# Navigating the Maze:
# Simplifying & Aligning Child Care With Other Work Supports

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Smart Start 2014

# Overview

- Child Care: Areas of federal flexibility

- Promising Practices to Simplify Subsidy, Promote Continuity

- Promising Practices to Align with Other Key Benefit Systems

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# Child Care and Development Block Grant (CCDBG)

- CCDBG is federal block grant to states.

- State and local entities set policies within broad federal framework

- Federal law establishes broad outline of eligibility:

  - Children must be ages birth-13, or up to 19 for children with specific special needs.

  - Children must have parents who are working, or in education or training programs or be in protective services.

  - Family income must be below 85% of SMI, and states must prioritize very low income children and children with special needs.

  - Children must be qualified immigrants or citizens.

# Key Areas of State Flexibility

- States define work, education and training
- States set income eligibility and prioritize low income families and other groups.
- States decide how eligibility is determined.
- States set how care is authorized.
- States set provider payment rates and methods of payment.
- States set sliding fee scales.
- *States determine policies and processes.*

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# CCDBG Program Goals

- Dual goals support two-generation approach:
    - Help parents work or go to school
    - Support health, safety, and development of children

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# What Gets in the Way of Program Goals?

- Overly burdensome child care administrative policies and processes.
    - Results in unstable benefits for families and lack of continuity in child care.
    - Complexity contributes to program integrity challenges.
- Cumulative burden across programs: SNAP, Medicaid/CHIP, and others.
    - Significant overlap in client populations
    - Cross-system duplication and inefficiencies burdens families and agencies.

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# Current System Is Very Unstable

- Subsidy spells are typically short: average 3-7 months.

- Loss of subsidy is often related to policy, rather than employment

- Instability in subsidy receipt associated with instability of child care arrangements

  - Unstable child care has negative impacts for young children

- Churn in system creates greater workload for agencies, staff

# A New Vision for Child Care

- CCDBG can support work, family stability, continuity of care, and child well-being by:

  - Simplifying access and retention of child care assistance for eligible families
  - Making it easier for CCDF families to get the broader package of work supports for which they are eligible

- Streamline service delivery, improve efficiency, and reduce administrative burden for child care staff and staff across agencies

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# A New Vision for Child Care

- Improved access to benefits through simplified process

- Longer eligibility periods which stabilize benefits

- Simplified and possibly coordinated redetermination policies and processes

- Data sharing across programs

- More efficient service delivery and improved client service

# Benefits of New Vision

- Families access full package of benefits and retain through changes in circumstances with minimal burden.

- Agencies and front line workers don't duplicate efforts across systems

- Each system leverages experience, investments and lessons learned from others

- Families who can't be served by limited funds may still be connected to other benefits.

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# Multiple Influences Creating New Opportunities for Child Care

- History of SNAP/Medicaid Simplification, Integration

- Affordable Care Act modernizes service delivery

- Office of Child Care "family friendly" goals

- New proposed CCDF regulations.

- Early childhood alignment, including Early Head Start-Child Care partnerships

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# Current Status

- CCDBG last reauthorized in 1996.

- Regulatory Action
  - Office of Child Care issued new proposed regulations June 2013.
  - Anticipate final rule Summer 2014.

- Congressional Action
  - Senate passed CCDBG reauthorization March 2014.
  - House held CCDBG hearing March 2014; no companion bill at this time.

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# Proposed Federal Rules Released May 2013

- First comprehensive update of regulations since 1998

- Emphasis on health and safety

- More explicit focus on child development

- "Family friendly" policies

    - Establishes 12 month eligibility for all families

    - Allows states to consider children eligible until redetermination regardless of change in circumstance

    - Requires period of job search

- Regulations are **proposed** at this time and not final. Final content is unknown.

# Subsidy Policies and Continuity

# Supporting Stable Employment and Stable Child Care

- Eligibility and authorizations
    - Longer eligibility and authorization periods
    - Limited interim reporting requirements
    - Few adjustments between determinations

- Income policies
    - Averaging income to minimize disruptions
    - Two tier income eligibility to avoid "cliff effect"

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# Supporting Stable Employment and Stable Child Care

- More flexible authorizations
  - Flexible hours for nonstandard or unstable work schedules
  - Paying providers for absent days/enrollment
  - Presumptive eligibility

# Contracts as Stabilizing Policy

- Direct contracts with child care providers
  - Offer financial stability to providers
  - Potential to build supply, raise quality
  - 11states contract directly
  - Contracts may be tied to high quality standards with higher rates

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# Aligning with Other Work Supports

# Work Support Strategies (WSS)

| FUNDERS | PROJECT MANAGEMENT & EVALUATION | TECHNICAL ASSISTANCE |
|---|---|---|

**FUNDERS**
- FORDFOUNDATION
- THE ANNIE E. CASEY FOUNDATION
- OPEN SOCIETY FOUNDATIONS
- THE KRESGE FOUNDATION
- JPMORGAN CHASE & CO.

**PROJECT MANAGEMENT & EVALUATION**
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**TECHNICAL ASSISTANCE**
- Center on Budget and Policy Priorities
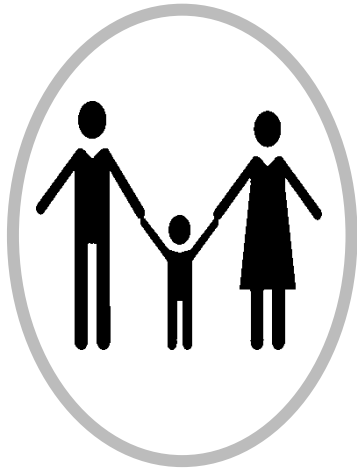- CLASP — policy solutions that work for low-income people
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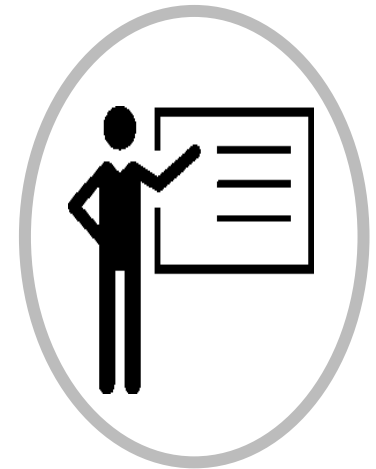policy solutions that work for low-income people

# What is WSS?

Improve families' well-being by increasing enrollment in the full package of work supports.

Help states deliver benefits more effectively and efficiently.

Share lessons learned to inform state and federal policies.

# WSS Aims to Integrate and Modernize Delivery of….

- Medicaid/ CHIP

- SNAP (nutrition assistance)

- Child Care Development Fund (child care subsidies)

- Others identified by the states (such as TANF and energy assistance)

# The States

Colorado

Idaho

Illinois

North Carolina

South Carolina

Rhode Island



Phases I & II

Phase I only

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# Lessons Learned from WSS and Other States

# New Model for Service Delivery Offers Opportunities for CCDBG

- Child care can learn from other systems:
  - Simplified application forms
  - Simplified enrollment and renewal processes
  - Reduced documentation requirements
  - Increased use of data to verify eligibility
  - Cross-program integration and alignment

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# Strategies States Are Using

- Simplify core eligibility policies and requirements
- Share information across programs
- Only verify information that has changed or has not already been collected
- Use eligibility determinations from other programs as proof of eligibility
- Align eligibility periods
- Synchronize renewal dates across programs
- Simplify reporting requirements

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# SNAP: A Model for Child Care

- States looking to leverage SNAP data and simplified policies.

- Nearly all states use "simplified reporting" system for SNAP
  - Recipients submit updated information about selected household circumstances every six months.
  - Between simplified reports, changes in income need only be reported if the increase takes the household above 130 percent of the poverty level (the maximum federal eligibility limit).
  - Families may choose to report changes that would increase SNAP benefits.

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# Selected State Examples

- ID has aligned CCDF eligibility with SNAP. A coordinated review for clients receiving CCDF and SNAP occurs at 6 months. The state reduced interim reporting requirements following SNAP model.

- NH has coordinated eligibility across SNAP, Medicaid, CCDF and TANF. All programs have 12 month eligibility with synchronized redetermination dates. A simplified form is used at redetermination.

- NC using SNAP data to deem families income-eligible for child care.

# Getting Started

- Reflect on program goals and motivation

- Engage leadership

- Assess state policies, processes and implementation

- Use data thoughtfully to improve service delivery

- Examine business and technology processes

- Seek solutions across policy areas

# Resources

- *Confronting the Child Care Eligibility Maze: Simplifying and Aligning with Other Work Supports*
    - http://www.clasp.org/resources-and-publications/publication-1/WSS-CC-Paper.pdf
- *New Perspectives on Transforming States' Health and Human Services: Practical Commentaries on the First Year of the Work Support Strategies Initiative*
    - http://www.urban.org/publications/412833.html
- More resources available at www.clasp.org

# Contact Information

**Hannah Matthews**

hmatthews@clasp.org

202-906-8006

**Christine Johnson-Staub**

cjohnsonstaub@clasp.org

202-906-8005

www.clasp.org/childcare

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