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

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
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.
CCDBG Program Goals

• Dual goals support two-generation approach:
  ▪ Help parents work or go to school
  ▪ Support health, safety, and development of children
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.
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
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.
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
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.
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”
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
  - 11 states contract directly
  - Contracts may be tied to high quality standards with higher rates
Aligning with Other Work Supports
Work Support Strategies (WSS)

FUNDERS

PROJECT MANAGEMENT & EVALUATION

TECHNICAL ASSISTANCE

FORD FOUNDATION

THE ANNIE E. CASEY FOUNDATION

OPEN SOCIETY FOUNDATIONS

THE KRESGE FOUNDATION

JPMorgan Chase & Co.

CLASP

CENTER ON BUDGET AND POLICY PRIORITIES

URBAN INSTITUTE

www.clasp.org
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
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
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
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.
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

• 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