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## Improve Subsidy Policies

**Promote stable, quality care for babies and toddlers through subsidy policy.**

### **WHY? RESEARCH SAYS:**

Babies need nurturing and consistent caregivers. Quality, stable child care with responsive providers and caregivers supports babies' healthy development by supporting secure attachment relationships. Frequent changes in care arrangements can disrupt these early relationships and be stressful for babies and toddlers. However, for low-income parents, ensuring stable, quality care may be difficult due to factors including financial constraints, employment schedules, and an inadequate supply of care in their communities. The availability of subsidies can play a significant role in increasing parents' ability to access more care options. Subsidy policies can be designed to support stable, continuous early care relationships.<sup>1</sup>

### **HOW? STATE POLICY OPTIONS:**

**Allow eligible families with babies and toddlers to qualify for child care subsidies uninterrupted for one year and limit interim reporting requirements.**

In 2006, Massachusetts extended its family re-certification period for most families from six months to one year after a study of the state subsidy system found that 86 percent of families in Massachusetts were still eligible for child care subsidies at the time of their six month redetermination.<sup>2</sup> Federal guidance clarifies that states are permitted to set different eligibility periods for children participating in Early Head Start than generally applies for children receiving CCDBG-funded assistance.<sup>3</sup>

**Simplify the recertification process and minimize chances families with babies and toddlers will lose their subsidy during periods of change in family circumstances.**

Massachusetts has adopted a 90-day family leave policy, which allows families to take a break from using child care for personal reasons. In addition, Massachusetts simplified its re-certification requirements and adopted a number of administrative changes to promote continuity of care.

**Provide higher subsidy payment rates to providers and caregivers to support the costs of quality infant/toddler care.**

States should adjust payment levels for infant/toddler providers to reflect at least the 75th percentile of the market rate specifically for infant/toddler care, according to a current market rate survey. In California, contracted center-based child care providers caring for infants receive a rate 70 percent above the standard payment rate and those caring for toddlers receive a rate 40 percent higher. Family child care providers caring for infants and toddlers receive a 40 percent higher payment rate.<sup>4</sup>

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### **Provide subsidy payments to providers and caregivers for all days when babies and toddlers are absent to reduce disincentives to caring for very young children.**

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Montana's Certified Enrollment policy allows providers to receive payment for the hours or days when a child is temporarily absent from care in circumstances where private-pay parents are required to pay providers for those hours. Providers may be paid for up to 150 hours per state fiscal year per child participating in certified enrollment. In addition, parents in the subsidy system are permitted to use their child care subsidy during times when they need to leave work to attend medical appointments. The subsidy may be used to provide care for children who are not attending the medical appointment. These policies are supportive of parents with very young children given that infants must receive more regular medical checkups and are more often sick than older children. If an infant must attend a medical appointment, a sibling, for example may still be served by a subsidy while the parent and baby attend the appointment.<sup>5</sup>

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### **Provide ongoing funding directly to providers through grants or contracts for subsidized slots for infants and toddlers in underserved communities.**

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Grants or contracts for infant/toddler care should be tied to high-quality standards, such as those of Early Head Start, national accreditation, or state quality rating and improvement systems (QRIS). Connecticut requires contracted providers to meet National Association for the Education of Young Children (NAEYC) accreditation within three years. The state supports providers by funding a career development system that includes a statewide Accreditation Facilitation Project.<sup>6</sup>

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### **Improve accessibility of the child care subsidy system for limited English proficient (LEP) providers and parents.**

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States can provide LEP providers and parents with translated materials, including information on regulations, applications, and subsidy recertification notification. In addition, states should hire bilingual staff and use qualified interpreters.

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<sup>1</sup> For additional resources and complete references, see Schumacher and Hoffmann, *Stable, Quality Subsidy Policy: Charting Progress for Babies in Child Care Research-Based Rationale*, CLASP, 2008, [www.clasp.org/publications/cp\\_rationale14.htm](http://www.clasp.org/publications/cp_rationale14.htm).

<sup>2</sup> Washington, Marshall, Robinson, Modigliani, and Rosa, *A Study of the Massachusetts Child Care Voucher System*, Bessie Tartt Wilson Children's Foundation, 2006, [www.kidspromise.org/MassachusettsChildCareStudyReport.pdf](http://www.kidspromise.org/MassachusettsChildCareStudyReport.pdf).

<sup>3</sup> Administration on Children, Youth and Families, *Policy Interpretation Question (ACYF-PIQ-CC-99-02)*, <http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pq9902/pq9902.htm>.

<sup>4</sup> California Department of Education Reimbursement Fact Sheet, <http://www.cde.ca.gov/sp/cd/op/factsheet07.asp>.

<sup>5</sup> Montana Department of Public Health and Human Services, *Child Care Policy Manual*, <http://www.dphhs.mt.gov/hcsd/ecsmanual/index.shtml>.

<sup>6</sup> Matthews and Schumacher, *Ensuring Quality Care for Low-Income Babies Contracting Directly with Providers to Expand and Improve Infant and Toddler Care*, CLASP, [http://www.clasp.org/publications/ccee\\_ensuring\\_quality\\_care\\_contracting.pdf](http://www.clasp.org/publications/ccee_ensuring_quality_care_contracting.pdf).