

Strategies to Support Child Care Subsidy Access and Retention:

Ideas from Seven Midwestern States

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Executive Summary

Child care subsidies that help defray some or all of the costs of child care are a key work support for low-income families. However, only a relatively small proportion of all eligible families receive child care assistance (Collins et al. 2000). Research suggests that one of the many factors that contributes to this pattern is that some families are unable to get or keep subsidies due to subsidy policies and practices that can make it challenging to participate in the program (Adams, Snyder, and Sandfort 2002; Shlay et al. 2003). Issues such as what families have to do to apply for subsidies, recertify their eligibility once they start receiving subsidies, and report changes that may affect their subsidy—as well as the ease of interacting with the subsidy agency while completing these requirements—can influence whether eligible families use subsidies. These policy and practice barriers to participation can undermine important subsidy program goals—such as supporting the ability of eligible families to sustain stable employment and move toward self-sufficiency, and supporting children’s development in stable and decent quality care settings—and can also result in higher administrative costs (Adams et al. 2002).

As a result, policymakers and administrators have become increasingly interested in understanding more about the issues that can affect subsidy access and retention, and in taking steps to address participation barriers. The study reported here begins to fill in this picture by examining the policies and strategies that subsidy agencies in seven midwestern states—Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin—had in place to support subsidy access and retention in 2005 (data were gathered between May and November). Data were gathered using a combination of reviews of state policy manuals and state plans, a written survey, and telephone interviews with state and local subsidy administrators. Interviews focused on the following questions:

- What policies or strategies have states and localities developed to support subsidy access and retention, and what have they learned in implementing these policies?
- What trade-offs have they faced in trying to support access and retention, while also balancing concerns about staff workload, minimizing improper payments, and managing program costs?
- What policies or strategies have they implemented to support access and retention for populations that may face additional barriers (i.e., families with limited English proficiency or with fluctuating or nontraditional work schedules)?

The study finds that states were developing policies and strategies to support access and retention in eight policy areas:

- linking subsidies to other social service programs
- improving customer service practices
- simplifying application process
- simplifying recertification requirements
- simplifying reporting requirements
- minimizing subsidy breaks
- assisting parents with fluctuating or nontraditional work schedules
- assisting parents with language barriers

In each of these areas, the report describes strategies that states had in place and provides information about what respondents report as the implications of these strategies for minimizing parent burden, managing staff workloads, controlling improper payments, and controlling program costs. This report does not, however, evaluate these efforts or assess the implementation of these policies or their impact.

The report shows that the study states are experimenting with a range of policies to support subsidy access and retention. Although there was variation in the number and types of strategies developed across the study states, supporting access and retention was in the minds of administrators in all the study states—despite differences across the states in program size, administrative approach, funding levels, and so on. Part of the interest in these issues reflects states' ongoing commitment to supporting families. However, part of the interest also appears to be because many of these strategies also meet other important agency goals—such as improving administrative efficiency and reducing improper payments. In fact, some of these strategies may have been undertaken with other goals as the primary concern, but had the added benefit of improving the process for parents. The report concludes with a discussion of several key themes that emerge from this research and provides a guide for administrators, policymakers, and advocates who are interested in taking steps to improve subsidy policies and practices to make it easier for eligible families to access and retain subsidies.

Introduction

Child care subsidies that help defray some or all of the costs of child care are a key work support for low-income families. In fiscal year 2004, an estimated average of 1.78 million low-income children received subsidies through the Child Care and Development Fund (CCDF) each month (HHS 2005). (Box 1 provides a brief overview of the child care subsidy system.) Only a relatively small proportion of all eligible families, however, receive child care assistance (Collins et al. 2000). This is because of many factors, including insufficient funding to serve all eligible families¹ as well as some eligible families not needing subsidies. Yet research suggests that even when funding is available, some eligible families who want subsidies do not get them, and those that do get assistance often experience short spells. A study of five states found that subsidy spells averaged three to seven months (Collins et al. 2000; Meyers et al. 2002).

One factor that appears to contribute to these patterns is that some families are unable to get or keep subsidies due to subsidy policies and practices that can make it challenging to participate in the program (Adams, Snyder, and Sandfort 2002; Shlay et al. 2003). Issues such as what families have to do to apply for subsidies, recertify their eligibility once they start receiving subsidies, and report changes that may affect their subsidy—as well as the ease of interacting with the subsidy agency while completing these requirements—can influence whether eligible families use subsidies. These policy or practice barriers to participation can undermine important subsidy program goals—such as supporting the ability of eligible families to sustain stable employment and move toward self-sufficiency, and supporting children’s development in stable and decent quality care settings—and can also result in higher administrative costs (Adams et al. 2002).

¹ For example, in 2004, 24 states had waiting lists of eligible families wanting assistance (Schulman and Blank 2004).

Box 1. How Child Care Subsidies Work

On the federal level, child care subsidies are funded primarily by the Child Care and Development Block Grant (CCDBG, also known as the Child Care and Development Fund, or CCDF), as well as funds that states spend directly or transfer from the Temporary Assistance for Needy Families (TANF) program. Total spending in 2004 on child care assistance including CCDBG/CCDF and TANF funds is estimated at about \$11.9 billion (Matthews and Ewen 2004). Funds spent through the CCDBG (whether from CCDBG or transferred from TANF) must adhere to basic guidelines set by the federal government.^a But states have a significant amount of discretion in a number of areas, including the level of state funds they contribute and how they spend them, where they set key policies (such as eligibility criteria and definitions, reimbursement rates, and family co-payment levels), how they determine and monitor eligibility (see box 2), and how they organize and administer subsidies. As a result, there is wide variation across states (and sometimes across localities within states) in funding levels, administrative approaches, policies, and practices.

There are, however, some common themes:

- *Who is eligible:* States use these funds to defray some or all of the costs of child care for low-income families who need child care assistance to meet TANF work requirements, as well as other low-income families who need child care assistance to help them work (or, in some states, be in education or training programs). They can also use them for protective services purposes. States cannot use federal funds to pay for child care for families with median income levels above 85 percent of the state median income (SMI), though they can (and often do) set eligibility levels below that cap.
- *Subsidy levels, copayments, and reimbursement rates:* The subsidy agency agrees to pay some or all of the costs of child care (depending on the parent's level of co-payment, which is determined by income and a sliding fee scale) as long as the provider does not charge more than a maximum level set by the state. In most cases, the agency pays the provider directly on a reimbursement basis, and the parent pays the provider his or her co-payment.
- *How funds are delivered:* Most child care subsidies nationwide are delivered through a child care "voucher" or "certificate" (though this varies across states, as some states deliver at least some of their funds through a "contract" mechanism). Under this approach, parents can choose any of a range of providers— including relative care, in-home care, family child care, and center-based care.

^a Funds that states spend on child care directly from TANF, without transferring to CCDF, do not have to meet CCDF guidelines. Little is known at the moment about the extent to which states comply with CCDF guidelines for these funds as well, though more information on this issue should be forthcoming.

As a result, policymakers and administrators have become increasingly interested in understanding more about the issues that can affect subsidy access and retention, and in taking steps to address participation barriers. While recent research has begun to lay the framework for understanding more about these issues,² there is still much that we do not know. For example, we have little information on the policies and strategies state and local agencies are putting in place to support families in this area, or on the challenges and opportunities agencies face as they implement new policies.

The study reported here begins to fill in this picture by examining the policies and strategies that subsidy agencies in seven midwestern states—Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin—had in place to support subsidy access and retention in 2005 (data were gathered between May and November). It focuses on the following questions for these seven states:

- What policies or strategies have states and localities developed to support subsidy access and retention, and what have they learned in implementing these policies?
- What trade-offs have agencies faced in trying to support access and retention, while also balancing staff workload and minimizing improper payments?
- What policies or strategies have agencies implemented to support access and retention for populations that may face additional barriers (i.e., families with limited English proficiency or with fluctuating or nontraditional work schedules)?

This paper focuses on issues that can affect whether eligible families who know they are eligible and want to apply actually get and keep subsidies. It does not examine other policy and funding issues that can also affect access—such as eligibility criteria, outreach, and funding levels. The purpose of this research is to provide subsidy administrators with policy ideas they may want to consider implementing to support access and retention, as well as some information about the experiences of other administrators with implementing these policies. This is not an evaluation of these efforts and does not assess the implementation of these policies or their impact. Rather, it is intended to provide insights into the subsidy policies related to access and retention in these seven states.

² Significant strides have occurred in the past few years to learn more about subsidy access and retention issues. For example, there is now a better understanding of some state policies that contribute to these issues (see, for example, GAO 2003 and Schulman, Blank, and Ewen 2001), some legal issues inherent in trying to address them (Greenberg, Schumacher, and Mezey 2001), and more recent information on

While these states are located within a single region and share some characteristics, they vary in some key ways that make their policies relevant beyond this region. As shown in table 1, their subsidy systems vary in size, in administrative approach, and in whether they had waiting lists. Additionally, as seen in table 2, they vary along some demographic characteristics, such as population size, the number of persons living below the poverty level, and the number of persons who do not speak English at home. Yet, it is clear that the strategies described in this report are only gathered from a small number of states and therefore are likely to represent only a subset of strategies being used around the country.

Table 1. Subsidy Agency Characteristics of the Seven Study States

	Average monthly # of children served (FFY 2004)	Who administers the child care eligibility determination process?	Is there a waiting list for child care services?	Income eligibility cutoff for family of three (2005)	Monthly parent co-payments of family of three with an income at 150% of poverty and one child in care
Illinois	85,800	State-contracted agencies	No	\$29,052	\$134
Indiana	34,100	State-contracted agencies	Yes	\$19,380	Not eligible
Iowa	16,400	State-administered	No	\$21,936	Not eligible
Michigan	44,500	State-administered	No	\$23,880	Not eligible
Minnesota	22,100	County-agency administered	Yes	\$27,423	\$96
Ohio	53,800	County-agency administered	No	\$23,505	\$211
Wisconsin	27,600	County-agency administered	No	\$29,772	\$181

Sources: For children served, determining eligibility, and waiting lists, *CCDF Data Tables*, Child Care Bureau, 2004; for income cutoff and co-payments, Schulman and Blank (2005).

the extent to which some states are trying to implement strategies to improve access to subsidies (Southern Institute on Children and Families 2004).

Table 2. Demographic Characteristics of the Seven States

	Population		Poverty (%)		Language other than English spoken at home (%)
	Total population	Persons under 5 (%)	Persons below poverty	Children below poverty	
Illinois	12,763,371	7	11	17	19
Indiana	6,271,973	7	10	15	6
Iowa	2,966,334	6	9	12	6
Michigan	10,120,860	6	11	18	8
Minnesota	5,132,799	7	8	11	9
Ohio	11,464,042	6	11	18	6
Wisconsin	5,536,201	6	9	14	7

Sources: For children below poverty, Kids Count state-level data, 2004; for all other data, *Quick Facts*, Census Bureau 2005.

Research Methods

This paper is based on information collected in the seven midwestern states listed above. Data were collected through reviews of state policy manuals and CCDF plans, a written survey, and telephone interviews with state and local administrators. State policy manuals and CCDF plans were reviewed for relevant policy information. The survey collected policy information in each state about subsidy application, recertification, interim reporting, and termination requirements as of May 2005. Survey respondents were asked to verify the policy information collected from the review of state policy manuals and CCDF plans and to provide additional policy information as needed. Semi-structured telephone interviews were conducted with state and local respondents between May and November 2005. Interviews were conducted in two phases. In the first phase, interviews were conducted with the state child care administrator (or another staff person suggested by the state administrator) in each state to gather information on the types of policies and strategies in place to support access and retention. In the second phase, follow-up interviews were conducted with state and local level respondents to learn more about relevant policies or strategies and their implementation. A total of 24 interviews were completed during the second phase, with between three and five interviews per state. The appendix provides additional information about our research approach.

Our research approach enabled us to collect consistent policy information across the seven states on issues that can affect access and retention, and it provides important insights into

particular policies designed to support families receiving subsidies. As with any research design, however, there are some challenges with using the data collected in this research:

- The focus of this research was to gain the perspective of state and selected local administrators on policies and strategies that they felt supported subsidy access and retention. We did not speak with any parents who receive the services or caseworkers that implement these policies. As such, this study does not include information on the implementation of the policies, and it does not evaluate how well these policies or strategies work at the ground level.
- We asked state-level respondents to identify local administrators for us to interview. We specifically requested local respondents who were either trying interesting strategies related to access and retention or had been thinking about these issues. This enabled us to speak with individuals who were thoughtful about the issues of subsidy access and retention. Their views and experiences are not likely to be representative of all local agencies in these states.
- Our research approach allowed us to collect information on a broad range of topics related to access and retention. We have differing levels of information about each issue, however. For some more global issues—such as recertification lengths—we have the perspectives of all our respondents (including state and local perspectives), while for other issues—such as a particular strategy used by a local agency—we may only have the perspective of one or two individuals.
- To create our initial list of policies and strategies for follow-up, we reviewed state policy manuals and state plans and asked state respondents about state and local efforts to support access and retention. This approach resulted in a range of strategies, but it likely primarily captures some of the more recent efforts in this area rather than a comprehensive list of all the policies and strategies occurring in these states.

Despite these caveats, this research provides important insights into a range of policies that states and localities can consider when thinking about supporting access and retention, as well as insights into the challenges agencies can face with these issues.

Findings

Under the federal CCDF guidelines, states have a fair amount of flexibility in establishing a range of policies and practices that can affect subsidy access and retention. (Box 2 provides a brief overview of the state role in this area.) In interviewing states for this study, it quickly became apparent that all of them were interested in subsidy access and retention issues, and they were continuing efforts to create and implement policies and practices to support families in this area.

Overall, the policies and strategies implemented in the seven study states to support access and retention centered around eight policy areas:

- linking subsidies to other social service programs
- improving customer service practices
- simplifying application process
- simplifying recertification requirements
- simplifying reporting requirements
- minimizing subsidy breaks
- assisting parents with fluctuating or nontraditional work schedules
- assisting parents with language barriers

Box 2. Understanding the State Role in Shaping Subsidy Access and Retention

States have a significant role in shaping subsidy access and retention. As described below, the federal government provides overarching guidelines to states in key policy areas. But within these broad parameters, states have the ability to define significant aspects of eligibility, eligibility monitoring, and service delivery. (For more information on this topic, see Greenberg et al. 2001.) Further, the federal government directly encourages states to support access and retention by requiring them to describe in their state plans how they have made their process for applying for and receiving child care services accessible for families. All these efforts also are taking place within the context of a strong focus by the federal government, and many states, on minimizing improper payments (see box 3).

Defining eligibility: Federal law defines what children are eligible for child care subsidies using federal funds. For example, eligible children include children under the age of 13, or under the age of 19 if physically or mentally incapable of self-care, or under court supervision, and reside with a family whose income does not exceed 85% of the State Median Income (SMI) for a family of the same size and whose parent(s) are working or attending a job training or educational program or who receive or need to receive protective services (HHS, 1998). Federal regulations also allow for states to identify additional eligibility conditions.

However, states have flexibility in defining what qualifies as “work,” “income,” and “protective services.” For example, states can allow parents to continue to receive subsidies during their job search if the state includes a job search under their definition of “working” in their state plan (Greenberg et al. 2001), and they can choose how long this job search period can last. One study of 17 sites in 11 states found wide variation in this area— ranging from 10 to 60 days (Adams et al. 2002); comparable variation is described later in this report for the seven states in this study. Similarly, as is described later in this report, states can choose to provide child care subsidies to a parent who is hospitalized as a way of ensuring the well-being or protection of the child.

How eligibility is determined and monitored: Given the definition above, it therefore follows that agencies can choose to collect the following kinds of information to determine eligibility: the presence and age of a child, that the child resides with the parent, family size, the basis for needing care (i.e., proof of work, education, protective services), the extent of need for care (full/part time), residency, and citizenship status of the child (Greenberg et al. 2001). Again, however, states vary widely in what they require as documentation (Adams et al. 2002), so they have significant discretion in this area.

Defining service delivery aspects: States also have the freedom to determine how they collect information to determine eligibility (i.e., there are no federal rules requiring in-person visits), where applications can be available, the length of an eligibility period, when parents need to report changes and if they need to report changes if it does not affect eligibility, administrative approaches, customer service practices, and whether they want to retain eligibility (but suspend subsidies) during periods of temporary ineligibility. Research also suggests that states, and sites within states, vary widely on each of these issues (Adams et al. 2002, 2006).

We discuss each of these policy areas separately below, outlining the policies and their trade-offs as discussed by our respondents. Before examining each policy and service delivery area, however, it is important to understand that subsidy agencies were constantly working to balance their desire to minimize parent burden—a key piece of supporting access and retention—with three other issues of particular concern to the agencies given their funding constraints:

- Agencies were concerned about managing staff workloads so staff could focus on providing quality services. Agencies were often limited in their abilities to add new staff because of limited funding, so they needed to consider how policies might affect staff workload.
- Agencies were also concerned with controlling improper payments—making sure only eligible families received subsidies and that the payments issued were at the correct levels (see box 3).
- All subsidy agencies also had an overarching focus on managing their subsidy programs within their budgetary constraints—and many respondents expressed concerns about controlling program costs and being fiscally responsible. (One of the interesting challenges facing states in this area is the fact that helping families access and retain subsidies can result in families remaining in the program longer, which can increase expenditures per family unless this is offset by reduced administrative costs. This could result in fewer families being served unless additional resources are available.) As a result, all states (including those states without waiting lists) were trying to consider the short- and long-term cost-benefit of particular strategies as they considered implementation. Unfortunately, data on the cost of particular strategies were often not available or would require significant resources from states to provide, so this study did not collect information on how much the highlighted strategies cost to implement.

Box 3. Improper Payments

One important issue facing state administrators when considering policies to support access and retention is the impact of policies on improper payments. Administrators obviously must work to spend their resources appropriately and ensure that money is going to eligible families—and that subsidy levels are appropriate (i.e., parents pay the appropriate share of child care costs, for the appropriate time periods, etc). Not surprisingly, many respondents noted a reluctance to have policies that might create an opportunity for more improper payments to occur.

Discussions with respondents indicated that there are a number of different types of improper payments that agencies are concerned with:

- improper payment because of agency error (e.g., the agency does not get the proper documentation or makes an error in calculating eligibility or payment)
- improper payment because the parent or provider unintentionally makes an error that is not caught (e.g., the parent makes an error in reporting information because he or she does not understand program rules)
- conscious fraud on the part of the parent or provider (e.g., where the parent or provider purposely tries to get payments for care that he or she knows the parent is not eligible for)
- conscious fraud on the part of the agency

In thinking about the issue of improper payments, it is important to recognize that, by federal definition, an improper payment is one made in a way that is not consistent with state or federal policy around eligibility or payment. In some situations, there is likely to be significant consistency across states in what would be considered an improper payment—such as conscious fraud on the part of the parent or provider. But in those areas where a payment is “improper” because it is contrary to *state* policy, there could be wide variation from state to state in what would be considered an improper payment. Take, for example, a parent who had lost her job and used a subsidy for three weeks of job search. This would be considered an improper payment in a state that allowed only two weeks of job search, and a proper payment in a state that allowed subsidies to go for one month of job search. As a result, states have a significant amount of control over what is considered “proper” or “improper” payment through their policy parameters and eligibility definitions.

Improper payment issues were in the minds of the administrators we talked to, though sometimes constraints—such as limited staff time and money and computer systems that didn’t allow for easy tracking of this information—put a damper on the ability of agencies to focus on these issues. As a result, state and local agencies in our study varied in the extent to which they had systems in place to minimize improper payments and deal with the repercussions when it did occur. (The Child Care Bureau’s Measuring Improper Payment Project also found variation in the extent to which the states in their study address errors [Child Care Bureau 2004].) But the study states had developed a number of different types of policies and strategies related to improper payments:

- *Minimizing improper payments:* Respondents noted having measures in place such as case reviews to ensure all eligibility documentation is in order, referring potential fraud cases to the appropriate individuals for further investigation, or having a monitoring specialist who focuses on these issues. Some respondents also pointed to policies such as in-person visit requirements, shorter recertification periods, and requiring documentation as ways of minimizing fraud, though respondents didn't always agree about whether these strategies were effective ways of deterring fraud. Also, depending upon how they were implemented, some of these strategies can then increase parent burden and create inadvertent barriers to access and retention.
- *Collecting overpayments:* It also seemed common to have a *policy* allowing the collection of overpayments from the parent or provider. However, it is not clear how often overpayments were collected in practice, as some respondents noted that their agencies did not have the time or money to pursue overpayments. Respondents also pointed out the difficulties of having to collect money from low-income parents. One respondent noted: "You can't get blood from a turnip. You say you can do that, but it's fruitless." In addition to these procedures, one state had requirements in its contracts with local agencies that the state could require the local agency to reimburse the state for payments made in error if the agency found on review that documentation proving eligibility was not in order.
- *"Redefining" policies:* As will be discussed later in report, some states identified policies that were inadvertently contributing to improper payments and chose to redefine the policy as a way to address the problem. For example, states had flexibility in how they defined many of the basic eligibility parameters (i.e., how they measured income, how they defined "work" or "work-related activities"). Some respondents chose to redefine their policy on who was eligible to help better support access and retention. This can be seen later in this report, where we discuss states developing strategies to allow parents to not report certain changes (such as a change in hours or income) in between recertifications, thereby allowing parents to keep their subsidy at the same level even though they may experience a change that would normally change their authorization level and/or parent fee. By redefining this policy, a parent experiencing a change before reauthorization would no longer be considered to have been paid improperly.

Although focusing on improper payments can ensure that money is going to eligible families, one respondent noted that there is a fine line between regulating improper payments and creating systems that are too burdensome for parents. She believed that if agencies stress that caseworkers be overly diligent on avoiding fraud it can mean they will see their job as more to keep people off the program than to help parents access it. It is also unclear whether a strong focus on minimizing improper payments is cost-effective, as it appears that some policies—such as shorter recertification periods, close monitoring of changes, and collecting overpayments—can significantly increase administrative burden and staff costs. These issues are worth further examination.

As will be discussed in each of the policy areas below, these four issues—minimizing parent burden, managing staff workloads, controlling improper payments, and controlling program costs—were sometimes competing interests and sometimes complementary. For example, our interviews with respondents revealed that in some cases, a policy that minimized parent burden might lead to more potential for improper payments, while in others it actually could lessen such payments. Similarly, some efforts to improve parent access and retention increased administrative burden, while others decreased it.

Linking Subsidies to Other Social Service Programs

One common practice in the midwestern states was to link child care subsidy services with other social service programs (such as TANF or food stamps) in ways that could support access while easing both parent and worker burden. Many states had taken steps to integrate program policies and procedures to better serve families and ease administrative burden (Parrott and Dean 2004). In our study states, some of these efforts focused on structural approaches (such as linking computer systems and combining worker responsibilities across programs), while others focused on finding links as part of individual processes (such as by creating combined applications or synchronizing review dates for multiple programs.) These strategies are discussed below. It is important to note that these are only a subset of the strategies that respondents reported in this area. Additional linking strategies are discussed in later sections of the paper as appropriate. For example, some local agencies had developed other ways of linking programs, such as allowing child care workers to review information (like reported changes) received by workers from other programs or developing multi-program change centers where parents could report change information.

While respondents saw the overall concept of linking systems as positive, some strategies (specifically, creating a new computer system or changing worker requirements) required a major shift in how agencies worked—and, as such, are probably more costly, at least in the short term. However, respondents felt these improvements seemed to have long-term benefits for parents and staff, while also minimizing improper payments. At the same time, some respondents indicated that careful thought is needed about what types of links are useful across systems. Respondents in Ohio noted that few families completed their child care subsidy addendum to the Medicaid application because parents were focused only on their health needs at the time. Additionally, some links may not make sense given the services families receive. For example, one local respondent noted that 90 percent of the agency’s caseload was only receiving subsidies so she did not feel linking with other services was necessarily helpful (though that might allow families to learn about other services). National research, however, suggests that a high proportion of families that report receiving child care assistance also report receiving other benefits such as food stamps, Medicaid, or SCHIP.³

Linking computer systems. One issue that many respondents discussed was linking child care subsidy computer systems with other social service computer systems such as TANF and food

³ See, for example, Zedlewski et al. (2006).

stamps, so workers could access information from other programs. At the time of our interviews, Illinois and Wisconsin had computer systems that integrated information from multiple programs, including child care. Michigan, Minnesota, and Ohio were in the process of developing new multi-program systems—though in Michigan and Minnesota staff had access to multiple computer systems that were not linked. Respondents felt that having linked computer systems across programs could be beneficial for parents since it could mean parents do not have to provide information repeatedly and the information is more accurate. One respondent noted: “[with a linked computer system] the information is more likely to get where it needs to go with less effort from the parent and the parent is more likely to have the case reflect the correct information so it doesn’t effect them negatively later.” Linking computer systems was also viewed as very helpful for the agency in terms of both staff workload and improper payments; since linking ensured that multiple programs had consistent information on families, workers did not have to input information multiple times, and families could be tracked more closely. The Child Care Bureau’s project on improper payments also found that states that share information across programs are better able to verify information from families, which assists with eligibility determinations (Child Care Bureau 2004). At the same time, linked computer systems can be costly—at least in the short term—and take a long time to develop and implement. One respondent, however, said that she felt the agency’s automated system was the backbone of their subsidy program and “worth every penny” spent on it.

Combining worker responsibilities. Although not a focus of this project, some respondents also discussed the fact that they linked programs through combining worker responsibilities across programs—that is, having workers manage both welfare-to-work activities and child care subsidies for their clients. Michigan was the only state in our study with this approach in all local agencies, though some local agencies in Iowa and Minnesota were set up this way. Some respondents felt that this administrative approach could be beneficial for parents, but there were also trade-offs in efficiency and program knowledge. There are pros and cons with any approach taken to dividing up caseworker responsibilities (Adams et al. 2006). Having the combined worker can make processes easier for parents since they have only one worker to communicate with—and it can be beneficial for workers who are able to help parents with all the services they need. At the same time, this approach can overburden staff if caseloads are not set at levels that take into account the multiple responsibilities the worker has, can mean less individual program knowledge if workers are not trained extensively, and can sometimes result in less attention being paid to child care in relation to other program responsibilities.

Combining applications. Five states (Illinois, Iowa, Michigan, Minnesota, and Wisconsin) had the subsidy application as part of the application form for other social service programs (though some states also had a separate “child care only” application for families only interested in subsidies). Respondents noted that these combined applications could be beneficial for parents because they only have to provide information once. The applications could also be helpful for the agency because they can ensure that the agency has the same information across programs. Some respondents felt that parents might (inadvertently or purposely) provide different information to different programs, so having one application allowed agencies to get consistent information from the parent.

However, the extent to which these combined applications are beneficial for parents and agencies can depend on the administrative structure of the subsidy agencies. For example, having a combined application may not be as helpful from an administrative burden standpoint when there are different workers for different social service programs since it can mean the same application form needs to go to multiple workers. If the agency does not have a linked computer system, it can result in more paper transferring from worker to worker—increasing the likelihood of lost information or delays in getting information from one worker to another.

Additionally, it seemed that in some cases workers went through an application interview with parents where information was directly typed into the computer, which meant that a written combined application was not necessary. Combining applications can also result in longer overall application forms for parents—in Michigan, the state was in the process of streamlining its combined application at the time of our interviews because the application was very long. It also seems important to have applications for single programs available for parents. One respondent noted, “I think it [combined applications] is more confusing actually for consumers. I mean if they know they want a specific service ... and then we have to differentiate four different services that they’re eligible for, then I think that’s confusing for both staff and the client.”

Synchronizing review dates. The subsidy agency in Wisconsin was working toward synchronizing review dates for child care and food stamps so parents could complete their recertifications for both programs at the same time.⁴ This synchronizing of review dates would

⁴ This change was being made as part of other policy changes discussed later in this report. These included a change so parents were only required to meet with their worker in person once a year (instead of at every recertification). Additionally, at six-month intervals when parents were not required to come in person, they would be sent a change form that they would need to complete. The change form would be generated by computer to include questions about food stamps and child care as needed, so parents could complete one form for both programs.

be done automatically through the computer system. At the time of our interviews, local agencies could synchronize review dates on their own, but one respondent noted that it was often hard for staff to remember to do so because of their workload. Having it done automatically would ensure the dates would be synchronized. The automatic synchronizing of review dates was seen as potentially beneficial for parents since they could recertify for two programs at the same time. Staff would also benefit in terms of reducing their workload—in fact, one respondent noted the state was making this change in part because it was something local agencies requested to help with workload issues. Additionally, having review dates at the same time for multiple programs would mean the programs would have consistent information about the family.

Improving Customer Service Practices

Another area where subsidy agencies in the midwestern states were working to support access and retention was through policies and strategies to improve customer service practices—that is, make services more “customer friendly.” Research indicates that how services are delivered—such as whether in-person visits are required, how easy or difficult it is to get in touch with staff, how parents are treated by staff, and so on—can affect the ease with which parents can access and retain subsidies (Adams et al. 2002).

Unlike many other policy areas discussed in this report, some of these issues—particularly those involving the quality and ease of interaction with the local office—depend on local office policies and practices since the level of customer service can ultimately come down to the interactions between the parent and his or her individual worker. As a result, beyond determining in-person visit policies and administrative structures, the role of state agencies in influencing these issues can sometimes be less clear. In the midwestern states, the state subsidy agencies varied somewhat in how they approached these issues; some had policies to minimize in-person visits and provided basic guidance to local agencies on these issues (such as through trainings or suggestions to local agencies), while others were taking additional steps to be more directly involved in improving customer service practices at local offices. Local agencies had also implemented different strategies to improve their office practices.

Efforts to improve the overall accessibility of services centered on

- requiring local agencies to provide information on customer service practices;
- conducting customer service surveys;
- developing strategies to make it easier to get in touch with staff;
- eliminating or minimizing in-person visits; and
- improving computer systems.

As is discussed below, for the most part these strategies seemed potentially beneficial for parents and staff and had few if any challenges related to improper payment—though our respondents disagreed on whether minimizing in-person visits was beneficial or harmful for administrative burden and improper payments.

Customer service plans. As noted above, because customer service issues are so locally driven, it can be challenging for state agencies to find ways to influence these issues. One

method being used by a few states was to require local agencies to provide information about their customer service practices.⁵

- In Ohio (where many policies were left up to local discretion), local agencies were required to submit an accessibility plan every two years detailing how they would ease access to subsidies and remove barriers. The policy was developed because federal requirements for state CCDF plans ask states to detail any steps taken to reduce barriers to initial and continuing subsidy eligibility (as noted in box 2). A state-level respondent noted that the local accessibility plans allowed the state agency to look at issues such as whether local agencies had alternative office hours, where applications were made available, and whether agencies had other communication options (e.g., e-mail, fax, or phone) beyond in-person visits since the decision to have face-to-face interviews is left up to local discretion. The respondent pointed out the state did not review the plans to see how customer-friendly policies were in different localities.
- In Indiana, the state agency required local agencies to detail how they would keep services family-friendly in their proposals for contracts to manage local subsidy programs. During the time of our interviews, the Indiana subsidy agency was reorganizing its services locally. Respondents noted that in thinking about this reorganization they kept three goals in mind: keeping services family-friendly, making sure agencies were accountable, and making sure the program was run with sound business principles in mind. As a consequence, the state made providing family-friendly services a central part of the contract process. A state-level respondent noted that the types of practices local agencies reported were things like having an 800 number available for parents to call, committing to returning phone calls within 24–48 hours, and having e-mail addresses for staff to provide another way of communication.
- In Minnesota, the state agency required local agencies to submit a plan every two years detailing all their county-specific policies. As part of this plan, local agencies needed to answer questions about customer service. For example, they needed to provide information on the allowable ways to submit an application other than in-person visits, given that the state did not require in-person visits for submitting an application.

⁵ Another method used in Illinois was having the state’s contract with local subsidy agencies include a requirement that local agencies return all phone calls within 24 hours. The respondent noted that there really wasn’t a way to enforce it, but that it worked well to have it in the contract.

Reactions from our respondents were mixed on whether these requirements made any difference in local agency practices. One local respondent felt that it did not cause local agencies to do anything different than what they already had been doing (though, again, our local respondents may not be representative of all local agencies). Another respondent felt that it showed the state saw customer service issues as a priority. Given our research approach, it is impossible to say whether these measures were truly effective in encouraging local agencies to provide customer-friendly services. This is an issue worth further exploration since how services are delivered is such an important factor in influencing parents' experiences with subsidies.

It is also not clear how much state agencies followed up to make sure local agencies were following the plans they laid out, and what, if any, repercussions there were for local agencies that did not follow their plans. It did, however, seem from the few respondents we interviewed that local agencies not following their plans would be given guidance or training from state agencies. There also seem to be potentially more repercussions for contracted agencies (that could eventually lose their contract) than county agencies.

Customer service surveys. Another strategy used by some subsidy agencies was conducting customer service surveys to get feedback on the services provided, information that could help agencies work toward providing better quality services to families. Customer service surveys were uncommon for the subsidy agencies we spoke with in our study states. However, Wisconsin required local agencies to conduct a customer service survey covering both TANF and child care services.⁶ Local agencies were not required to report the results to the state, but the state could request the results if it had concerns. Additionally, one local agency in Indiana completed regular surveys of parents, TANF E&T caseworkers, child care providers, and other social service agencies. This agency reported these particulars:

- During a two-week period every three months, parents were given a written survey to complete as they left an appointment.
- Approximately every six months, written surveys were handed out to TANF caseworkers during worker meetings. The purpose of the survey was to find out if the caseworkers felt the subsidy agency was meeting the clients' needs (such as getting parents subsidies in a timely manner) and whether the workers had any suggestions.

⁶ In Michigan, a state office did a customer service survey of providers, asking about service and payments.

- Approximately every six months, the agency also surveyed child care providers and other social service organizations (such as those handling domestic violence issues) that attended meetings held about child care and early education issues.

The local administrator felt the agency got good response rates from these surveys. Once the information was collected, it was entered into the computer. Then, reports could be printed out that provide information by site, worker, and respondent type (e.g., a parent, worker, provider).

Respondents that we spoke with felt these customer service surveys were very important. From a state perspective, requiring the survey helped show that “customer service is important.” The local administrator in Indiana also felt that the surveys helped guide the agency in changing its services and were worth the cost of conducting the surveys.

Developing strategies to make it easier to get in touch with subsidy staff. Research indicates that one challenge parents can face is difficulties contacting their worker (because they are kept on hold, do not receive return calls when they leave messages, and so on), which can make conveying information and getting questions answered trickier (Adams et al. 2002). A few state and local agencies in the study states had implemented different approaches to try to improve the accessibility of services by making it easier for parents to contact staff:

- **State-level toll-free phone number.** Illinois and Michigan had state toll-free numbers that parents and providers could call if they had any problems. In Illinois, this service was staffed by workers from the larger Department of Human Services who were not child care workers. Individuals with subsidy issues could call this line and the workers staffing the line would have access to the parent’s case information in the shared data system. Additionally, complaints about particular local subsidy agencies would be forwarded to the state subsidy agency. These complaints were also tracked in the database. In Michigan, both parents and providers could use the customer service line, but a respondent noted that for the most part the calls that came in were from providers asking billing and payment questions.
- **Phone call tracking system.** A local agency of one of the larger urban areas in Illinois implemented a system to track phone calls that were made to their offices. The agency could track such things as how many calls were received, how long the wait time was, and how many calls were abandoned before an issue was resolved. Staff could read reports on the phone calls in real time so additional staff could be put on phone lines as needed. Having these phone services was particularly important because the agency served a large

volume of clients each month and most services were provided by phone or mail since face-to-face meetings were not required. Respondents reported that this agency had had some challenges with its phone systems, but, according to one respondent, at the time of the interviews the agency rarely had wait times longer than 10 minutes.

- **Scheduling hotline.** A local agency in Indiana implemented a scheduling hotline that parents could call to schedule their office appointments with their child care caseworker. The hotline was staffed by one person who scheduled appointments for all the child care workers. One respondent noted that having a dedicated staff person to handle these calls reduced the workload of other staff, who were then freed up to meet with other clients rather than fielding phone calls. It also helped parents since getting in touch with their individual worker could be difficult when workers were seeing other clients. One respondent noted that having the hotline staff person ensured that a parent would get a live person to talk to—or could leave a voice mail and get a call back within 24 hours. An added feature to the hotline was that all calls made to the hotline were documented, so staff can track whether anyone got back to the parent.
- **Dedicated customer service staff.** A strategy used in one local office in Indiana was to have a dedicated staff person handle customer service issues such as complaints and appeals.⁷ A local respondent from that office noted that this staff person gave parents a central contact. Before developing this staff position, the respondent had found that parents would call multiple times to try to get a live person since child care was so important to them. Multiple workers would then end up working on the same issue, with everyone “stepping on everyone’s toes” and the parents ultimately “don’t feel like anyone is helping them because they left messages on four different voice mails.” This respondent found having a central contact for the parents extremely helpful and would like to expand services in the future so they can accommodate walk-ins with complaints. She also noted that of all the efforts they had tried to improve the accessibility of services, having the dedicated staff person was one of the most important since it made sure someone could respond more promptly to these issues. She acknowledged, however, that with limited budgets it might be harder for other agencies to do—particularly those that serve few clients. She felt that her office was able to implement this measure because it served such a large number of clients. As will be discussed later, the sensible policies to implement to support access and retention likely

vary by locality. For example, having a dedicated customer service staff person may not be possible in more rural communities where agencies have few staff.

All these strategies focus on improving customer service. We are unable to assess how well these strategies work in practice. Other research we are conducting examining child care providers indicates that many issues can affect how well such strategies work, including how these systems are staffed, how well these individuals are trained, and how quickly phones can be answered (Adams et al. forthcoming).

Minimizing or eliminating in-person visits. Requiring working parents to come into the subsidy office to apply for and retain subsidies can create challenges for parents since it can mean taking time off from work—something that may be very difficult since low-income workers are less likely to have paid leave than higher-income workers (Galinsky and Bond 2000; Ross-Phillips 2004). As a consequence, minimizing in-person visit requirements can be an important step toward helping parents get and keep subsidies (Adams et al. 2002). Respondents varied on whether they felt in-person visits should be required, with some feeling very strongly that they should be eliminated because of the hardship on parents, while others feeling very strongly that they were necessary since they helped workers get to know parents and helped avoid improper payments.

Parents could have to meet with their caseworker at several points in the process to get and keep subsidies, including when parents are first applying, recertifying their eligibility, reporting changes, and transitioning off welfare. The midwestern states varied in whether they required parents to meet with a caseworker in person for these processes (table 3). Some states required them for application (Michigan, Indiana, and Wisconsin), recertification (Indiana and Wisconsin), or left it up to local discretion. Interestingly, the study states seemed to be moving away from in-person visit requirements—respondents in all three states with in-person visit requirements reported that they would be eliminating some (Wisconsin) or all (Michigan) of these requirements, or give localities discretion on this issue (Indiana).

⁷ A local Wisconsin office had a somewhat similar strategy; that office had a dedicated individual handling questions and change information for parents so they did not have to contact their workers.

Table 3. In-Person Visit Requirements, May 2005

State	Are in person visits required to <i>apply</i> for subsidies?			Are in-person visits required to <i>recertify</i> subsidy?			Are in-person visits required to <i>report changes</i> ?			Are in-person visits required to <i>change providers</i> ?		
	yes	no	local discretion	yes	no	local discretion	yes	no	local discretion	yes	no	local discretion
Illinois		x			x			x			x	
Indiana	x			x ^a					x			x
Iowa		x			x			x			x	
Michigan	x ^b				x			x			x	
Minnesota		x			x			x			x	
Ohio ^c			x			x			x		x	
Wisconsin	x			x ^d					x			x

^a As of October 1, 2005, local agencies in Indiana have the option of eliminating in-person visit requirements for recertification. At the time of the survey, some local agencies were allowed to do mail-in recertification in some rural areas as part of a pilot project.

^b As of November 1, 2005, an in-person visit is no longer required to apply.

^c The state advises that parents should not be required to attend a face-to-face interview if the eligibility determiner already has the needed information for determining the families' eligibility on file with other programs such as food stamps, cash, or Medicaid, and/or if the required information can be obtained through another method (i.e. fax, mail, by phone, etc.).

^d As of September 30, 2005, parents only need to do an in-person visit to recertify once a year (rather than with each six-month recertification).

Where in-person visits were required by the state, respondents noted that some local agencies had evening or weekend office hours. None of the states required local subsidy agencies to open during nontraditional hours, but a number of the local agencies we spoke with did so in an effort to make services more accessible to working parents—though it was not clear how representative these agencies were in the study states. There was some discussion about whether many clients used these additional office hours. Respondents in Indiana also noted that in cases where a subsidy office was not located close by parents' homes or jobs, subsidy staff would find alternative, more accessible locations to meet with parents. For states and localities with no in-person visit requirements, parents were allowed to provide information by mail, fax, phone, and—in a few cases—e-mail (see table 4).

Table 4. Subsidy Application Requirements, May 2005

State	What are allowable ways of submitting application forms and supporting documents?					Does the state <i>require</i> local agencies to provide <i>each</i> of these options?	How many days is the local agency given to approve a completed application from when it is received?	Is the child care subsidy application process different for families receiving TANF?
	In person	Mail	Fax	E-mail/Internet	Other			
Illinois	x	x	x	x		Yes	45 calendar days	No
Indiana	x ^a	x	x	x		Local discretion	10 calendar days	Yes. Income determination by the TANF caseworker is accepted as income determination for CCDF program.
Iowa	x	x	x			Yes	30 calendar days	Yes. TANF families do not need to fill out an application for child care assistance, but they still need to provide verification of their need for service by providing work and/or school schedules.
Michigan	x ^a	x	x			Yes	45 calendar days	No
Minnesota	x	x	x			Two or more methods of applying must be available to applicants in each county	30 calendar days or 45 with applicant's agreement	Yes. TANF applicants can fill out a "child care addendum," a shortened child care application, with their TANF application.
Ohio	x	x	x	x	Phone	Yes	30 calendar days	Yes. TANF parents do not have to submit documentation verifying their eligibility if it is already on file with the TANF office.
Wisconsin	x ^a	x	x			Local discretion	7 working days ^b	No

^a While applicants in these states may submit application materials with other methods besides in-person visits, an in-person visit is required to apply for subsidies.

^b The agency may extend the seven-day time limit up to 30 additional days for individuals with difficulties providing needed documentation within that timeframe.

Many respondents felt that in-person visits could be challenging for parents, so having alternative options (such as mail or fax) made sense, particularly in rural areas where parents might be located very far from the subsidy office. One respondent noted: “I felt we were kind of creating a barrier because most of our families are families [receiving TANF], they’re working low-income jobs and probably with employers who aren’t very happy about taking time off work.” At the same time, some respondents (mostly from local agencies) argued that coming into the office could also benefit parents—particularly during the application process—because it gave the worker time to explain the program to the parent (which ultimately can help reduce inadvertent errors on the part of the parent) as well as help build a relationship between worker and client. For example, a respondent in Iowa generally noted that in-person visits gave “an opportunity for us to connect with them [the clients] to make sure ... that they’re heading in the right direction, that they understand ... what they need to be doing.”

One of the more interesting issues to emerge from this study is that respondents varied widely in their perspective on the pros and cons of in-person visits, and on the implications of eliminating them for improper payments. Some respondents felt that, in their agency, it was more efficient for staff to meet with parents in person so staff could process everything during one interview, rather than having to follow up repeatedly by phone. However, others felt it was more efficient to process things by mail or fax instead of through an in-person visit. For example, one state administrator felt that the state would not have the staff to handle in-person visits for the approximately 7,000 applications it received each month. In terms of improper payments, some respondents felt in-person visits could help avoid fraud since, in the words of one respondent, “you know that they exist ... at least you know that Becky Smith is a person and you got her ID and she is a physical person.” In a number of cases, avoiding improper payments was one of the main reasons given for requiring parents to come to the office in person. However, some respondents weren’t convinced that staff needed to see a parent in person to avoid fraud since the parent’s documentation—which parents needed to provide whether they came in or sent information by mail—ensured the parent was eligible. This range of responses suggests that the trade-offs between in-person visits, staff burden, and improper payments are not straightforward, even though individual respondents often felt strongly one way or the other.

Improving computer systems. Some study states were working toward improving their computer systems—by either creating links with other systems (discussed earlier) or updating their systems to automate processes that would otherwise have to be done manually by the worker

(such as determining eligibility or payments). Although computer systems may not seem directly related to customer service, they can help staff do their jobs more efficiently, and in turn give workers more time to focus on customer service. For example, one respondent in this study noted that local agencies in the state had less time to focus on serving families because they were spending a lot of time on manual paperwork. While computer system improvements can be very costly, they also can be beneficial for staff (who can do their job more efficiently) and parents (who can receive better service with fewer delays). Computer systems can also help minimize improper payments, as they can reduce errors that can occur during manual processes and keep better track of information.

Simplifying Application Process

Subsidy agencies in the study states had also taken steps to simplify the application process for families. The application process is the point of entry into the subsidy program and the family's first contact with the system, so how this process is handled by the subsidy agency is critical in affecting the ease with which parents can access subsidies. An onerous application process can discourage parents from using subsidies; for example, a survey of low-income women in Philadelphia found that 37 percent of the individuals surveyed who knew they were eligible for child care subsidies and needed help paying for child care, but were not receiving subsidies, did not apply for subsidies because of expected hassles in the application process (Shlay et al. 2002). Several issues can influence the ease of application, including where families can find applications, how difficult the application form is to complete, what documents they are required to submit, whether parents need to submit the application in person, and how long the process takes to complete (Adams et al. 2002).

In the seven study states, the application process generally entailed completing an application form and providing required documentation (such as pay stubs, picture ID, and so on). Depending on the state, the parent could be required to meet with their caseworker in person (Indiana, Michigan, and Wisconsin), or could submit the application by mail or fax (Illinois, Iowa, and Minnesota), or by e-mail (Illinois, Indiana, and Ohio), or it was left up to local discretion (Ohio) (table 4).⁸ The time agencies had to process applications ranged from 7 to 45 days. In some cases, the application process differed slightly for families receiving TANF benefits; these families might not have been required to fill out an application (Iowa), or they might not have had to fill out a shortened application (Minnesota), or they might not have been required to provide eligibility documentation because this information was already available through the welfare-to-work system (Indiana and Ohio).

Compared with some of the other policy areas, fewer reported strategies focused specifically on simplifying the application process—possibly indicating how much work has been done in the past on this issue or that there is less focus on this issue than on other policy areas. In addition to minimizing in-person visits and creating combined applications that were discussed in the previous sections—both of which affect the ease of the application process—respondents reported two main policies they had implemented to streamline parents' entry into the subsidy system:

⁸ As of November 1, 2005, Michigan no longer required in-person visits at application.

- having applications available at alternative locations (such as online or at child care provider facilities); and
- backdating the subsidy.

Depending on how they are implemented, these strategies could benefit parents by smoothing the subsidy entry process for them. Additionally, there seem to be few, if any, drawbacks of having applications available at other locations. Backdating, however, can be costly, resulting in less funding for other eligible families.

Having applications available at alternative locations. Our interviews with respondents indicate that one key issue in making applications accessible is ensuring that parents can get the application form quickly and efficiently. Having applications available at an office, for example, may be problematic if the parent is unable to come to the office to pick it up—and mailing the application (while getting it to the parent) can take time. At the time of our survey, the seven study states varied somewhat in where parents could obtain application forms (table 5), but they were available at locations such as the child care subsidy office, the TANF office, a Child Care Resource & Referral office, online, or by mail. Two of these locations—online and at child care facilities—were of particular interest to our respondents and had the potential of being convenient ways for parents to quickly access a subsidy application.

Table 5. Subsidy Application Availability, May 2005

State	Where can parents obtain application forms for child care subsidies?						Does the state <i>require</i> local agencies to provide each of these options?
	Subsidy office	TANF office	CCR&R	On the Internet	By mail	Other	
Illinois	x	x	x	x	x	Child support office, by phone	
Indiana	x						
Iowa	x	x		x	x	By phone	No
Michigan	x	x	x	x	x		Yes
Minnesota	x	x		x	x	Counties can establish additional options at their discretion	Two or more methods of applying must be available to applicants in each county.
Ohio	x			x			No, but the state suggests that local agencies have application forms at alternative locations accessible to families.
Wisconsin	x	x					

- Online applications.** A common method used in our study states to make applications more accessible was having them available online. Five states (Illinois, Iowa, Michigan, Minnesota, and Ohio) had applications online for families to download.⁹ Respondents were mixed on whether these online applications were actually helpful for families. Some did not feel these applications were accessible for parents (who may have difficulties accessing computers), while others felt that parents had access to computers either in their home, at work, at the library, or (for students) at their college. While not the focus of this research, the differing responses to this question imply that perhaps parents' access to computers varies by region—and, as a result, online applications may be used more in some regions (like those with many eligible parents in college) than others. A few respondents reported they had received applications that had been downloaded online.

Respondents noted a number of benefits of having the application online for parents who could access them: it could speed up the entry process because parents did not have to wait to receive the application by mail; it could save parents from having to drive to pick up

⁹ Illinois's online child care application became available July 1, 2005.

an application (possibly a long distance for parents in more rural areas); and it could allow parents to get an application and fill it out when they wanted. Although not mentioned by respondents, it would also seem that having application information available online could provide parents with information about what documentation they needed to submit. It was less clear if online applications had any effect on workers since they had to process the application regardless of where the parent had accessed it. But one respondent felt online applications could save time for staff: “If someone can download and just print off the application and have it completed when they come into the office...it saves everyone time—the client and the workers.”

Overall, it seemed that putting applications online was inexpensive and could provide an additional avenue for accessing subsidies—particularly in the future as more people get access to computers. It also seemed that online applications provided other groups—like CCR&Rs and child care providers—ways to help parents access the application. Based on discussions with respondents, some issues to think about when putting an application online are making sure it is easy to get to the application within the web site and ensuring the information is clear on where to send the application.

A number of respondents also discussed giving parents the option of submitting applications electronically. This was seen as something that could really benefit parents and staff (since information would be inputted by parents). None of the states had the capability to submit applications electronically at the time of our interviews (though in Ohio parents could fill in the application on the computer and then print it out). Respondents noted that the major challenge with submitting electronic applications was how to handle the issue of parents signing the application, and whether electronic signatures could be accepted as an actual signature.

- **Child care facilities.** Some respondents reported that child care providers had subsidy application forms available for parents—and, in some cases, providers faxed the application for parents. One respondent noted that this approach worked well because some families had found out about subsidies who were unaware of the program. This respondent also felt that providers could encourage parents through the process: “any time that you’re dealing with a public agency, it’s intimidating to people. So when they [parents] come to the provider... they [providers] can calm the client, [saying], ‘you can do this. It’s no big thing. You know we can walk you through it.’ ”

Backdating the subsidy. Another policy to smooth the entry process for parents is to allow workers to backdate subsidy authorizations for eligible families so their subsidy start date is earlier than the date the subsidy is processed. Backdating is done retroactively once parents' eligibility for the subsidy is determined, and it only is done if the parent's eligibility can be determined as of the earlier date. All seven midwestern states had policies that allowed backdating for new applicants under some circumstances. Four states (Illinois, Indiana, Michigan, and Minnesota) allowed backdating before the date of application for at least some families (in two of these states, the backdating policy had changed in recent years):

- Illinois allowed workers to backdate up to 7 days before the date of the application for all families. Previously, workers could backdate up to 60 days, but this policy was changed in an effort to save money.
- Indiana allowed for TANF families' applications to be backdated two weeks before the application date.
- Michigan allowed applications for foster families to be backdated up to 21 days before the application date. Before April 2005, all families could have their subsidy backdated up to 30 days before application. That policy was eliminated in an effort to save money.
- Minnesota allowed backdating for TANF families to the date of their TANF employment service plan; for those who were within a year of leaving TANF, the subsidy could be backdated back to the beginning of their transitional year.

These policies were intended to assist eligible parents who might have started their child in care before they had the time to apply for assistance or gather all the required documentation. This may be a particular issue for TANF families, who can have limited time to arrange care before the start of their work activity (Adams et al. 2006; Snyder, Bernstein, and Koralek 2006).

The remaining three states (Iowa, Ohio, and Wisconsin), as well as Minnesota, allowed workers to backdate the subsidy authorization to the date the family applied.¹⁰ In these states, this policy was usually meant as a support for workers to give them extra time to process applications without penalizing parents.

¹⁰ Minnesota allowed workers to backdate to the date of application for families not receiving TANF and for families in their transitional year from TANF.

Backdating appears to be a common practice by subsidy agencies in many states—and it seems this can be an area with a lot of worker discretion (Adams et al. 2003; Adams et al. 2006). In our study of the seven midwestern states, for example, we found some instances where local respondents reported being more generous with backdating than the state policy indicated.

In terms of the benefits and challenges with backdating, many respondents liked their current backdating policy because it supported families and was not too labor-intensive for workers. One respondent explained how not having the flexibility to backdate can negatively influence the parent and the care arrangement: “If I had said no, we’re not going back, that parent would have started with that provider with 21 days of child care, 3 children, in the hole [payment-wise], provider angry and frustrated because they hadn’t gotten paid. It would have been an adversarial relationship that would have negatively affected the family and the child, and it wasn’t a big deal (to backdate).”

Although many respondents saw the advantages of backdating, some respondents found that backdating too far into the past discouraged families from handing in their materials on time, which could delay the processing of their subsidy. Additionally, backdating policies encouraged families to use providers before applying, leading to providers not getting paid if the application was not approved. One respondent explained, “Until they’re (the parents) in the office, we don’t know that they qualify or that their provider qualifies and so the obligation should start there (when the parents come into the office).”

Respondents overall did not have any improper payment concerns around backdating (before the application date) since the parent and provider were required to verify the parent was working (or otherwise eligible to receive subsidies) and the provider was providing care during this time. However, some respondents felt that backdating was an overly generous policy that did not help conserve costs. One respondent in a state that had a backdating policy warned that generous backdating policies were also hard to roll back since families could come to depend on them.

As will be discussed later, subsidies can also be backdated during recertification to avoid gaps in authorization dates.

Simplifying Recertification Requirements

Another policy area where the study states had focused their efforts was around simplifying the recertification process for families. Once families enter into the child care subsidy system, parents are given a time-limited authorization for subsidies that expires, at which time parents must prove they are still eligible to get “recertified” (i.e., get a new authorization for subsidies). Families will lose their child care subsidies if they do not go through this eligibility “recertification” process. From the subsidy agency’s perspective, the recertification process is essential to ensure that parents are still eligible and are paying the correct portion of the cost of care. These issues are of particular concern given limited child care funds. Yet, many states—including some in this study—face challenges with parents not recertifying their subsidy.

While it is unclear why many parents do not recertify (i.e., do they no longer want services, think they aren’t eligible, don’t understand what is required, can’t do it because they can’t take time off work, etc.), research suggests that both the *frequency* and *complexity* of recertification requirements can affect whether parents successfully complete their recertification (Adams et al. 2002). For example, depending on what parents have to do, frequent recertification requirements could mean parents repeatedly have to take time off work to go to the subsidy office, potentially increasing the risk of parents failing to comply and losing their subsidies, which can be disruptive for the parent, child, and agency. Additionally, the complexity of the process itself—such as an overabundance of documentation requirements—can make the recertification process more difficult and frustrating for parents, as well as more time-consuming and burdensome for staff (along with allowing more room for errors by parents and staff).

Under federal law, states can choose the length of their authorization period; most states in this study set their authorization periods at 6 months (table 6).¹¹ To recertify, some study states (Illinois, Indiana, Iowa, Minnesota,¹² and Michigan) required parents to complete a recertification form (referred to as a new application in some states) and provide documentation of income and continued need for child care (i.e., employment/approved activity status and schedule and family size). Other states (Ohio and Wisconsin) required only the documentation of income and continued need for care. For the most part, these documents could be submitted by mail or fax,

¹¹ Most of our respondents reported that families generally received the full length of the allowed authorization. Parents who were self-employed, on TANF, in school, or who had frequent job turnover could be given shorter authorization periods. TANF families, for example, might have their authorization match the length of their work activity, while school students might have their authorization match the length of the semester.

¹² Minnesota allowed counties discretion over requiring a recertification form for families to recertify.

though (at the time of our survey) Indiana and Wisconsin required parents to meet with their workers in person—these policies have since changed.¹³ Only one study state said that the requirements for recertification differed for families receiving TANF. In Iowa, TANF families participating in an approved activity did not need to complete an application for their six-month recertification as long as they were still eligible for TANF.

Table 6. Recertification Requirements, May 2005

State	What is the maximum authorization length? ^a	What are allowable ways of submitting recertification forms and supporting documents?					Does the state <i>require</i> local agencies to provide <i>each</i> of these options?	Is the child care subsidy application process different for families receiving TANF?
		In person	Mail	Fax	E-mail/Internet	Other		
Illinois	6 months; 12 months for families enrolled in child care/Head Start or child care/pre-K collaboration programs.	x	x	x	x		Yes	No
Indiana	6 months	x ^b	x	x	x		Local discretion	No
Iowa	6 months	x	x	x			Yes	Yes. TANF families participating in an approved activity do not need to complete an application at the time of their six-month recertification as long as they are still eligible for TANF.
Michigan	12 months	x	x	x			Yes	No
Minnesota	6 months	x	x	x			Yes	No
Ohio	12 months ^c	x	x	x	x	By phone	Yes	No
Wisconsin	6 months	x					Yes	No

^a In all these states, respondents noted that there are some instances where a parent has a shorter authorization length (such as TANF clients' authorization may be set to correspond to the length of their work activity, students may have their authorization set to the semester length, etc.)

^b While clients may submit materials with other methods besides in-person visits, an in-person visit is required to recertify for subsidies.

^c In Ohio, all families receiving subsidies have a co-pay review after six months. Localities vary in what this entails, but in some cases the process may look very similar to the recertification process. As a result, families in some localities are essentially recertifying every 6 months.

¹³ As noted earlier, the in-person visit requirement for recertification has changed in both states. In

It is important to recognize that the recertification process is closely linked with the requirement that parents report any changes in circumstances (e.g., change in income, work hours, etc.) in between their recertifications (see next section for more on this requirement). Both these requirements are designed to ensure that agencies are aware of any changes in parents' eligibility that affect the subsidy (in terms of parents' eligibility for the subsidy as well as parent fee). One challenge subsidy agencies face is determining how often they want parents to contact caseworkers to ensure that parents continue to be eligible and pay the correct portion of the cost of care.

Respondents reported several strategies the study states had implemented to help ease the complexity of the recertification process:

- setting the authorization period at 12 months;
- sending reminders of recertification deadlines; and
- giving grace periods for parents to recertify after their recertification deadline.

As with the strategies for the application process, the strategies related to recertification did not focus on simplifying the process itself. Instead, they were intended to either decrease how frequently parents had to recertify or reduce the number of individuals who did not recertify (through reminders or an additional grace period after the authorization ends). With the exception of setting the authorization period at 12 months, these strategies appeared to have few if any drawbacks for agencies. As will be discussed below, respondents suggested that 12-month authorization periods may leave more opportunities for improper payments to occur.

Twelve-month authorizations. One method for simplifying the recertification process is making it more infrequent. This approach has precedents in other federal programs—for example, both food stamps and Head Start grant 12-month authorizations. While most study states had a 6-month authorization, Michigan and Ohio had 12-month authorizations, and Illinois had 12-month authorizations for some families (table 6).¹⁴ This longer authorization was viewed as less burdensome on parents since they would be required to complete the recertification process only once a year. It also could lessen staff burden since staff would have fewer instances each year where they had to process their clients' recertification. In fact, one Michigan respondent

Indiana, the new policy gave local agencies discretion on whether parents had to meet with their workers in person. In Wisconsin, in-person visits were no longer going to be required.

¹⁴ Illinois granted 12-month authorization periods for children in collaboratively funded slots with Head Start and pre-K programs.

noted that the reason the agency implemented a 12-month authorization period (from a 6-month period) was because of a staff shortage.

At the same time, many respondents voiced concerns about the potential for improper payment with this longer authorization period since requiring recertifications more frequently could maximize the accuracy of the subsidy. While shorter authorizations were beneficial from an improper payment standpoint for the agency, some respondents noted that they could be beneficial for parents as well, since authorizations meant there were shorter periods where parents could be receiving subsidies they were not eligible for (which could happen if they did not report changes that affected their eligibility). As a result, the potential of parents having to pay back large overpayments could be reduced (though it appears agencies vary in the strength of their efforts to recoup overpayments).

Concerns about possible improper payments seemed the main reason most study states were reluctant to have authorizations longer than 6 months. One respondent in Michigan (a state with a 12-month authorization) preferred the 6-month authorization length because of concerns around improper payments:

When you open a case and you leave that authorization on for 12 months, and you don't look at it again for 12 months, a lot of changes can take place in that family's household that don't get reported to you until that 12-month review. And I think that there's a risk for having more fraudulent cases and more inaccurate cases and inaccurate payments that are going out, so I think there's a real risk with waiting the 12 months...you know these families for the low-income day care, you know they're not in real steady jobs, a lot of them.

Respondents (even in places with longer recertifications) generally liked the idea of having parents recertify every 6 months (as opposed to longer or shorter periods) and felt that this policy achieved a good balance between keeping things “family friendly” while minimizing the potential for improper payments. Even in Ohio, where the longest authorization length was 12 months, agencies were required to conduct a co-pay review at the 6-month mark, so they still checked in with families at some point during the 12 months.

How this co-pay review was handled varied. In some localities, it could look very similar to the 12-month recertification process, in that parents needed to verify their income by submitting pay stubs (though they were not required to complete a recertification application). In other localities, this review did not include any parent involvement; agency staff looked at files for the other programs the family was enrolled in, such as cash assistance or food stamps. Respondents

noted that the 6-month co-pay review was implemented because of concerns that waiting the full 12-month authorization period could lead to large spikes in co-payments that could be very challenging for families. The state agency gave localities the ability to determine their own co-pay review process because of concerns about the additional workload the review would entail. One respondent reported, however, that local agencies usually treated the 6-month review as a recertification review. Ohio respondents liked the review policy because it was a “low-key” process that gave them the opportunity to check in with parents within a 12-month period. One local administrator also thought that even though the 6-month review was a little more work than if co-pays were adjusted only at the 12-month mark, the review led to fewer overpayments and therefore workers spent less time recouping overpayments.

Overall, having a 12-month authorization period was one way to reduce how frequently parents had to recertify, benefiting both parents and staff. However, some study states appeared reluctant to set 12-month authorizations. As will be discussed more in the next section, some states seemed to be looking at other ways of reducing the overall frequency of contact between parent and worker by minimizing reporting requirements around changes in circumstances.

Recertification reminders. Reminders of recertification deadlines can be a helpful strategy for parents to keep their subsidy. All the study states required their local agencies to notify parents of their recertification deadline at some point (table 7), although the states varied on when and how often they did this:

- Illinois, Indiana, Iowa, Ohio, and Wisconsin had state policies that required a recertification reminder or recertification materials be sent out before the recertification deadline. These notifications were sent 30–45 days before the end of authorization, though in Wisconsin two reminders were sent out: one 45 days before and another on the 15th of the month of end date.
- Michigan and Minnesota had no specific time frame for sending out notifications at the state level. In Minnesota, this decision was left up to local agencies.¹⁵
- Iowa also informed parents of their recertification deadline on their authorization form.

¹⁵ With the implementation of its new payment system, Minnesota will start to send out recertification reminders 45 days before the end of parents' authorizations.

Table 7. Recertification Notification Requirements, May 2005

State	Are local agencies required to notify <i>parents</i> of their recertification deadlines?	When are parents notified?	Are local agencies required to notify child care <i>providers</i> about parents' recertification deadline?
Illinois	Yes, by mail	Approximately 6 weeks before the subsidy end date	No
Indiana	Yes, by mail	30 days before the subsidy end date	No ^a
Iowa	Yes, by mail	30 days before the subsidy end date	Yes, by mail
Michigan	Yes, by mail	No set time frame	No
Minnesota	Yes, by mail	Varies by county	Yes, by mail ^b
Ohio	Yes, by mail	No later than the first day of the 12th month of the family's current eligibility period	No
Wisconsin	Yes, by mail	14 days	Yes, by mail ^b

^a An authorization form (voucher) is given to the provider at the time of enrollment that includes the beginning and end dates of the authorization. The automated payment system also makes this information available to providers.

^b Providers are notified 14 days (15 in Minnesota) before the subsidy end date.

Another way of reminding parents about recertifications is through providers. Providers see parents frequently, giving them the opportunity to remind parents. They also have a monetary incentive for helping parents to keep their subsidies, since their payments depend on it. As a result, it can be very useful for states to involve providers in the recertification process (Adams and Snyder 2003). Agencies in our study took three different approaches to notify providers of parents' recertification date:

- In Wisconsin, providers were sent the same notification as parents; the notification explained that their subsidy would be ending if the parent did not complete the recertification process in 14 days.¹⁶

¹⁶ Parents were also sent a reminder 45 days before the end of the authorization. Providers were not sent a copy of this notification.

- In Iowa and Indiana, providers were sent a copy of the parent's authorization with the recertification deadline posted on it. Indiana also granted providers access to the state automated payment system listing the dates of recertification.
- One local agency in Indiana had developed an e-mail list of providers caring for subsidized children in their area.¹⁷ Every month, providers received e-mails with names of families that needed to recertify and their end date. A local respondent noted that larger centers found this service very helpful, but smaller providers did not have e-mail addresses so could not use it. Some providers had asked the agency to mail information instead, but the agency was unable to do that given staffing constraints.

In addition to sending out reminders before the end of the authorization, respondents in three states—Iowa, Minnesota, and Ohio—reported that local agencies were required to notify parents if they did not have all the documentation needed to process the notification. In Iowa, if a parent returned incomplete recertification information, workers sent a request for the needed information, allowing 10 days for its return. In both Minnesota and Ohio, workers needed to send parents a notice giving them 15 days to respond. Additionally, all the states reported that they informed families whether the recertification was approved or denied.

Although we did not discuss these issues in depth with our respondents, notifications can be beneficial to both parents and child care providers to ensure that parents recertify their subsidies. One issue to consider is the proper time frame for sending out these notifications. One local respondent in Indiana noted that the agency sent out notifications even earlier than state policy dictated. The agency did this because it found it needed to reschedule appointments with parents an average of two times before parents could actually make an in-person visit. As a consequence, it worked better for the agency to start reminders earlier. Another issue is ensuring that notices are sent out and received by parents and providers. Research indicates that parents and providers sometimes report that they do not receive these notices (Adams et al. 2002, 2003). These issues are worth further exploration.

Grace period before termination. Granting a grace period to submit recertification materials after the recertification deadline is another strategy that can support parents. With this policy, agencies can give parents extra time to comply with subsidy rules, helping parents avoid termination or gaps in services between authorizations (see section on minimizing subsidy

¹⁷ The use of e-mail to convey information was also used in Illinois where change information could be submitted by e-mail. One respondent in Illinois said e-mail was used mostly by providers.

breaks). States in this study varied on what they did if parents failed to recertify in a timely fashion. Michigan and Ohio granted parents a grace period to hand in their recertification materials after the recertification deadline. Parents in Michigan were mailed a notice after their deadline had passed and they failed to recertify. They were given 12 days to hand in their recertification materials before their case was closed and their authorization ended. Likewise in Ohio, parents were sent a notice explaining that their case would be terminated if they did not respond within 15 days.

Similar to granting grace periods, a few states (Illinois, Iowa, and Wisconsin) retroactively authorized subsidies and allowed for the recertification to be completed after the deadline if the parent handed in partial materials or the agency could not schedule a timely review by the recertification date. For instance, Iowa gave parents an extra 10 days to submit missing materials and then backdated the recertification to the end of the authorization. If parents in Illinois handed in their recertification materials within 30 days of their authorization ending, the subsidy could be backdated as long as they were still eligible. Parents in Wisconsin could request a review within 30 days of their case closing and have eligibility backdated so there was no gap. Workers in Wisconsin could also override the recertification date if they were unable to schedule a review before the end of the authorization.

Simplifying Reporting Requirements

In addition to completing the recertification process, parents need to report any changes that can affect their eligibility for child care subsidies, co-payment, or hours of care needed between their recertifications. Unlike recertification, which parents must complete or their subsidies will end, reporting interim changes, while a requirement, has few immediate repercussions if parents fail to report. Respondents noted that parents often did not report changes or did not report them in a timely manner. Respondents thought this happened because the process of reporting changes was too complicated for families or parents didn't want the agency to know about their change. Some study states were working to make it easy for parents to report changes while still controlling for the level of improper payments.

In all the study states, parents were required to report at least some changes in income, a change in jobs, and changes in their household size. Additionally, in all states (except Ohio), parents were required to report a change in their work hours or a job loss. Parents were required to submit (by mail or fax) verification of a change in their work hours or pay through

either pay stubs, a statement from their employer, or both (table 8). They needed to report these changes within 10 calendar days (though Illinois required them to be reported within 5 calendar days). While policies varied somewhat, if these changes were not reported in a timely fashion, subsidy agencies might recoup payments from parents or terminate the subsidy. Termination would occur if the parent did not report due to either ineligibility resulting from a change or deliberately withholding of information. Generally, the requirements around reporting changes did not differ for families receiving TANF, though Illinois and Indiana reported that the parents were not responsible to report information to their child care workers. Instead, information about changes was shared between the TANF-employment worker and the child care worker.

While the study states did not diverge much on when and what they wanted parents to report, some states had implemented strategies to simplify this process. In addition to efforts to link data systems discussed earlier (which can reduce the number of workers to whom parents need to report changes), strategies to simplify reporting requirements included

- requiring parents to report only changes that would result in a loss of service need or a change in eligibility;
- adjusting subsidies only with some changes reported;
- creating simplified change forms;
- having workers visit providers to process changes; and
- developing “change centers” for easier reporting of changes.

These strategies focused on two issues: first, trying to minimize the types of reporting requirements that result in a change in subsidy; and second, simplifying the actual process of reporting the change for parents. As will be discussed below, all these strategies have potential benefits for parents and staff. Most also have few, if any, negative implications for improper payments—with the possible exception of efforts to minimize what types of changes need to be reported and adjusted for. These policies reflect interest in rethinking how agencies handle these reporting requirements to reduce parent and administrative burden, which may ultimately result in overall cost savings for the agency.

Table 8. Interim Change Reporting Requirements, May 2005

State	What are allowable ways of submitting change forms and supporting documents for the job-related changes above?					Does the state require local agencies to provide each option?	What supporting documents are required to report the following changes?			How long do families have to report changes?	Is the process of reporting job-related changes different for families receiving TANF?
	In person	Mail	Fax	E-mail/Internet	Other		Job loss?	Work hours?	Change in income?		
Illinois	x	x	x	x		Yes	None	Pay stubs	Pay stubs	5 calendar days	Yes
Indiana	x	x	x	x		Local discretion	None	Pay stubs, statement from employer, official school schedule	Pay stubs, statement from employer	10 calendar days	Yes. Information is shared between the CCDF and TANF workers.
Iowa	x	x	x				None	Pay stubs	Pay stubs	10 calendar days	No
Michigan	x	x	x			Yes	May require verification of job loss, depending on circumstances	Pay stubs or statement from employer	Pay stubs or statement from employer	10 calendar days	No
Minnesota	x	x	x	x	By phone	Local discretion	Verification of last day from employer (letter, form, etc.)	Pay stubs or statement from employer	Pay stubs or statement from employer	10 calendar days	No
Ohio	x	x	x	x		Local discretion	Verification from employer (letter, form, etc.)	Verification from employer (letter, form, etc.)	Verification from employer (letter, form, pay stub, etc.)	10 calendar days	No
Wisconsin	x	x	x			Local discretion	None (though some agencies ask for verification of last day from employer)	Pay stubs or statement from employer	Pay stubs or statement from employer	10 calendar days	No

Requiring parents to report only changes that would result in a loss of service need or a change in eligibility. One strategy for simplifying the reporting requirements is to only require parents to report changes if these changes would result in a significant adjustment to the subsidy in some way (such as termination). Indiana and Wisconsin had policies that allowed parents to report changes only under certain circumstances—though the types of changes parents had to report varied. Parents in Wisconsin only had to report changes in income when their income increased by \$250 or more, or decreased by \$100 or more, a month.

Of the two states with this type of policy, Indiana's was more generous to families; parents only had to report changes in between recertifications that resulted in a "loss of service" (i.e., they were no longer eligible for the subsidy because of job loss or the child no longer needed care). This policy was implemented in October 2005. One respondent explained that the policy was designed to help families "get their feet on the ground so that they can stay self-sufficient." She also explained that a driving force behind the policy was to create a more cost-effective process. In the past, families were reporting small changes in income that didn't affect their eligibility—since they were so low on the poverty level—so "it really just kind of made work for everybody only to find out that they were probably still eligible...maybe they had a little increase in co-pay but a lot of times that...didn't even happen." This was a particular issue because locally contracted subsidy agencies received very little money per case each month, so the processing of all the reported changes was making it difficult to run an efficient business. At the same time, this policy meant that agencies had to accept that parents might be paying a lower co-payment than their income might indicate because they were not required to report certain changes. While this concerned one respondent, it also meant fewer parent requirements, benefiting the parent and the agencies, which could focus on other issues.

The idea of requiring parents to report only changes that would result in them no longer being eligible appealed to some respondents in other states as well because of the dynamic nature of their parents' employment (that meant parents had to report many changes and workers had to process many change requests) and the fact that many parents were not reporting changes. For example, two local respondents suggested they would like child care to be more like the Food Stamps program, which required parents to report a change only if it meant they would be over the income eligibility limit. One respondent reasoned, "I think maybe that's something that we should maybe take a look at...if you're losing the battle on reporting changes and you think you're creating...improper payments because of that...I'm starting to see the light of the day...maybe you ought to limit when they (parents) need to report a change." She didn't think

child care could completely eliminate the requirement to report changes due to co-payments, but felt they could identify one or two thresholds where parents needed to report. Another respondent noted that most changes reported were job changes: “[parents were] going from job to job to job,” but their income wasn’t fluctuating much. Therefore, she thought it would be helpful to have parents report only if they completely lost their job or had large fluctuations in their incomes.

Additionally, a state respondent thought that having parents only report changes that resulted in families losing eligibility was feasible in their state. Most families in the state had incomes below the federal poverty level, so they were unlikely to have huge changes that would make them ineligible; most didn’t have co-payments; and most remained eligible for the full six months. Further, the respondent thought that even if a family had a major job change (such as one that would increase the co-pay significantly or make the family ineligible for subsidies), allowing the family to have child care for a few extra months was an important work support; it offered stability as the parent segued into a new job.

These types of policies can be beneficial both to parents (who have fewer reporting requirements) and to staff (who have fewer changes to process). However, these policies also mean there will likely be times when parents are paying a smaller portion of child care costs than they should. While this may be less than ideal from a financial perspective, given the limited available funding that many agencies face, it may still be cost-effective if it leads to a greater overall “savings” for the agency since it will not have to pay for processing changes—or pursuing overpayments if it finds parents are paying a lower portion of the cost of care than they should be. These issues are worth further exploration.

Adjusting subsidies only with some reported changes. Another related strategy, which primarily affects staff workloads, is to continue to require parents to report all interim changes but to not require workers to process all changes reported by parents. For example, workers in Iowa were not required to adjust subsidies when minor changes occurred. If a worker saw that a change in a family’s income or work schedule was not going to affect the number of units of care needed (Iowa authorizes care in units of five hours), the worker was not required to update the subsidy. The state created this policy to cut down on worker burden and relieve some pressure from parents. Although not discussed by respondents, it would also seem to benefit providers, who would not have to regularly adjust the co-pay they needed to collect from the parent.

A slightly different strategy used in Ohio was to not adjust co-payments when changes were reported (see earlier discussion of this policy). Parents were still required to report changes in between authorizations and, if found ineligible, could lose their subsidies. But co-payments were only adjusted at the 6-month (during the co-pay review) and 12-month (during the recertification) marks.

Creating simplified change forms. Sometimes states require parents to complete a new recertification when changes are reported if it affects their authorization. For instance, one Illinois respondent explained that 60 percent of the time that a change was reported, a new redetermination was required. Given how frequently some families underwent changes, this policy could mean families were required to recertify often, which could be burdensome. Minnesota tried to deal with this issue by passing legislation that allowed families to fill out a simplified change form instead of recertifying. This change reduced paperwork for both parents and workers. The only drawback that respondents could think of was that there may be another change that agencies would catch with the full redetermination form but would be overlooked with the shorter change form, ultimately resulting in an overpayment.

Having workers visit providers to process changes. One local agency in Illinois reported that it occasionally set up times where workers visited a particular provider to process paperwork for families. This was done on an as-needed basis—for example, when a big center was closing, workers went to the center to meet with parents to change their providers.¹⁸ The local respondent in this locality felt that having workers go to the providers made things a lot easier for parents (who needed to visit the providers anyway) and for workers—and was cost-effective for the office overall. She noted, “when I look at a staff person that gets 30 provider changes received and know that they’re completed correctly in an hour versus getting them all through the period of the week and having some not being signed and some not having the right information, [I know] it’s been very cost-effective.”

Developing “change centers” for easier reporting of changes. Another potential challenge with reporting changes for parents is being able to get in touch with staff to report changes. As noted earlier, sometimes getting in touch with staff can be difficult. As a consequence, a few local agencies in Wisconsin developed “change centers” that parents could call to report their changes for all the services they received (including child care) instead of having to call their

caseworkers. The rationale for creating the centers was to give parents a more effective way of reporting changes rather than trying to get in touch with their caseworker, as well as to ease the workload of caseworkers.

Respondents from two change centers—one from a larger county and one from a smaller county in Wisconsin—discussed their strategy for creating these centers. One agency said that it decided to create a change center when its caseloads more than doubled within a few years without enough staff to keep up with caseload growth. To assist workers spending too much time processing changes and requests, the local agency had decided to implement the center. The other agency had decided to implement its own change center to try to reduce the number of improper payments by having a more efficient way of collecting change information.

Parents were required to either call these change centers to report changes or mail change information. The centers were typically open from 8:00 am to 4:00 pm Mondays through Fridays. When parents reported changes, change center workers made adjustments to the parents' files on the agency's web-based file system. The change center worker then made any changes to the authorization if needed. The caseworkers would only be informed of changes if necessary, such as if the family were no longer be eligible or if it moved to a new county.

Respondents from the change centers felt that the benefit of having the center was that parent complaints had “drastically” decreased. Parents were more likely to have their calls answered and answered quickly (waiting only 10 minutes versus waiting for their worker to call them back). It also freed up more time for caseworkers to focus on other aspects of parents' cases (such as processing application or recertification paperwork). Respondents also noticed that food stamp error rates dropped as a result of the change center. They thought that it was likely that error rates for other programs (like child care) had also declined. One respondent also noted that the centers were cost-effective to implement, costing only \$35,000 in start-up costs.

In terms of challenges, the call-center respondents disliked that so many of the calls they received (about 60 percent) were parent questions about subsidies and not changes parents needed to report. Respondents recognized that answering these calls alleviated some of the burden from caseworkers, but they were afraid that this might tie up the phone line for a parent trying to get through to report a change. Respondents were also worried that the call center

¹⁸ The local respondent also noted that the agency has had workers go to pre-kindergarten and Head Start screening events so children could also be screened for child care subsidy eligibility, since children enrolled in pre-kindergarten or Head Start would need wraparound child care.

might be “impersonal” and cause caseworkers to lose touch with their parents. This did not seem to be a large concern, however, considering most caseworkers carried high caseloads, so they likely were unable to stay in touch with parents even if they were processing change information.

Minimizing Subsidy Breaks

To continue receiving subsidies, parents need to participate in work or a work-related activity for the number of hours required, stay within the income eligibility guidelines, and successfully complete ongoing requirements (like recertification). Any changes—even temporary—to these three things might mean parents lose subsidies, depending on how eligibility is defined in the state. These issues can be particularly challenging when parents experience short-term or temporary changes that can affect eligibility—such as a change in employment status, a spike in income over the holidays, or a temporary health problem—because it can mean parents lose their subsidies even though they may become re-eligible in a short time. This may result in parents permanently losing subsidies (in cases where parents have to go on a waiting list to re-enter the subsidy system) or parents going in and out of the subsidy program as their eligibility shifts. While this can be challenging for parents, it can also be difficult for subsidy agencies since it can mean additional paperwork and processing. Children and providers can also be affected if the child has to leave care (because the parent is unable to pay for care) when the parent loses eligibility, or if the provider chooses to keep on serving the child at significantly reduced payment levels.

All seven midwestern states in the study had policies to minimize breaks due to temporary changes in circumstances. In particular, they used one or more of the following strategies:

- continuing payments during gaps in employment;
- continuing payments when parent is on medical leave or medically incapacitated
- ignoring temporary increases in income;
- backdating subsidies to avoid short breaks between authorizations;
- temporarily suspending subsidy payments when parents are temporarily ineligible or do not need care; and
- continuing payments when families change eligibility categories.

In some situations, states redefined eligibility, or how they measured work or income, so parents could still be considered eligible and therefore could continue to receive subsidies despite the

temporary change in circumstances. In other situations, states temporarily suspended the actual payment of the subsidy, but allowed parents to maintain their *eligibility* (to keep families in the system so they didn't need to reapply). While this approach did not have the benefit of allowing parents to keep their providers, it did allow them to avoid a waiting list (in states with waiting lists) and the logistical challenges of reapplying—and it allowed the state to avoid a potential improper payment.

We describe each of these strategies below. All the strategies have clear benefits for parents because they help parents avoid losing subsidies. In addition, most strategies appear to have surprisingly few trade-offs. Very few strategies were overly burdensome for workers (although sometimes the policies could be confusing), and no respondents had any improper payment concerns with these policies. Below we outline the types of breaks that parents can experience, the policies that subsidy agencies have developed to deal with these breaks, and the benefits and challenges with these approaches.

Gaps in employment. One of the most common temporary changes in circumstance that can affect eligibility is the loss of a job. For many families, the loss of a job may only be temporary, and parents may quickly find new employment. One way that states can support parents is through providing subsidies during a period of job search, so parents don't lose their subsidies during this time (Adams et al. 2002). As noted above, states under federal law are allowed to include job search under their definition of what “working” includes within their state plan. Five states (Illinois, Indiana, Iowa, Minnesota, and Ohio) surveyed indicated that they provided subsidies during job search for both families receiving TANF (for whom job search can be a work-related activity required for TANF receipt) and for non-TANF families (table 9).¹⁹

The amount of time parents were allowed to receive subsidies for job search varied slightly. TANF families were granted subsidies for as long as job search was considered an approved activity in their employment program, except in Illinois, where TANF families were given 30 days for job search. For non-TANF families, each of the six states granted 30 days (Minnesota defined it as 240 hours) for a parent's job search, though this period within which the job search must occur was defined slightly differently across these states. Both Iowa and Minnesota reported that they granted 30 days of care over a 12-month period, while Indiana said it granted 30 days of care over a 6-month period. Additionally, Ohio put the stipulation that parents must

be able to show that their employment will restart in 30 days to receive subsidies during this time.

Table 9. Job Search Subsidy Policies (as of May 2005)

State	Can TANF parents receive child care subsidies during job search? If yes, for how long?	Can non-TANF parents receive child care subsidies during job search? If yes, for how long?
Illinois	Yes, 30 calendar days	Yes, 30 calendar days
Indiana	Yes, as long as job search remains an approved activity	Yes, up to 30 cumulative days in a six month period can be allowed for job search activities
Iowa	Yes, as long as job search remains an approved activity	Yes, for one 30-day consecutive period (or a calendar month, whichever is longer) in a 12-month period
Michigan	Yes, as long as job search remains an approved activity	No
Minnesota	Yes, as long as job search remains an approved activity (or 240 hours per calendar year for TANF parents without an approved employment plan)	Yes, 240 hours in a calendar year
Ohio	Yes, as long as job search remains an approved activity (otherwise up to two weeks)	Yes, up to 30 days if known employment will begin within this time
Wisconsin	Yes, as long as job search remains an approved activity	No

Medical leave. Another temporary change in circumstance that can affect eligibility is if a parent cannot work temporarily because of a medical condition. Six states (Illinois, Indiana, Iowa, Michigan,²⁰ Minnesota, and Wisconsin) offered subsidies for parents if they were on medical leave or medically incapacitated. Through this policy, parents who were recovering from surgery, ill, or (in some cases) on maternity leave were able to receive subsidies—if they could provide the subsidy agency with verification from their doctor that they could not work or care for their child. The amount of time states granted for medical leave varied. The range was from one

¹⁹ Michigan and Wisconsin offered subsidies during job search for families receiving TANF. Additionally, Wisconsin offered subsidies during job search to families participating in the Food Stamp Employment and Training program, a work program that families receiving food stamps were required to participate in.

²⁰ Michigan would continue subsidies for parents that verified they could not care for their child because of a physical, mental, or emotional condition for which they were receiving treatment.

month (in Minnesota)²¹ to six weeks (in Illinois and Wisconsin) to three months (in Indiana) to an undefined period (in Michigan and Iowa).²²

States authorized payments for medical leave either through establishing additional eligibility criteria, considering it a child protective measure, or a combination of these two approaches. For instance, both Iowa and Michigan established additional eligibility categories for parents who experienced hospitalization, physical illness, or mental illness or for those who were “unable to provide care” because of a physical, mental, or emotional condition for which treatment was being received. Michigan also considered subsidies granted for medical leave as a form of “family preservation.” Likewise, while Wisconsin did not create an additional eligibility category for these families, the state defined protective services to include a child who might be at risk of child abuse or neglect if he or she had “a parent who [was] hospitalized or otherwise unable to provide adequate care.”²³

Respondents in Iowa were particularly positive about their medical incapacity policy and had recently expanded the policy so more medical issues (such as recovering from giving birth) would qualify under the policy. Respondents thought the new policy was very helpful for parents and easy to administer. One respondent noted, “[The state] had the most bizarre rules that were applied to families, and we wouldn’t apply these rules to ourselves...we would take the kids to day care if we couldn’t take care of the children, so why shouldn’t these families also?” None of the respondents had any concerns about improper payments with this policy, since they required a doctor’s verification of illness or injury.

Short-term increases in income. Some respondents noted that parents can occasionally experience a short-term increase in their income—such as earning overtime pay during the holidays or having an extra paycheck during the month—that may (depending on how income is counted) place them temporarily over the eligibility limit. Some subsidy agencies in our study had taken steps to minimize the likelihood that such temporary fluctuations in income could create a break in subsidy. For example, Iowa adjusted its income eligibility requirements so it did not have to count the third (if paid biweekly) or fifth (if paid weekly) paychecks that could occur in certain months. Workers were allowed to overlook the extra income if it was not typical

²¹ The one-month of full-time care may be spread out over a three-month period.

²² In Michigan and Iowa, the time a parent could receive subsidies was based on the doctor’s verification. In Illinois, subsidy eligibility could be extended beyond six weeks with a doctor’s verification.

²³ Wisconsin used specific grant money to serve children needing protective services, so federal dollars were not used for this purpose.

and made sure not to terminate the parent's subsidy. One respondent noted, "It's unfair to cancel them [subsidies], just to open them up the next month." The state decided to change the policy because it seemed like "bureaucratic nonsense" to close a case one month just to have parents reapply the next. This policy appeared to benefit parents (who did not lose their subsidies) and staff (who did not have to process as many re-applications). In Michigan, one local agency respondent noted that workers could allow parents to keep their subsidy when they had extra income as long as the parent could verify that this situation was temporary. Workers would average the income parents earned to determine the authorization.

Minnesota had a slightly different policy: workers could place families with temporary spikes in income in a "temporary ineligible" category (see below for more information on this), where families do not receive subsidy payments but their subsidy was put on hold for up to 90 days when they were assumed to become eligible again. While this policy did not allow parents to continue to receive subsidies during this time (which could cause problems with the stability of the child care arrangement if the parent was unable to pay for care and the provider was unwilling to provide care for free), respondents thought the policy had helped parents avoid reapplying and being put on the waiting list.

Breaks between recertifications. As mentioned earlier, many study states had policies that allowed workers to backdate subsidy authorizations so families' eligibility for subsidies could start earlier than the day the subsidy was processed as long as the family was eligible from that earlier date. Another form of backdating is to backdate reauthorizations so there is no break in services between authorizations. These breaks could occur if parents do not recertify on time or there are delays in processing the recertification. While it is not completely clear the extent to which workers were allowed to backdate recertifications in the study states, some states allowed for this possibility. As noted earlier, Iowa, Illinois, and Wisconsin reported that workers could backdate reauthorizations—up to 10 days in Iowa and 30 days in Illinois and Wisconsin.

As discussed earlier, there are clear benefits to backdating for parents (particularly in this case, where it means parents do not experience a break in service) and is not an overly burdensome policy for workers. But the availability of backdating may discourage families from handing in their materials in on time, thus jeopardizing their subsidy.

Subsidy suspension. Parents may also find that they experience periods where they no longer need care for their children (though they remain income-eligible)—for example, if they are going

on vacation, their child will be visiting the other parent, they aren't working or in school during breaks in school semesters, or they are waiting to start a new job. In these cases, Indiana, Michigan, Minnesota, and Ohio set policies that allowed parents to suspend their subsidy for a certain amount of time—where parents did not receive payments but were still considered eligible. The amount of time subsidies were allowed to be suspended varied: Ohio allowed 30 days, Indiana allowed 12 weeks, and Minnesota allowed up to one year.

Most respondents felt the policies around subsidy suspension—also called approved leave—worked well for families and were easy to administer. The policy saved parents from having to reapply or being subjected to waiting lists to receive their subsidies again. One respondent also explained that before the agency allowed subsidy suspension that could cover semester breaks, the agency found that a lot of teen parents' subsidies were terminated (since they were not in school) and they weren't returning to school after losing their subsidy.

In terms of challenges, temporary subsidy suspension sometimes can be difficult for agencies since parents may not report the change that would trigger this status. However, once the agency is aware of parents' needs to suspend subsidies, parents do not need to do anything else. Another difficulty for the subsidy agency is negotiating with child care providers for the suspension. Providers want to be compensated to hold the child's slot during the suspension period, but subsidy agencies (in most cases) cannot pay to keep the slot. Therefore, this often ends up as an out-of-pocket expense for parents while their subsidy is suspended or they lose their slot with their provider.

Changing eligibility categories. Another, slightly different challenge is how to handle other changes that do not necessarily alter a family's eligibility for subsidies but alter its eligibility category in some way (e.g., moving from being a “transitional” family that has just left welfare to a low-income family) and ultimately can result in the loss of subsidies if the new category has a waiting list. Minnesota implemented two policies to try to avoid parents losing subsidies so they did not have to go onto the state's waiting list to regain benefits.

The “transition year extension” was intended to avoid a subsidy break that could occur when parents finished their transition year of subsidies (after leaving welfare) due to insufficient funds in their low-income subsidy program (basic sliding fee scale program). Basically, this extension allowed parents to continue to receive subsidies indefinitely until they could be accepted into the sliding-fee program. This was beneficial for parents because it meant they would not be placed

on the waiting list for the basic sliding-fee scale program once they finished their transition year. Respondents noted that the worker was responsible for placing parents in this category, so the process was seamless for parents. However, one respondent saw the extension as an unnecessary step that could be confusing for workers, and felt it made more sense to fully fund the basic sliding-fee program.

The “portability pool” policy allowed families in Minnesota that moved from a county where they were receiving a child care subsidy to a county with a waiting list to continue receiving subsidies while they waited to get on the program in their new county.²⁴ Parents could receive up to two full months of child care paid by their old county of residence and up to six full months of child care paid through portability pool funds. To be eligible for this policy, parents needed to inform the subsidy agency in their current county of residence; the agency then gave parents 60 days to notify the subsidy agency in their new county of residence of the move. Respondents felt that this policy worked fairly well and helped parents keep their subsidies when they moved. But they felt there were several challenges, including that the policy required parents to know about the policy and take several steps to continue to receive their subsidies. Respondents noted that families could have a hard time following through with requirements to get this funding. Additionally, sometimes the waiting list in the parents’ new county was very long, and families might still be forced to go on the waiting list when the portability pool funds ran out after six months. It was also burdensome for workers to keep track of these parents and tedious for them to remind parents to apply for subsidies in their new county and when their pre-move subsidy was ending.

²⁴ Some other study states also had policies to assist parents moving to a new county. In four study states (Illinois, Iowa, Michigan, and Ohio), agencies transferred the case record (which included all the family’s information) to the new county. In Ohio, however, parents were still required to complete a new application. Additionally, in Wisconsin, a move to a new county required the family to reapply for child care.

Assisting Parents with Fluctuating or Nontraditional Work Schedules

Workers with nontraditional hours are a significant part of the low-wage workforce. Nationally, two in five of all employed Americans work most of their hours in the evenings or nights, work a rotating schedule, or work on weekends (Presser 2003). The incidence of nontraditional work schedules is particularly high among the workforce that is likely to need child care assistance (i.e., low-wage workers, single mothers, and families with young children). Dr. Harriet Presser of the University of Maryland estimates that half of low-income mothers have jobs that require working most hours in the evening, night, or weekends. Additionally, respondents in our study noted that many subsidized parents in their states had variable or nontraditional work schedules—one state respondent estimated that in one of their largest counties, as many as 77 percent of families receiving child care subsidies had fluctuating work hours.

Families with fluctuating or nontraditional work hours can face additional barriers accessing and retaining child care subsidies because of their work schedules. Respondents reported that their agencies struggled with serving this population. Subsidy policies are often designed for workers with more traditional work patterns so parents with fluctuating or nontraditional work schedules can present a number of unique challenges:

- *Authorizing care:* One of the biggest challenges for agencies with parents with fluctuating or nontraditional work schedules is how to determine the number of hours of care to authorize. For families with fluctuating work hours, it can be difficult to determine a parent's authorization because hours change from week to week. As one respondent noted, "That's one of the toughest things to get at is that whole fluctuating hours." Likewise, another respondent when asked if there were challenges in the state with these families joked, "Oh, none!" She continued, "That is one of the more challenging aspects of the case management part of what we do here, is trying to mesh the approval process and how many days of care you're authorizing for schedules that change so much ...it's a real nightmare." Additionally, for families working nontraditional hours, subsidy policies are usually strict about only providing child care subsidies during the time while the parent is working (and some time for transit), as it assumes that parents will be at home at night and able to sleep while their children are sleeping. However, parents who work night shifts may need someone to care for their child at night while they work and during the day while they sleep.

These issues have important implications for access and retention. They affect how well the subsidy reflects the family's needs, which can in turn influence whether it makes sense for an eligible family to get and keep a subsidy. For example, if authorized hours of care change from week to week as the parent's schedule changes, having a subsidy may be problematic for the family since it may not be able to find a provider willing to accept the subsidy under these circumstances. Additionally, if parents working nights can't get time to cover their sleep time, they may ultimately lose their job because they do not have the help paying for care that they need.

- *Frequent change reporting:* As noted earlier, parents have to report changes in circumstances to the subsidy agency. For parents with fluctuating work schedules, this can mean reporting hour and schedule changes frequently since they may change week to week. This frequent reporting can be burdensome for parents (creating enough burden to cause them to leave the system) and staff. Additionally, with shifting work patterns, parents can be eligible one week and then ineligible the following week, leading to a cycle of reapplying for subsidies.

Although the seven states are still grappling with how best to accommodate for this population of clients while still maintaining fiscal responsibility, they have implemented several strategies to assist families with fluctuating and nontraditional work hours. These strategies included

- creating more flexible authorization approaches;
- authorizing care for parents to sleep when working overnight shifts; and
- authorizing care for more than one provider.

The above strategies reflect the fact that states have begun to address the needs of the many low-income parents who are working in the service sector. However, finding ways to accommodate these families is a clear challenge for all the states in this study. This is an area where more research is needed to understand such issues as the pervasiveness of this issue (i.e., how many families in the subsidy system have this issue), what types of policies affect these families, how is access and retention of subsidies a special challenge for states in serving these families, and how providers are affected by these issues.

Creating more flexible authorization approaches. Authorizing a reasonable number of hours of care for parents with fluctuating schedules was a major challenge for the study states. To try to

accommodate shifts in work schedules, some study states designed more flexible authorization policies to try to minimize the need to frequently change the subsidy. Here are some examples:

- *Averaging hours:* All seven states averaged the number of hours parents worked over a certain period to create an authorization level for parents with fluctuating work schedules. Generally with this policy, parents were asked to submit pay stubs from the previous few weeks or month; workers would average the number of hours parents worked during this time to come up with an appropriate number of hours to authorize care for, allowing for flexibility in the number of hours worked. This average would then be authorized for the length of the parent's authorization, unless a significant change in schedule or employment took place.

Respondents thought that averaging hours was helpful for parents in that they could avoid being considered eligible one day and temporarily ineligible the next. One respondent noted, "We recognize that some people work 20 hours one week and 45 the next; it just happens. [There are] a lot of service industry folks and those hours [for these types of jobs] are highly flexible, so we're trying to help the worker to help the client so that we don't say 'well, this week you worked 20 hours so we're canceling [the subsidy] and next week you're working 45 which is okay.' I think that's just foolish, so we're trying to smooth out those bumps." Respondents also found this policy helpful in alleviating the administrative burden of constantly changing the parent's authorization.

However, some respondents thought that averaging hours could be problematic from an administrative (and financial) perspective since the state was potentially being billed for hours that the parent was not working. For instance, if the state determined a parent's authorization by averaging hours during December when a parent was likely to work a lot of overtime, the average may not represent the number of hours the parent usually worked (though agencies usually instructed workers to create a "best estimate" of hours even if this meant to look over a longer period to average hours.) At the same time, if the averaging were done correctly, it would also mean the state would sometimes be billed for fewer hours than the parent was working.

Averaging hours may also be challenging from the provider's perspective, as parents work more hours than the authorized number of hours some weeks, which the provider may or may not be able to charge for. This is likely to be a particular problem for providers who do

not have part-time rates—for whom accepting a lower payment is not possible because of staffing requirements. This could potentially affect the willingness of such providers to serve these families or families receiving subsidies in general. Illinois, Iowa, and Wisconsin gave providers flexibility to bill for more hours than authorized, which could accommodate parents who occasionally worked beyond the authorized number of hours. In two states, parents and providers generally needed to document that the parent was working these extra hours and care was provided for this time (Illinois does not require parents and providers to verify this). All the respondents who used this policy felt it was a very “family-friendly” and a “provider-friendly” policy. There were not concerns of fraud in those states that asked parents to verify the extra hours of care needed. In Illinois, however, where parents and providers were not asked to verify extra hours—in an effort to keep it simpler for parents—there were concerns that providers or parents might bill for more hours than they used.

- *Authorizing blocks of time:* Other states (Indiana, Iowa, Michigan, and a local agency in Wisconsin) took averaging hours a step further by averaging hours and then authorizing for broad blocks or units of care (e.g., full-time/part-time). With this strategy, workers averaged the number of hours parents work (plus transportation) in a given period then placed parents into an authorization category based on the total number of hours. For example, if the parent worked 30 hours a week and traveled 1 hour a day she could be given full-time care, while another parent who only worked 20 hours a week would be given part-time care. The advantage of this approach is that once parents are in that category, providers can charge for whatever hours the parents use care (within the range of hours for that authorization category).

Respondents had mixed feelings on this type of policy. One respondent from Michigan felt this policy was both flexible and easy for parents as well as workers, compared with their old authorization system where caseworkers authorized care by the exact number of hours the parent worked. Under the old system, the agency recalculated authorizations for the hours worked and travel time every biweekly pay period the parent worked, which was very burdensome. At the same time, another respondent in Michigan felt this authorization system allowed for fraud, since it allowed the provider to bill the maximum number of hours regardless of whether the child was there. A respondent in Iowa thought the way the agency authorized care worked since families only knew their schedule a week in advance and it would be too labor-intensive to authorize any other way. But the respondent also thought paying extra hours that the parent may not be working was “unfair to the taxpayer.” Although

these respondents noted some concerns about paying for more hours of care than the parent worked, it is important to note that this approach is consistent with the policies of many child care provider for their private-paying parents. Often, private-paying parents have to pay for full-time care even if the child is not in care full-time, as the provider must pay for full-time teachers, rent, and so on, even if a parent does not work a full day that day.

Authorizing care for parents to sleep when working overnight shifts. Sleep-time care for parents who work night shifts was authorized in five study states (Illinois, Michigan, Minnesota, Ohio, and Wisconsin) and could be given under special exceptions in another (Iowa). Details on how states authorize sleep-time care and the benefits and challenges of the policy were not consistently collected. Of those states that discussed this policy, however, it seemed the amount of sleep-time and how states authorized sleep-time care varied across states.

For parents in Illinois to be granted additional authorized hours for sleep-time during the day, the sleep time had to be consecutive with their work schedule and they had to be single parents. Families in one locality in Ohio were placed into a variable work schedule category for authorizations, which covered sleep-time for parents who worked night shifts. Parents in this category needed to submit their schedules to the provider, who attached the parent's schedule to the invoice submitted to the subsidy agency.

Michigan allowed for up to 100 hours of care for two weeks in their tier authorization system. Therefore, a parent could have had care for 40 hours a week to work and 7 hours a week for travel time to and from work, which left about 3 hours a week of sleep time for the parent. Respondents in this state acknowledged that while this policy offered parents some flexibility and help in providing care during sleep time—particularly parents who worked night shifts and had children in school—it didn't meet the needs of all parents. Depending on the options they had available, parents with young children could still have to pay out of pocket for child care provided while they were sleeping.

Authorizing care for more than one provider. Parents with fluctuating and nontraditional work schedules may need more than one provider to cover their child care needs. For example, parents with fluctuating work hours may use one provider if they work a day shift and another if they work a night shift. Parents who routinely work night shifts also most likely need more than one provider to provide care during the day and then at night. A state's ability to authorize care for more than one provider is, therefore, very important to these parents. All the states allowed

for parents to have more than one provider to accommodate for their work schedules, though consistent information on the details of state's policies and their experience in implementing the policy was not collected.

Most states felt that this policy was fairly straightforward to implement. However, having two providers could be difficult to coordinate, and possibly problematic for providers. For instance, respondents in Michigan noted that with their policy, the authorization hours were shared between the two providers but each provider was not limited in the amount of hours it charged to the agencies. As a consequence, whichever provider submitted its invoice first might use up most of the authorized hours, leaving the second provider with few, if any, hours it could be paid for.²⁵

²⁵ For example, if a parent is authorized for 100 hours of care and one provider submits an invoice for 75 hours, the second provider can only be paid for up to 25 hours.

Assisting Parents with Language Barriers

Families who are English Language Learners (ELL) also can face additional barriers with getting and keeping subsidies. One local respondent noted “these programs are very complex even for families whose primary language is English, so just imagine how difficult it is for families who don’t speak [English].... It’s really hard. I think there [are] a lot of difficulties because of language barriers.” The extent to which subsidy agencies can face this issue can vary by location, but it can be a significant challenge for some subsidy agencies.

Our conversations with respondents indicate that the main strategies used to support families with language barriers in the study states were

- making documents available in other languages;
- having translators available at local offices;
- requiring local agencies to provide information on how they accommodate these families; and
- developing computer programs that accommodate families with language barriers.

These strategies are also employed by other social service programs (Holcomb et al. 2003).

Many respondents felt that developing strategies to support access for families with language barriers was a more local issue. Based on the responses of local administrators, it seems the most useful areas of state support were in making sure documents were available in the appropriate languages, providing training as needed, and ensuring computer systems accommodated language information. All these strategies can benefit parents who are ELL and can help agencies be more efficient and effective in providing services to these families.

Making documents available in other languages. Respondents in all our states indicated that at least some of the child care subsidy forms were available in other languages, most often in Spanish. In some cases, these documents were developed by the state agency—in Michigan, for example, a work group met once a month to translate forms and documents for any localities. In other cases, local agencies developed these documents, which one respondent felt might be more cost-effective when the locality had a specific language need that other areas of the state did not have.²⁶ While having translated documents was seen as something important

²⁶ One local respondent noted that their agency had used an online service to translate information.

to accommodate families with language barriers, some respondents were skeptical about how helpful they were because many individuals might not be literate in their native language.

Having translators available at local offices. Most respondents indicated their agency (or, in the case of state respondents, agencies in their state) had some method for providing translators for families as needed. These translators were provided through having bilingual individuals on staff, having connections to other local organizations that could provide translators, or using a language telephone line (that would allow an individual and the worker to call in and have a conference call with an individual who spoke the potential client's native language). Respondents felt these measures were helpful and, for the most part, accommodated the needs in their communities, though a couple of respondents noted that it could take time to find an interpreter if none were available in the office (which could then cause a delay in getting services).

Requiring local agencies to provide information on how they accommodate ELL families. Indiana and Minnesota reported that they required local agencies to provide information on how they would deal with families with language barriers. In Minnesota, local agencies were required to submit a plan to the state with information about these issues. In Indiana, one respondent reported that local agencies submitting a proposal to get a subsidy contract needed to provide information about how they would support families with language barriers.

Creating computer programs that accommodate families with language barriers. A couple of respondents noted that one challenge with ELL families was making sure that computer systems could keep track of the native language for clients. This information is useful because it then ensures that documents are sent to families in the appropriate language. A local respondent in Minnesota noted that the state had recently changed its coding system to accommodate this information. This respondent also noted that another helpful recent change was making sure the computer fields could allow for longer names.

Conclusions

As the previous sections have shown, the study states are experimenting with a range of policies to support subsidy access and retention. Although there was variation in the number and types of strategies developed, supporting access and retention was in the minds of administrators in all the study states—despite differences across the states in program size, administrative approach, funding levels, and other aspects. Part of the interest in these issues reflects states' ongoing commitment to supporting families. Another part, however, appears to be because many of these strategies also meet other important agency goals—such as improving administrative efficiency and reducing improper payments. In fact, some strategies may well have been undertaken with other goals as the primary concern (for example, efforts to coordinate reporting and data systems across social service programs), but they had the added benefit of improving the process for parents.

The following provides an overview of the main themes to emerge from this research and some issues worth further exploration.

Main Themes

The policies developed by the study states indicate that there are many different ways to try to support families in their efforts to get and keep subsidies. There was quite a bit of variation in the approaches taken by the states—from broader strategies (e.g., how to get local agencies to provide good client service), to extremely technical (e.g., how to link data systems), to administrative structure-oriented (e.g., call centers, staffing approaches), to policies (e.g., how to define eligibility, what to require of parents when). Looking across these strategies, nine themes emerge:

- (1) *Policies to improve subsidy access and retention can also support other subsidy system goals and do not necessarily increase administrative burden or improper payments.*

While agencies can sometimes perceive that policies to support access and retention will increase improper payments or administrative burden, this study suggests that this does not have to be the case. Instead, the different policies described in this report involve a variety

of trade-offs—with some beneficial on multiple levels and others that involve decisions of one kind or another:

- Some strategies seem to reduce both client and administrative burden and may reduce improper payments—such as those that
 - create links with other social service programs (e.g., synchronizing recertification dates, combined applications);
 - improve customer service (e.g., local customer service plans, customer service surveys, dedicated customer service staff person, change centers);
 - reduce the potential for gaps in subsidy authorizations (e.g., subsidies for medical leave, backdating subsidies, subsidies for job search, ignoring short-term spikes in income);
 - use providers to assist with parents requirements;
 - support online applications; and
 - suspend subsidies for periods of ineligibility or when care is not needed.
- Other strategies—such as linking or coordinating computer systems—seem to have many benefits, though their major trade-off may be cost (at least in the short-term).
- Certain policies may support reductions in client and administrative burden but might increase improper payments (according to some respondents, though others disagreed). These include reducing or eliminating in-person visits, not requiring changes to be reported between reporting periods, and 12-month recertification periods.

Remember that our respondents reported these trade-offs; we were unable to assess how often these situations occurred. We were also unable to assess whether these strategies may have other costs or challenges that would make them more difficult to implement in practice.

(2) *Other social service and benefit programs are providing important links and models for child care subsidies.*

Other social service and benefit programs—such as food stamps, Medicaid, and so forth—appear to be important partners for subsidy agencies in two ways:

- *Many agencies are linking subsidies with other programs—creating more efficient systems and supporting families.* Efforts to link subsidy programs with other social service programs—such as through linked computer systems, combined applications, and synchronized review dates—were common in the study states. For the most part, these strategies were viewed as positive for parents, workers, and minimizing improper payments—both within the subsidy program and for other programs—since they can help reduce requirements for parents receiving multiple services, reduce the amount of paperwork workers have to process, and provide all social service programs with more accurate and consistent information on the family. At the same time, at least some efforts—most notably developing linked computer systems—could be costly to implement (at least in the short term) and may take more time to implement since they require cross-program cooperation and initial and ongoing training for staff. Comments from respondents also indicated that it is important to think through what types of links can make sense.
- *There are opportunities to learn from other systems, which often face challenges similar to those faced by the subsidy system.* The challenges we have described related to supporting access and retention are often challenges other social service systems (e.g., food stamps) also face. Although child care subsidy services are unique given the close link between a family’s child care needs and a parent’s work situation, respondents were interested in examining how other programs have approached such issues as reporting requirements, authorization lengths, customer service, and others. For example, some respondents pointed out that the Food Stamps Program in their area required parents to report only changes that placed them over the income limit; that strategy may work well in the child care subsidy program as well given the challenges with reporting requirements.

(3) *Subsidy agencies are exploring using technology to better reach families.*

Our research also indicates the importance of computers in supporting access and retention. Computers provide another avenue to connect with parents (through the Internet or by e-mail) and make subsidies more accessible to other partners (such as providers and CCR&Rs) that may be able to help parents access and navigate the system. Although using computers to communicate directly between the agency and parents is likely limited at this point—given that many low-income parents do not have access to computers—it seems this area will grow in importance if the digital divide narrows. It also seems to be a promising area if states choose to more actively pursue partnerships with other child care organizations and providers to reach parents.

(4) *Providers can be important allies to help subsidy agencies support parents.*

Our previous work on subsidy access found that child care providers often informally assist parents with their subsidy requirements—such as by reminding them to recertify, assisting them with submitting documentation, driving them to appointments, and so on (Adams et al. 2003). Some agencies in our study of the midwestern states had developed more formal strategies to get providers involved with helping parents access and retain subsidies—such as providing them with notifications, having applications available at provider facilities, and having workers visit parents at provider locations. These efforts can help parents get and keep their subsidies, and they can be beneficial for subsidy agencies since providers have more contact with parents than does the agency.

(5) *Although it can be challenging for states to influence customer service issues, some agencies are working to support local agencies' efforts to improve customer service.*

The quality of the interactions between agencies and parents can affect the ease with which families get and keep their subsidies. In our 1999 case study, which examined issues that affect parents' ability to access and retain subsidies, we found that parents often spoke as much about how services were delivered as they did about any particular process. But it can be challenging for state agencies to improve customer service practices at the local level. Although many efforts to provide better customer service were locally driven, this report provides several examples of how state agencies can become more actively involved in customer service issues—such as requiring local agencies to develop customer service plans, eliminating in-person visits, or developing state toll-free phone lines. Many local

agency strategies to support good customer service (such as conducting customer surveys, tracking phone calls, or having a designated customer service staff person) could also be implemented or instigated at the state level.

(6) *Simplifying ongoing reporting requirements is an area of interest to subsidy agencies.*

Keeping eligible parents in the subsidy system once they have applied can be a challenge for states. Subsidy agencies have two main requirements for parents to retain their subsidies: to recertify their subsidies before the authorization ends and to report any changes in circumstances that may change the family's eligibility or subsidy. Both requirements are interrelated and designed to ensure that parents "check in" with the agency to make sure the families are still eligible and paying the correct portion of the cost of care—though a recertification "check in" is necessary for parents to keep their subsidies, while reporting interim changes relies more on the parents to let agencies know about it. The challenge for agencies is figure out how often they need a "check in" with parents, what information should be required, and who should do the work to provide it. This decision appears to have trade-offs; knowing about all changes a parent may be experiencing can reduce improper payments, yet can also increase burden on parents and staff. As a consequence, there can be some "costs" to diligently tracking parent changes.

Many administrators in our study states were thinking about the costs and benefits of balancing their need to keep up-to-date on parent circumstances and not overburdening parents and staff. While there was no consensus on how to handle ongoing requirements, a few states were taking steps to eliminate or lessen some reporting requirements, essentially recognizing that missing some changes that could alter the subsidy might be acceptable since it could help families and reduce the administrative costs of processing change information. In Indiana, for example, the state agency moved away from requiring parents to report some changes in part because they felt local agencies were paid very little per case. The decision to only track major changes also made sense given that parents often did not report minor changes anyway. At the same time, reducing what interim changes parents have to report makes the recertification "check in" even more significant since it may be the only contact the agency has with the parent. One issue worth examining further is the cost and benefit of having shorter recertification periods (e.g., six months) with no interim change reporting requirements versus having long recertification periods (e.g., one year) with stronger interim change reporting requirements.

- (7) *Subsidy agencies are rethinking policies to better reflect the realities of parents' lives and to support them through temporary fluctuations in circumstance.*

The study states also appeared to be working to adjust their policies to better reflect the dynamics in parents' lives. Not having parents report changes is one way to do this, but states are also creating policies—such as temporarily suspending subsidies but not eligibility, providing subsidies for medical leave, ignoring small spikes in income, or authorizing for broader blocks of time—that try to create a more flexible subsidy system, so parents do not lose their eligibility as a result of temporary fluctuations.

This greater flexibility is helpful for parents since temporary losses of eligibility are likely to add to the challenges facing these parents. At the same time, these policies can help reduce administrative burden since they ensure that parents can keep their subsidies (or, in the case of temporary suspension of the subsidy, keep their eligibility) so staff do not have to reprocess paperwork for parents when they become eligible for subsidies again. These policies also likely result in families receiving subsidies for longer periods—stabilizing families' situations and supporting their employment (as well as potentially offering continuity of care for their child). It is important to note again, however, that we were unable to assess how well these policies worked in practice. Also, meeting the needs of parents with fluctuating and nontraditional work schedules was still very challenging for many subsidy agencies in our study.

- (8) *One size does NOT fit all—appropriate strategies depend upon agency's administrative approaches and client demographics, as well as agency priorities.*

Another theme to emerge from this study is that there is no single “right” answer on how to best support access and retention. Two aspects are important to highlight here:

- It was apparent that different strategies were appropriate depending on the particular realities facing that agency, as interviews with respondents indicated that their agency structure, size, and location, and client demographics, played a role in determining which policy strategies were most relevant. For example, the importance of addressing semester breaks will be more important for agencies serving teen parents or adult students; addressing fluctuating or nontraditional work schedules will be of greater concern in communities with clients that have such work patterns; the importance of links with other programs will make more or less sense depending on what types of

services parents are receiving or want to receive; online access will be more relevant in areas where the clientele either directly or indirectly have greater access to computers; and the appropriate approach to meeting the language needs depends on the number of ELL families in the community. Similarly, respondents indicated that some strategies may be particularly useful for agencies in a rural area (such as eliminating in-person visits), while others may be more useful for large agencies in an urban area (such as a dedicated staff member to respond to customer service issues).

- States varied widely in how they weighed the trade-offs between different priorities as they considered different policies. While we were unable to examine this issue in depth in this study, these variations seemed related to historical experience, political considerations, agency priorities and goals, and other factors. For example, some states were very concerned about putting some policies in place—such as eliminating in-person visits—while other states had not required in-person visits for some time and could not imagine having them.

(9) *There are many options and strategies available to states interested in improving access and retention*

The final theme to emerge from this study is that there are many ways states can identify and address barriers to access and retention. While we did not examine this issue systematically, it appeared this process was happening in many ways. In some cases, agencies were working specifically to identify and lower barriers to participation. In other cases, they had identified areas where their policies or practices were not functioning in ways that supported their goals, and were revising them. In still other cases, they were working to improve program management and accountability. Some of these actions were instigated at the state level, others by local subsidy agencies noticing particular problems. And the solutions agencies were implementing varied from large-scale and comprehensive to smaller and more targeted. While we did not evaluate the costs of these efforts, from respondent reports it appeared that some solutions were more costly (though potentially with longer-term cost savings), others cost little or nothing, and still others appeared as though they might actually save money because of improved administrative efficiency. As a result, it appears there are many possible ways that other states interested in engaging in similar efforts could do so—even if facing fiscal constraints or less-than-optimal political or administrative circumstances.

In addition, there may be sources of information within agencies that can help identify ineffective policies. Caseworkers can provide information on policies that aren't working as planned, data on terminations or improper payments can be used as a flag to examine whether a particular policy works well, and so forth. Such information can provide administrators the opportunity to change policies to bring them more in line with overall agency goals or the realities of low-income families. This approach was evidenced in one case where respondents indicated that concerns about failures to report interim changes helped lead to a policy change to reduce what types of changes parents needed to report in between recertifications. Once the policy was changed to eliminate interim change reporting requirements, payments that might have been considered improper before (such as payments made for a parent who experienced an increase in income between recertifications) were no longer considered improper. This approach is an important one for states to consider, as they have a fair amount of flexibility in determining the policies that shape what would be considered an improper payment. Similarly, data showing whether families are experiencing significant fluctuations in income that put them temporarily above the income limit, or face temporary gaps in eligibility (such as summer breaks), can help flag situations where policy definitions are not recognizing the dynamic nature of client's lives.

Looking across these efforts, and across the broader research context for these issues, it appears states interested in improving their systems to better support access and retention can take a number of steps. These steps are laid out in box 4.

Box 4. Key Steps Subsidy Agencies Can Take to Improve Subsidy Access and Retention

Previous research, and the information provided by state and local subsidy administrators in this report, suggests four steps policymakers can take to help low-income families access and retain subsidies:

(1) Assess how well the system works in helping families access and retain subsidies

- Look at *policies and administrative structures* in place for *each step* of the process— application, authorization, getting a provider approved, reporting interim changes, getting recertified, and dealing with problems. At each step, examine
 - what parents have to do,
 - what caseworkers have to do, and
 - how often these steps occur for any given family.
- Look at *actual practices* of how these policies or structures are implemented, and assess customer service practices. For example,
 - talk to, or gather information from, parents and caseworkers.
 - recognize the impact of local leadership and local variation in implementation, and make sure to look at how this works in more than one locality or local agency.
- Look at program *data* to flag potential problems— such as points when high proportions of families seem to be losing eligibility, particular types of families that seem to have particularly short subsidy spells, or an incidence of improper payments that may identify policies that may not be working.

(2) Identify problems from (1), and then work backwards to identify the basic cause(s) of the problem.

Think backwards to disentangle the cause(s) of any issues identified in (1). This strategy, also called “backward mapping” (Elmore 1979), is critical because the same symptom can have a different cause (or multiple causes) depending on the site. For example, in one site, high termination rates may be related to parents not being able to contact the agency due to telephone problems or caseworker workload or training, while in another site, the rates may be due to policies that do not recognize normal fluctuations in parental eligibility.

There are many places to look for possible sources of almost any problem—including

- state or local policy requirements or administrative procedures,
- local agency practices or leadership,
- agency resources or infrastructure,
- individual caseworkers,
- client, community, or market demographics that create unusual demands on the subsidy program (i.e. non traditional employment patterns, rural/urban, etc), and
- some combination of the above.

(3) Think about the problem in the big picture and identify creative solutions

Consider the problems and causes identified in (1) and (2) above, and assess them in the following ways:

- The goals of the subsidy program—is this problem undercutting the goal of supporting stable employment and work advancement for low-income families? The goal of supporting the development and well-being of their children? The goal of running a fiscally responsible and well-managed agency?
- What kinds of solutions can solve the problem? Consider creative ones as well as more obvious ones:
 - Find out what other states are doing to address this problem
 - Rethink key policies to better reflect the reality of parent's lives and program goals
 - Link to other programs or data systems, or learn from them (i.e., Food Stamps, New Hires database, etc)
 - Identify new allies to help (i.e., providers, CCR&Rs)
 - Think about administrative or management approaches to support better customer service
 - Identify possible technology-based solutions
- Recognize that different solutions will work for different program administrative structures, client demographics, or subsidy agency realities. For example, some solutions work better in urban areas, others in rural; some solutions will work better for clients in stable employment with a traditional schedule, others will work better for clients with nontraditional schedules, and so on.
- Recognize that there may be more than one solution to any problem. For example, if interim reporting requirements are burdensome for parents and staff, possible policy strategies could include reducing what changes parents have to report, limiting subsidy adjustments between recertifications, linking data systems to minimize parent reporting requirements, or simplifying actual reporting process.
- Weigh possible solutions within the context of the agency's trade-offs and program priorities. In particular, this means finding the appropriate balance between:
 - parent burden,
 - administrative burden or costs,
 - overall program costs, and
 - improper payments.

How any particular agency or administrator weighs these trade-offs will vary depending on what is viewed as the appropriate balance between particular trade-offs and priorities, agency resources, opportunities and constraints, and so forth.

(4) Implement the solutions and assess the results

Finally, it is important to not only put the solutions in place, but also—to the extent possible—to monitor them to see whether they are having the desired impact and are being implemented as planned. While in-depth formal evaluations can be useful, it is also possible to assess these efforts by going back to the often less-costly strategies identified above in (1) to see whether the original problems are being resolved by the new policies or practices.

Next Steps

While the research outlined in this report provide important information for policymakers interested in supporting access and retention, it also points to four issues worth further investigation:

1. *How are these strategies working at the local level?* One area worth further examination is the implementation of these strategies to get a better sense of how they work in practice for caseworkers and parents and to find any unanticipated benefits, costs, or challenges. In some cases, policies that sound good in theory may not work as well in practice if they are not implemented properly, so looking more closely at how these strategies work in practice is important.
2. *What are the true costs and benefits of these strategies?* Throughout our study, we found that respondents were very interested in understanding the costs and benefits of various efforts. In particular, a common question was whether there was a point at which policies focused on minimizing improper payments ultimately cost more administratively than the incorrect payment themselves—either due to incurring significantly more administrative costs or through creating significant transaction costs and barriers for parents. As such, it would be useful to explore the true costs and benefits of the various strategies to support access and retention. In particular, respondents seemed to have the least consensus about the costs and benefits of in-person visits, eliminating interim change reporting requirements, and having longer recertification periods.
3. *What strategies are being developed in other states?* Our work indicates that administrators are very interested in learning about strategies that work. Further, the number of creative ideas in just these seven states suggests that a more national look at what states are doing to support access and retention would be useful. The Child Care Bureau is supporting the Urban Institute to conduct some additional information collection on strategies in other states to help meet this area of interest and concern from other states.
4. *How can states support families that face additional barriers?* While we were only able to look broadly at these issues, it appears that many subsidized parents face additional barriers (such as language or fluctuating or nontraditional work schedules) that can make accessing and retaining subsidies more difficult. Our research indicates subsidy agencies struggle particularly with supporting families with fluctuating or nontraditional work hours. It

would be useful to explore in more depth these families that face additional barriers and the strategies that can help them with getting and keeping subsidies.

Overall, the findings from this study highlight the critical nature of access and retention issues. Although this is a challenging time to look at these issues given the financial constraints many subsidy programs are operating under, finding ways to support subsidy access and retention can allow subsidy agencies to meet their larger program goals of supporting families' work and children's development. At the same time, a number of policies also appear to have the added benefit of supporting efficiency and reducing administrative burden. This research also reveals the wide variation of policies states and localities have implemented to support access and retention, even in just the relatively small number of states in this study. These findings underscore the importance of identifying ways to support innovation in these areas, as well as to evaluate different strategies and disseminate information on these issues to state and local subsidy agencies. This information is critical if state and local subsidy agencies are to effectively meet their larger goals of supporting families work and self-sufficiency, helping support children's well-being, and running fiscally responsible programs.

Appendix. Research Methods

This paper is based on information collected in seven midwestern states: Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin. Data were collected through a written survey, telephone interviews with state and local administrators, and reviews of state policy manuals and CCDF plans. The survey collected policy information in each state about subsidy application, recertification, interim reporting, and termination requirements as of May 2005. Semi-structured telephone interviews were conducted with state and local respondents between May and November 2005.

Telephone interviews were conducted in two phases. In the first phase, interviews were completed with the state child care administrator (or another staff person suggested by the state administrator) in each of the seven states. Interview questions focused on identifying policies or strategies the state (or locality in the state) had implemented—or were in the process of implementing—to support access and retention. From these interviews, the research team created a list of policies and strategies for follow up.

In the second phase of interviews, follow-up interviews were conducted with state and local respondents to learn more about relevant policies or strategies and their implementation. Interview questions varied in terms of the types of policies or strategies asked about for each respondent, but interview questions generally focused on understanding the policy or strategy, how well it is working from their perspective, the benefits and challenges with it, and any lessons learned that would be useful for other administrators thinking about implementing a similar policy. In addition to focusing on specific policies and strategies, each respondent was also asked standard questions about particular policy issues—including customer service, recertification lengths, and improper payment—that (based on our discussions with administrators) appeared important issues for follow-up with a larger number of respondents even though some states had not developed specific strategies related to supporting access and retention in these areas.

Given the nature of information we were collecting, the number and type of interview conducted varied by state. In each state, we conducted a follow-up interview with at least one staff person in the state subsidy agency knowledgeable about the policies we wanted more information about, and two local administrators. To identify local respondents, state respondents were

asked for the contact information of local administrators who they thought the research team should interview, either because these administrators were trying interesting strategies related to access and retention or had been thinking a lot about these issues. Local respondents came from a mix of urban and rural areas in the states. A total of 24 state and local interviews were conducted during this second phase, with between three and five interviews completed per state. All interviews were audio taped. A research team member wrote detailed notes of the interviews. Completed interviews notes were coded into NUD*IST, a computer program that enables researchers to organize and analyze qualitative data more easily.

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