it was stamped as received), or resolve problems with their case. Only one participant stated she could sometimes recover some of those hours, but she reported taking unpaid leave most of the time, as did the others who were interviewed. Challenges with communication may well be the result of clients not following through with their end of the process as well as systemic problems with program administration.
If you're there to fill out an application, as many people as they have working down there, somebody should be out there to help you fill out the application instead of having you sit there…. I think the program is excellent, but the process is...crazy.

Participants recommended hiring more subsidy office staff to reduce caseload sizes, including more Spanish-speaking staff, and providing them with professional training to improve the quality of interactions. Some felt subsidy program managers should better incentivize staff to be more diligent and supportive of clients. They also wanted more consistency in expectations across workers.

Several participants mentioned the importance of investing in a more efficient and user-friendly communication system and particularly emphasized the need for more transparency so they could be made aware of missing paperwork or other problems before running into payment difficulties or being cut from the program. Some suggested an automated online system; others suggested phone calls replace letters, which often arrive late or do not arrive at all.

IMPROVE FAMILY FRIENDLINESS OF OFFICE ENVIRONMENT
Most participants reported submitting paperwork by mail and communicating by telephone as needed, but as mentioned, some preferred going into the local office to ensure their paperwork was received and meet face-to-face with a caseworker to address their questions. When asked about their experiences in the local office, the majority of participants discussed how unpleasant it was. One mother from Illinois went with her children and waited two hours in a crowded space among many other clients and their children. “It was a zoo in there,” she recalled. She commented that there were not enough staff to accommodate all the people applying.

I went down [to the subsidy office] a few times... It's like taking off of work to get nowhere, so it's a waste...you sit down there for five hours, and then you get the same result, like, “Oh, well, we're still working on it” or “The case is still open or still pending.” Like, you still get nowhere...Because sometimes it's just like simple stuff, like forgetting a piece of paper and having to come back the next day.

In New York, where child care subsidies were administered through the local social services offices, a few participants commented on how the office setting was not appropriate for young children. One mother thought it was inappropriate to have child care services mixed with other social service
programs used by heterogeneous populations, suggesting child care subsidies should perhaps be administered in a separate, more “family-friendly” office. Participants recommended improving the office environment to make it more comfortable and inviting to families with young children.

MAKE ON-TIME PAYMENTS TO PROVIDERS
Participants commonly reported problems with subsidy payments. They described how payments were frequently late as a matter of course and additional payment delays occurred when they made changes to their cases, such as provider changes, job changes, and residential moves. If clients did not provide sufficient advance notice of a change in provider, payments to the new provider could also be delayed because the new provider could not be paid until the change was approved.

According to participants, some providers were flexible and understanding but others required them to pay all or part of the care cost to maintain their slot. Whether or not providers allowed children to continue in care during a lag in payments, a few participants worried they would get stuck paying out of pocket and chose to stop using their providers until payment problems were resolved. Overall, participants recommended improving the timeliness of payments to providers and the timeliness of the approval process during transitions to avoid delays or cancellations of payments.

Increase Quality and Supply of Providers
Participants expressed concerns in some cases about their subsidized arrangements and offered some recommendations to improve the quality and accountability of child care providers and programs. These recommendations partly extend beyond the reach of CCDF and have implications for licensing departments and state quality rating systems.

INCREASE QUALITY AND ACCOUNTABILITY OF PROVIDERS AND PROGRAMS
Although participants were largely satisfied with their child care arrangements, several participants reported wanting the subsidy program to better monitor the quality of providers. When searching for care, some participants reported being disappointed in the quality of programs they observed. A few participants felt the programs where they could use a subsidy were not as high quality as others they knew of. Recommendations included conducting unannounced visits to check in on providers and imposing higher standards for some child care programs to ensure a focus on early education and the use of appropriate curriculum.

The other schools I saw... I wanted to leave running scared. I think the [subsidy office] should have—I don’t know if it has it—but they should have a person, a manager or supervisor, that checks on the schools in the [child care assistance] program because there were some schools that were a total fright.
INCREASE PROVIDER PAYMENT RATES
Several participants noted how little providers were paid, particularly informal or license-exempt providers (e.g., relatives, friends, or neighbors). Informal providers were paid the lowest rate compared with family child care and center-based programs in all four study sites. In a few cases, these providers stopped offering care to seek higher-paying employment, leaving parents to search for alternative arrangements. Participants argued that subsidized providers should be paid more and at competitive rates to attract and retain good providers. Overtime pay was also suggested for cases in which providers cared for children outside the approved number of hours. This was the case for parents with shifting work hours who occasionally were scheduled to work more hours than the subsidy covered.

INCREASE SUPPLY OF PROVIDERS WITH NONSTANDARD HOURS
A few participants suggested the subsidy program would benefit from recruiting more providers with nonstandard hours or incentivizing providers to provide extended hours because so many parents work evenings and weekends, when most formal child care programs are closed.

The day cares need to be more flexible and work with the parents... Not too many people anymore work Monday through Friday anymore, and not everybody works until five o'clock anymore. So, it is hard. And, some people don't have families [to help].

HELP PARENTS WITH SUCCESSFUL PROVIDER MATCH
Some participants recommended that the subsidy program help families find a qualified child care provider who meets their needs. Only a few participants reported having used a child care resource and referral agency to locate a provider; many reported having never heard of such services, though they were available in each of the study sites. The lists of providers that local agencies gave to parents were reportedly often outdated or not detailed enough to help make decisions.

How Client Recommendations Align with Child Care Subsidy Policies
The recommendations described in this brief are from clients themselves and not implications drawn from research evidence; however, the recommendations made by participants in our study closely align in many cases with existing research findings, and importantly, are often quite consistent with the federal regulations provided through the CCDBG Act of 2014. Though challenging to reach, especially in a context of serious fiscal constraint, the improvements clients suggest reflect what may be needed to best serve families.
Promoting Continuity of Care with Family-Friendly Policies

Before the 2014 CCDBG reauthorization, CCDF Lead Agencies could promote child care continuity during short-term job exits and changes by exercising their ability to cover a set number of days of a participant’s job search before closing the case. As of 2013, Illinois allowed three 30-day grace periods in any 12-month period for continuing clients, compared with 30 days in Westchester County and 0 days in Nassau County. However, Nassau (but not Westchester) provided two weeks of coverage during job changes (i.e., when a client leaves a job and has a definite job offer to begin within two weeks). Under the CCDBG Act of 2014, once approved for a subsidy, children are considered eligible for a minimum of 12 months regardless of changes in income (up to the federal threshold of 85 percent of the state median income) or temporary changes in parents’ participation in work, training, or education activities. Previously, Lead Agencies had the option to implement continuing eligibility thresholds, known as tiered income eligibility (higher eligibility thresholds for families who were already receiving subsidies), which allowed families to work toward increasing their income without losing child care benefits. As of 2013, 15 states and the District of Columbia implemented continuing eligibility thresholds; however, neither Illinois nor New York implemented such a policy (Minton, Durham, and Giannarelli 2014). Under the CCDBG Act of 2014, states must now provide a graduated phase-out of assistance for families whose income has increased at the time of redetermination, but remains below the federal threshold of 85 percent of the state median income.

Although Illinois, New York, and other states require clients to verify schedules with employers and determine authorized hours of child care according to parents’ work schedules, a review of federal policy clarifies that there is no federal requirement to document or verify work schedules or hours with employers and no federal requirement that parents’ work hours match children’s hours in child care (Johnson-Staub, Matthews, and Adams 2015). Further, the law does not specify a minimum number of work hours to qualify for child care subsidies (Johnson-Staub, Matthews, and Adams 2015). In efforts to make the subsidy program more family-friendly, the Office of Child Care has clarified that under the CCDBG Act of 2014, “eligibility re-determination should not require parents to unduly disrupt their employment.”

CCDF Lead Agencies have always had the option to pay for child care services while a parent who works the second or third shift sleeps. As of 2013, 40 states and territories, including Illinois, allow care for rest hours (Minton, Durham, and Giannarelli 2014). In New York State, program rules are implemented at the local district’s discretion, and only Westchester County and not Nassau County implements the sleep policy, allowing up to 7 hours, whereas New York State allows up to 8 hours.
Improving the Health, Safety, and Development of Children with Quality Improvement Efforts

In efforts to improve the quality of subsidized care, the CCDBG Act of 2014 requires states to implement more consistent health and safety standards and monitoring of subsidized providers, including mandatory pre-service and ongoing training; comprehensive background checks every five years; annual inspections of both licensed and license-exempt, nonrelative providers; and maintenance of group size limits and provider-child ratio requirements. States must also implement activities to improve the quality of child care, such as mandatory provider training and Early Learning and Development Guidelines.6

States must develop strategies to increase the supply and quality of services for children in underserved geographic areas, children in care during nonstandard hours, infants and toddlers, and children with disabilities.7 The law also promotes transparent consumer education, requiring states to provide the general public with electronically accessible results of monitoring and inspection reports, as well as provider ratings if the state has a quality-rating system (Matthews et al. 2015).8

Strengthening Provider Payment Practices to Ensure Equal Access

The CCDBG Act of 2014 instructs Lead Agencies to conduct a market-rate survey (or use an alternative method) at least every three years to determine whether CCDF subsidy payment rates continue to provide CCDF-eligible families equal access to child care services comparable to those provided to noneligible families based on present market conditions. States may set different rates based on certain factors, for example setting higher rates for providers that offer care during nontraditional hours and providers demonstrating higher quality, if necessary to enable families to access higher-quality care (Matthews et al. 2015).

States must also develop policies that reflect generally accepted payment practices, such as making timely payments to providers, paying based on enrollment rather than attendance, and paying for absent days.9 The adequacy and timeliness of payments are fundamental to ensuring providers have the resources they need to provide high-quality care and to attract and maintain high-quality providers in the subsidy system, which in turn can improve the stability of participating families (Matthews et al. 2015).

Conclusions

Results from our study of four local regions in Illinois and New York, carried out before reauthorization of the CCDBG, suggest subsidy program eligibility rules and approval processes poorly map onto low-income families’ realities. The parents we interviewed offered important insights into the client experience and ways in which state and local policies and processes can impede families from stably maintaining the assistance they need. The interviews highlight that the current administrative capacity in local subsidy offices is perceived as inefficient and insufficiently resourced to respond to client
demand. Participants recommended improvements in the efficiency, timeliness, and transparency of the system and the quality of subsidized providers in order for the child care subsidy program to better support continuity of care and parental employment.

Notes


2. Ibid.

3. Ibid.

4. Ibid.


7. Ibid.

8. Ibid.

9. Ibid.

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