

QUALITY AND ACCESS: THE DYNAMIC DUO OF CHILD CARE



- **1:15-2:30 p.m.** | High-quality child care supports healthy development and school readiness in young children, enables parents to work or complete coursework and allows community and state economies to flourish. And yet, for many families it remains out of reach due to availability, cost or both. Learn from the experts what high-quality child care looks like, why it matters, and what states are doing to improve access for families.

Moderator

- Jennifer Palmer, NCSL

Speakers

- Kate Gallagher, Buffett Early Childhood Institute, University of Nebraska
- Karen Schulman, National Women's Law Center

CHILD CARE BY THE NUMBERS

60% (approx.) children under age 6 with both parents working full-time

12 million children under age 6 in nonparental care on regular basis

12,000 hours spent in child care for children enrolled full-time from birth to age five

7% of a family's income spent on child care considered "affordable" by the U.S. Department of Health and Human Services

1 in 6 kids who is eligible for child care assistance actually receives it





QUALITY AND ACCESS: YOU CAN'T HAVE ONE WITHOUT THE OTHER



- **Opportunities for States to Expand Access to High-Quality Child Care**

- Karen Schulman, Child Care and Early Learning Research Director, National Women's Law Center

- **What Does it Take for Child Care to be High-Quality ?**

- Kathleen Cranley Gallagher, Ph.D., Director of Research and Evaluation, Buffett Early Childhood Institute, University of Nebraska

- **Recent Legislative Action**

- Rep. Kristine Reeves, Washington

- **Q&A**

QUALITY AND ACCESS: THE DYNAMIC DUO OF CHILD CARE

New Child Care and Development Block Grant Policies and Funding: Opportunities for States to Expand Access to High-Quality Child Care

NCSL Early Learning Fellows Meeting
June 6, 2019

Karen Schulman
National Women's Law Center

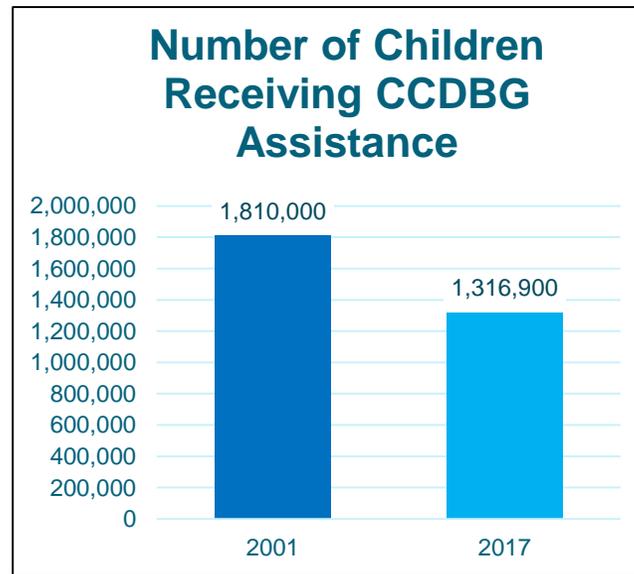


Child Care and Development Block Grant Overview

- The major federal child care program.
- Provides funds to states to help low-income families afford care and to support efforts to improve the quality of care.
- States determine key policies—including income eligibility limits, provider payment rates, and other policies that affect families' access to assistance and the level of assistance they receive—within federal parameters.

Gaps in Access to Child Care Assistance

- Only 1 out of 6 children eligible for child care assistance under federal law receives it (through CCDBG and related programs).
- Due to inadequate funding, approximately 500,000 fewer children were receiving child care assistance through CCDBG in 2017 than in 2001.



Gaps in State Child Care Assistance Policies

(as of February 2018)

- ***Restrictive Income Limits:*** In 15 states, a family with income above 150% of poverty (\$31,170 a year for a family of three) could not qualify for assistance. In 35 states, a family with an income above 200% of poverty (\$41,560 a year for a family of three) could not qualify for assistance.
- ***Long Waiting Lists:*** 19 states had waiting lists or frozen intake for child care assistance.
- ***High Parent Copayments:*** In 30 states, the copayment for a family of three at 150% of poverty was above 7.2% of income (the nationwide average among all families who pay for care).
- ***Inadequate Provider Payment Rates:*** Only one state set all of its payment rates at the federally recommended level (the 75th percentile of current market rates).

Major Opportunities for Progress on CCDBG

- Child Care and Development Block Grant Act of 2014
 - Reauthorized (renewed and updated) the CCDBG program
 - Approved with broad bipartisan support
 - Final regulations issued in September 2016
 - States had time to come into full compliance with the law
 - Not initially accompanied by new funding to implement the law
- \$2.37 billion funding increase approved in March 2018
 - Largest CCDBG funding increase in history
 - Brought total CCDBG funding to \$8.143 billion in FY 2018
 - States have until September 30, 2019 to obligate their FY 2018 funds, and until September 30, 2020 to spend the funds
 - Funding increase maintained & slightly expanded in FY 2019
 - New funding did not require a state match

Key Goals of CCDBG Reauthorization Law

- ***Healthy and Safe Care:*** Protect the health and safety of children in care through more consistent standards and monitoring of those standards.
- ***Family-Friendly Assistance:*** Allow families to more easily access child care assistance that supports stable and continuous child care.
- ***High-Quality Care:*** Improve the quality of care, including through increased quality set-asides, support for child care providers, and targeted initiatives for priority populations.

Healthy and Safe Child Care

- Requires **pre-service and ongoing training** for all CCDBG providers on 10 topics related health and safety.
- Requires **on-site inspections** for licensed and license-exempt CCDBG providers.
- Requires states to set **group size limits and appropriate child-to-provider ratios** for CCDBG providers.
- Requires **comprehensive background checks** for all licensed and regulated providers and license-exempt CCDBG providers.

Family-Friendly Child Care Assistance

- Expands **consumer education and outreach** requirements.
- Establishes a minimum **12-month eligibility** period for all families (as long as income remains below the federal eligibility limit of 85% of state median income).
- Allows families to continue receiving assistance for at least 3 months while **searching for a job**.
- Requires **redetermination processes** that do not unduly disrupt parents' employment.
- Requires a **graduated phase-out** of assistance for families no longer eligible at redetermination.
- Encourages states to take steps to **meet the needs of underserved populations**.

High-Quality Child Care

- Expands the **quality set-aside** from minimum of 4% in FY 2015 to 9% starting in FY 2020.
- Establishes a 3% set-aside for improving the supply and quality of **infant-toddler care**.
- Requires states to have **training and professional development** for caregivers, teachers, and directors receiving CCDBG funds.
- Allows states to pay providers **differential rates for specialized care**, such as care for children with special needs and care during nontraditional hours, as a strategy for increasing the supply of care that is hard to find.
- Requires states to establish **payment policies and practices** that reflect generally accepted payment practices for providers in the private market (such as paying for a child's absent days).

State Progress in Implementing CCDBG Reauthorization Law (as of February 2018): Health & Safety and Family-Friendly Provisions

- **Licensing Staff:** 24 states had hired additional child care licensing staff to implement health & safety requirements.
- **12-Month Eligibility:** 41 states had a 12-month eligibility period for all families.
- **Job Search:** 45 states allowed parents to continue receiving child care assistance while searching for a job for up to 3 months or until the end of their eligibility period.
- **Interim Reporting:** 22 states had reduced interim reporting requirements for families receiving child care assistance.

State Progress in Implementing CCDBG Reauthorization Law (as of February 2018): Quality and Supply Provisions

- **Absent Days:** 31 states paid for a sufficient number of absent days to align with the reauthorization law and regulations (payment based on a child's enrollment rather than on attendance; full payment if a child attends at least 85% of authorized time; or full payment if a child is absent for five or fewer days in a month).
- **Differential Rates for Specialized Care:** Only 6 states had added, increased, or expanded access to differential rates for specialized types of care.
 - 38 states paid a differential rate for care for children with special needs.
 - 13 states paid differential rates for care during nontraditional hours.
 - 10 states paid differential rates for care for one or more other groups of vulnerable children (homeless, foster, at-risk children).

State Examples of Implementation of the CCDBG Reauthorization Law

- Minnesota hired 16 **new licensing staff** between February 2017 and February 2018 (bringing total FTEs to 35.5).
- Alaska, Idaho, Indiana, Minnesota, New Mexico, Oklahoma, and Tennessee (among other states) **increased the eligibility period** from 6 months to 12 months in 2016 or 2017.
- Alaska, Idaho, Minnesota, Missouri, New Jersey, Oklahoma, Washington, and Wisconsin (among other states) **reduced interim reporting requirements**.
 - New Jersey and Oklahoma now only require reporting if income exceeds 85% of state median income.

State Examples of Implementation of the CCDBG Reauthorization Law (continued)

- Alaska, Indiana, Kansas, Minnesota, Missouri, Nebraska, New Jersey, Oklahoma, Washington, and Wisconsin (among other states) paid **differential rates** for care for children with special needs.
 - Missouri paid 25% above the base rate for special needs care as well as for care for children receiving protective services, and also paid 15% above the base rate for care during nontraditional hours (evenings & weekends).
- Kansas, New Mexico, and Wisconsin (among other states) **paid on an enrollment or prospective basis**, paying providers for all days a child was scheduled to attend, even if absent.

State Uses of New CCDBG Funds

- ***Increasing Provider Payment Rates:*** Over half of the states are using or will use the additional federal child care funds to raise provider payment rates.
- ***Reducing Waiting Lists:*** 8 states are using or will use the additional funds to serve families on the waiting list for child care assistance.
- ***Implementing the Reauthorization Law:*** Many states are using the funds to cover costs related carrying out the law's requirements, including increased program monitoring, provider training, and extended eligibility for families.

State Examples of Uses of New CCDBG Funds

- **Idaho:** Increased provider payment rates from the 65th percentile of 2015 market rates to the 65th percentile of 2018 market rates as of January 2019; implementing CCDBG reauthorization law provisions on graduated phase-out of assistance and provider background checks.
- **Kansas:** Increased provider payment rates from the 40th percentile of 2014 market rates to the 65th percentile of 2017 market rates as of November 2018; fully implementing CCDBG reauthorization law as of October 2018.

State Examples of Uses of New CCDBG Funds (continued)

- **New Jersey:** Increased payment rates for child care centers in May 2018 and January 2019; introduced new tiered rates for higher-quality care; established \$100-per-month incentive for slots for infants; provided grants for classroom curricula, facility improvements, and staff training.
- **Oklahoma:** Increased tiered rates for higher-quality providers; expanded quality initiatives with a focus on infants and toddlers, including stipends for specialized training for providers, increased payment for scholarships, and support for a regional infant and toddler specialist.

What Can State Legislators Do?

- Check if your state's Child Care and Development Fund Plan has been approved by the federal Office of Child Care as compliant with the reauthorization law.
- Find out what further legislative, administrative, or budgetary action is needed to fully implement the CCDBG reauthorization law.
- Check if your state is using its full CCDBG allocation, including the new funds.
- Find out how your state is using the new funds.
- Ask families and child care providers in your communities how the new child care funds are making a difference to them, and share those stories.
- Support additional state investments in child care.

For More Information...

- National Women's Law Center reports available at nwlc.org/issue/child-care-early-learning/
 - *Overdue for Investment: State Child Care Assistance Policies 2018*
 - *Implementing the Child Care and Development Block Grant Reauthorization: A Guide for States*
 - *The Child Care and Development Block Grant Act of 2014: Update on State Implementation of Key Policies*
 - *States Use New Child Care and Development Block Grant Funds to Help Children and Families*
- Contact: Karen Schulman, kschulman@nwlc.org

