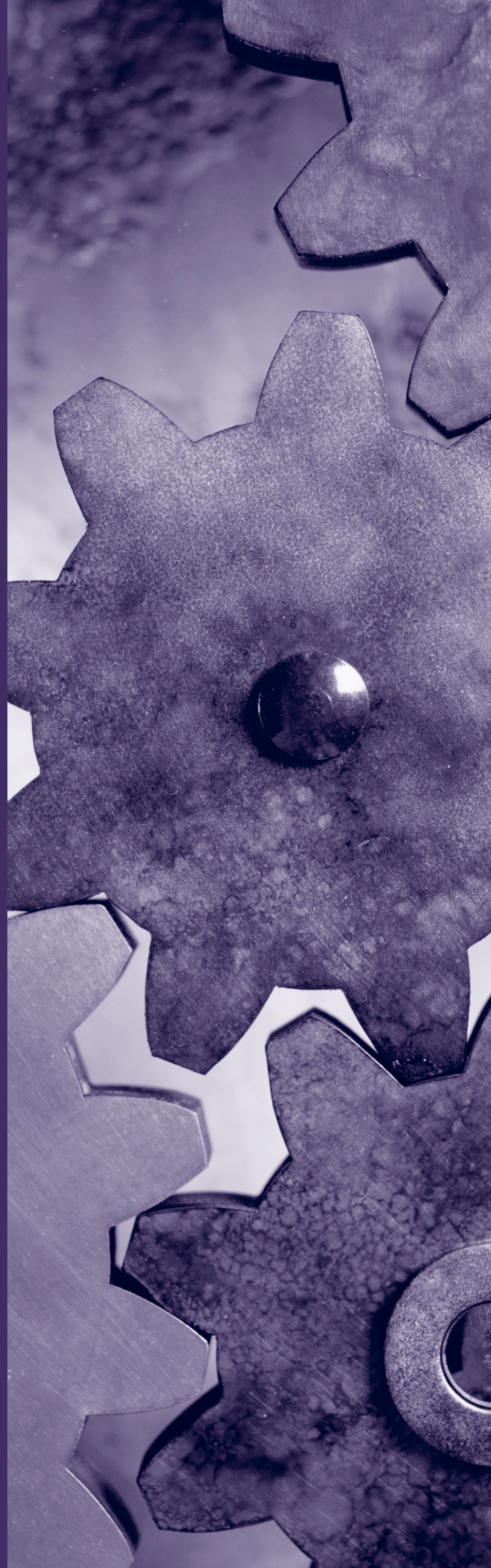


# Child Care Subsidies for TANF Families

*The Nexus of Systems  
and Policies*

GINA ADAMS  
PAMELA HOLCOMB  
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## *Executive Summary*

Over recent decades, policymakers have recognized that helping parents on welfare pay for child care is essential to help them move from welfare to work. As such, child care has consistently been an integral part of federal and state welfare reform efforts. It was a major focus of the 1996 welfare reform legislation, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), and of the cash assistance and welfare-to-work program it established—the Temporary Assistance to Needy Families (TANF) program.

Although the connection between child care as a work support and the TANF program’s mandate to help welfare recipients obtain employment is conceptually simple, the actual processes and policies used by states and localities to ensure child care assistance is made available to TANF families moving from welfare to work is far more complicated. The complexity arises in part because the child care subsidy and TANF welfare-to-work programs represent two devolved systems that differ in their goals, target populations, administrative structures, and policy frameworks.

Despite the critical role child care subsidies play for welfare-to-work efforts, little research has examined how sites have approached putting these services together for families. The Urban Institute engaged in a multiyear study to help fill the existing information gap about the complex interactions of these two systems on behalf of welfare families. This is the first report of a three-part study that explores different aspects of the intersection of the child care and welfare systems. This report focuses on the systems and policies that affect families’ child care subsidies while they are receiving cash assistance through TANF and participating in work activities.<sup>1</sup> Through discussions with child care and TANF workers and administrators in 11 sites in winter 2001/2002,<sup>2</sup> this study examined the following four questions:

- What administrative structures have states and localities designed to connect TANF and child care subsidy functions?



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- What has to happen—at both the administrative and client levels—for TANF parents to obtain and keep child care assistance—that is, as they move through applying for TANF cash assistance, participating in required work activities, and finding employment?
  - What coordination issues have states and localities faced in bringing these two systems together, and what strategies have they developed?
  - What are the implications of the answers to these questions for parents as well as for policymakers and administrators interested in improving welfare-to-work and child care services?

## Key Findings

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### How sites organize the link between welfare-to-work and child care subsidies

Sites varied significantly in how they packaged the functions related to welfare-to-work case management, child care subsidy eligibility, and subsidy case management for TANF families that were employed or in other TANF work activities (e.g., job search or training):

- Six of the 11 sites used multiple agencies and multiple workers. In these sites, one agency was responsible for the welfare-to-work case management functions and another agency was responsible for the child care–related functions. By definition, these sites also had multiple workers.
- Two sites relied on a single agency and one set of workers to carry out both TANF welfare-to-work case management and child care eligibility and subsidy management. Two other sites relied on a single agency to administer the TANF and child care subsidy programs but divided responsibility for welfare-to-work case management and child care eligibility/subsidy management between two different kinds of workers.
- In every site, at least one (and usually more) child care subsidy–related functions—such as establishing the parameters for TANF clients’ subsidy authorizations and brokering information between TANF clients and the child care agency—was administered or managed by an agency or entity that was responsible for some of the welfare-to-work functions. In most sites, child care workers had no decisionmaking role in the subsidies for TANF clients, and in some sites, the TANF clients never came into contact with a child care worker until they left welfare.
- In most sites, the functions related to child care *providers* were carried out by the worker responsible for child care subsidies. However, in some sites the TANF welfare-to-work case manager also held some provider-related responsibilities. For example, the welfare-to-work case manager oversaw the provider approval process in Detroit and Jackson, and made initial contact with the child care provider in Denver and Jackson.

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Although there was significant variation across sites in how they set up their child care and welfare systems administratively, this study did not find any particular administrative approach was “better” or “worse” in terms of either client or administrative burden. Instead, it appeared the level of administrative complexity and client burden reported across sites had less to do with how the administration of child care subsidies and welfare-to-work systems were structured and instead had more to do with policies and practices, such as the authorization and recertification of subsidies in connection with participation in TANF welfare-to-work activities, how information was transferred between the welfare-to-work and child care subsidy systems, and how much TANF parents were required to do to obtain and retain child care subsidies.

### **Points of interconnection between the child care and welfare-to-work systems**

Policies and processes implemented at the local level play a key role in defining and shaping the interconnection between the child care and welfare systems. This study examines the points of interconnection between the welfare-to-work and child care systems as TANF parents move through each stage of the process, including their initial application for TANF cash assistance, their entry into work-related activities and connection to child care subsidies, and their ongoing participation in various work-related activities. Key findings about the steps involved and points of interconnection that shaped the process of obtaining and retaining child subsidies for TANF parents include the following:

- *The initial connection to the child care subsidy system was made by TANF agency welfare-to-work staff and usually occurred at the point of entry into the TANF welfare-to-work program. TANF clients had typically already undergone the eligibility determination process for TANF cash benefits by this point. For the most part, TANF parents were informed about child care, either in terms of the need to find a provider or the availability of child care subsidies, at least once before they were connected to child care subsidies—most often during a required orientation about the TANF welfare-to-work program or a pre-eligibility screening.*
- *Although the child care agency typically was not involved in decisionmaking about the length or amount of the subsidy, successful completion of the authorization process was still contingent on the transfer of relevant information to child care subsidy staff. Sites often lacked the automated capacity to transfer or share information, and many colocated their child care staff with TANF welfare agency staff or TANF employment program contractors to facilitate the manual transfer of information. The amount and type of information provided to the child care worker varied across sites, but typically contained key information about the subsidy—for example, the number or range of hours and overall length of time for which the child care subsidy authorization was in effect. Child care subsidy staff used this information to set up the appropriate payments for providers, monitor the subsidy, and so forth.*

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- *Obtaining the authorization to receive child care subsidies varied in terms of what TANF parents had to do—an issue of interest since past studies have found more burdensome requirements (such as in-person visits and duplicative paperwork) can make it more difficult for parents to obtain or retain their subsidies.* In two sites, parents could obtain child care subsidies without having additional steps beyond meeting with the welfare-to-work case manager. In other sites, parents needed to interact with both the welfare-to-work case manager and child care worker, and complete additional paperwork and documentation to receive subsidies. Finally, parents in about half our sites had to complete more paperwork or provide additional documentation to receive a child care subsidy.
  - *In contrast to the general lack of involvement of the child care subsidy system in the initial authorization for TANF-related child care subsidies, the recertification process was usually initiated by child care subsidy workers.* In addition, despite the critical importance of ensuring a lack of child care subsidies did not prevent parents from participating in work activities, the recertification process in most sites depended on the parent to contact the TANF agency worker or the welfare-to-work case manager to obtain a new child care authorization. In general, welfare parents' responsibilities for completing the recertification process ranged from interacting with one worker or multiple workers by phone, mail, or in person.
  - *Sites varied on the subsidy authorization period and what conditions triggered the need to recertify eligibility for continued subsidy receipt—this in turn affected how frequently parents and caseworkers had to interact for parents to continue receiving subsidies.* Two sites set a one-year authorization period for all clients. Three sites authorized parents according to a set block of time (such as one month, three months, or six months), which varied by the client's welfare-to-work activity. Six sites based the length of the authorization on the likely length of time the welfare parent would be in an assigned work activity. This last approach seems likely to lead to greater administrative and client burden because many welfare-to-work activities are a few weeks to a few months long—thereby necessitating the need for parents and workers to complete recertification processes fairly frequently.
  - *The type and amount of information TANF clients were given about finding child care providers varied across sites; generally, information about finding child care was not a topic that received much priority.* All sites provided at least some parents with a list of providers or the number of the local Child Care Resource and Referral (CCR&R) agency, which could then offer parents more help finding a provider. Similarly, most sites provided at least some TANF parents some information about child care options or how to choose child care—either in a conversation with a staff person or through a brochure—but provided little to no in-depth counseling. However, in many sites, this information was provided only to those parents who told the agency they had difficulties finding child care or didn't know the provider they wanted to use. A few sites were more proactive in how they assisted clients by directly helping them access local CCR&R staff or by incorporating special sessions about child care into a TANF welfare-to-work orientation or a separate workshop.

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- *A number of sites provided TANF parents relatively little time to find care—between a few days and 10 days—before beginning their required participation in an approved TANF welfare-to-work activity.* However, some sites waited to start the work activity until the parents had found care. Other sites had implemented policies or practices that tried to accommodate parents who reported problems with finding care. One approach was to provide some flexibility in the timing of the start of the work activity if parents were unable to find child care. Some sites gave parents additional time to look for care and counted that effort as fulfilling the required TANF welfare-to-work participation requirement. A few sites offered on-site child care as a short-term alternative for TANF parents who could not set up their own arrangement by the start of their assigned work activity.

### **Making the interconnections work: coordination and communication**

State and local agencies face two levels of challenges as they seek to ensure TANF families in need of child care receive subsidies. First, regardless of how local sites set up their systems, they face coordination and communication issues. Second, the dynamic welfare use and work participation patterns create additional challenges for the coordination efforts of agencies and staff. This makes for a very challenging environment within which the welfare-to-work and child care subsidy systems have to coordinate their efforts to monitor changes and ensure parents comply with program requirements. Coordinating the child care and welfare-to-work needs of clients is even more difficult because child care does not lend itself to the frequent stops and starts often prevalent in TANF clients' welfare-to-work program participation and employment patterns—patterns that can lead to gaps in subsidies.

Despite these challenges, agency respondents reported they had taken steps to make the interconnections between welfare-to-work and child care function more smoothly, and generally reported their systems worked fairly well. Specifically, agencies had developed various strategies that worked to address different problems: some helped the administrative process or burden, some helped ease the process for parents, and others did both. Sites were experimenting with

- using different administrative approaches, in terms of how responsibilities were allocated across staff;
- colocating staff;
- developing enhanced information-sharing among workers, though shared management information systems (MISs) were still rare;
- cross-training staff;
- building intra- and interorganizational staff relationships and rapport; and
- streamlining requirements to minimize duplication for parents.

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However, respondents in different sites highlighted some areas of concern. These included challenges for parents who have to interact with multiple workers or make multiple visits (whether because of policy requirements or poor communication between workers); and glitches in cross-staff communication resulting in reauthorization delays, inadvertent termination of subsidies, or payment problems (such as overpayments or underpayments). Respondents also noted the coordination challenges created for caseworkers by the lack of shared MISs, high staff turnover rates, and—in some sites—the broad nature of the caseworker’s responsibilities.

### Implications and future research questions

Clearly, the child care and TANF welfare-to-work systems are highly interdependent and closely intertwined, at the agency level and in the lives of TANF clients. This research found significant variation across sites in how they set up and structured the interconnection between these systems and in the policies they set around the interplay of welfare-to-work and child care. For example, in almost every area we examined, we found site policies and practices that seemed likely to result in administrative complexity and/or client burden as well as examples of policies and practices that seemed designed to minimize these problems. Agencies looking to simplify their administrative processes and reduce client burden have numerous examples of sites that have developed strategies to accomplish this end.

Helping TANF clients obtain child care subsidies while moving from welfare to work is clearly an area where states and local agencies have worked hard to bring together services for their clients, even in the absence of good information on strategies and policies working around the country. This research sets a framework for understanding some of these issues, and highlights several areas worthy of further exploration. Examining these questions, and others raised by this research, could help policymakers, administrators, and others interested in better supporting families moving from welfare to work and designing more effective service delivery systems.

Some key implications and questions for future research emerging from this study are summarized below.

- *While placing some responsibility for child care subsidies under TANF can minimize clients’ burden while on welfare, it entails other trade-offs and raises questions for the child care field.* This study found the role of the child care subsidy agency in many sites was limited to approving authorizations, handling provider-related issues, and initiating recertification, and the welfare-to-work case manager played an important role in determining many key aspects of child care services. This includes, for example, how much care parents are authorized to use, how long they have to find care before starting their work-related activity, and—in a number of sites—the kind of information and support parents receive around finding care. Though this allocation of responsibilities potentially streamlines the process for parents on welfare, it also raises questions

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for the child care field to consider. For example, are there key elements of “child care–specific” knowledge (for example, about finding and choosing providers) that welfare-to-work case managers should know? What information and training do these managers receive?

- *To assess the ease or difficulty of the process for clients or administrative agencies, it is essential to consider the cumulative impact of what is required to authorize, recertify, and adjust subsidies for interim changes as well as the frequency of these requirements—all within the context of a dynamic welfare-to-work process.* Sites varied in the relative simplicity or complexity of what clients and/or agencies had to do at each stage of the process (initial authorization, periodic recertification, and interim subsidy adjustments to respond to other changes in client circumstances) and in how often these processes occurred. In some sites, these processes were relatively simple or happened infrequently, while in others they were significantly more complicated and/or happened often. For example, in some sites parents were required to complete multiple in-person visits to address such issues as recertification, while in other sites these issues were handled administratively. Some sites required parents to provide duplicative paperwork, others did not. And sites were not necessarily consistent: in the same site, one process might be relatively simple and another more difficult.

Consequently, to assess the relative ease or difficulty of these requirements for clients or the administrative burden for agencies in any particular site (or for any particular agency), it is important to assess the difficulty of each step in the process, and to examine the likely frequency of each step, which is particularly important given the dynamic employment patterns experienced by many TANF clients. The combination of these two factors effectively determines the *cumulative* impact and complexity across each step of the process. Each additional step required of parents makes obtaining and keeping subsidies more difficult and increases the likelihood that parents will either be unable to meet the requirements, make a mistake that jeopardizes their subsidy, or decide it is too difficult to get subsidies. It is of course also critical to consider these issues from the perspective of the agencies—while some requirements are essential, others may be unnecessary and/or may add to staff burden.

- *Eligibility for child care subsidies is closely tied to participation in work-related activities. Sites varied in how tightly they connected these two services and how they addressed potential duplication between the systems. These variations have implications for administrative burden as well as for TANF parents, providers, and children.* In all our sites, eligibility for a child care subsidy was contingent on the TANF client participating in a work-related activity. Sites varied in how tightly calibrated these two systems were—that is, whether subsidy authorizations were set based on the length of the work activity or a longer period, and how quickly parents lost subsidies if their circumstances changed.

While it is understandable that agencies need to ensure parents do not receive subsidies when they are not eligible, the more tightly calibrated policies may produce some problematic results, given the very dynamic nature of welfare duration and welfare-to-work program participation patterns. In particular, it would be useful to



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explore further whether tighter calibration of child care eligibility results in clients experiencing breaks—albeit perhaps temporary—in their subsidies. Such breaks can not only cause more administrative burden for workers, but also are not in the best interest of the parent (for whom finding another provider can be difficult and time consuming, and whose participation in work-related activities may become more difficult), the child (who needs the opportunity to develop a stable continuous relationship with his or her caregiver), or the provider (who faces administrative challenges and potential loss of income when subsidized children stop and start their care). The importance of this issue is underscored by research that suggests TANF parents may have shorter subsidy spells than non-TANF parents. A related question worthy of further exploration is whether such tight calibration and monitoring of the subsidy is even necessary, given the intensity of the monitoring/fraud oversight process in the TANF system, or whether this level of effort leads to unnecessary duplication of oversight.

- *Whether TANF clients are given sufficient time and information to make informed child care choices should be examined closely, and further research should be conducted on how to best provide information and support to parents.* One of the most challenging and still unanswered questions this study raises is whether TANF clients are given the time and information they need to make informed, stable child care choices. Specifically, many of our sites required parents to find care in less than a week and a half and provided relatively little direct assistance unless the parent indicated a problem (though a number of sites did have policies to support parents who reported difficulties).

It is somewhat unclear how often this is a problem, and for whom. Most respondents in this phase of the overall study—which primarily involved discussions with caseworkers and agency staff—felt the process worked well and that most parents had sufficient time and information to find care. But it is not clear agency staff would necessarily know if parents were having difficulty finding care or were making the choices they preferred. Parent focus groups from another phase of this project suggest some parents indeed find this difficult.

A related area of interest is whether the short time frames provided parents to find care and other policies (such as the relatively short authorization periods in some sites) might affect the kind of child care parents can choose. For example, it seems likely these issues may lead some parents to use less formal child care arrangements and/or could affect the willingness of some providers to accept TANF families.

Additional research in this area would help identify policies and practices that support greater parent choice while still helping parents move as quickly as possible into work-related activities. Such research could examine what information parents need to make informed choices, when they are most likely to absorb and use this information, how these patterns may differ for different parents or change over time, and whether these policies and practices affect the child care decisions parents make.

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In conclusion, this study provides insights into the complex interactions of these two systems and lays useful groundwork for future research in this area. It highlights the key points of intersection between the systems, and points out potential places of friction as well as strategies used to minimize administrative inefficiencies and client burden. It is beyond the scope of this particular research to assess or evaluate how well the combination of policies, practices, and approaches worked in any particular site or how they worked relative to one another. However, it lays a broad-based and comparative framework for researchers and policymakers to conduct more intensive and empirical assessments of these policies and approaches from the perspective of agencies and clients.





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## Introduction

Over recent decades, policymakers have recognized that helping parents on welfare pay for child care is essential to help them move from welfare to work. Child care can be both costly and difficult to find, and many welfare recipients cannot participate in work activities or employment unless they can find and pay someone to care for their children.<sup>3</sup> Failing to help families with their child care needs can thus fundamentally undermine the success of any effort to reform welfare. As a result, child care subsidies—usually in the form of vouchers that families can use to defray some or all of the cost of purchasing child care from local providers—are a key work support and essential to helping families become stably employed.

While child care has been a focus of welfare reform efforts for more than a decade (see box 1), the importance of child care for welfare reform was particularly pronounced in the 1996 welfare reform legislation, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). (See box 2 for a glossary of terms.) PRWORA created a stronger emphasis on moving families on welfare into work; gave states more flexibility in how they designed their Temporary Assistance for Needy Families (TANF) cash assistance program, welfare-to-work programs, and child care subsidy systems to meet this goal; and increased the funding available for child care assistance. As a result, supporting work by helping families pay for child care through child care subsidies has become an even more central focus of state and local welfare reform initiatives. At the same time, the TANF system has become more central to the child care subsidy system as states have increasingly relied on TANF funds to support child care subsidy programs (Schumacher, Greenberg, and Duffy 2001).

Despite increased interdependence between the welfare and child care subsidy systems, it is important to recognize that TANF families make up a relatively small proportion of the families that receive subsidy funding—one study of 16 states in 1999 found the proportion ranged from 10 percent to almost 50 percent (Collins et al. 2000).<sup>4</sup> While these numbers vary by state, and may look somewhat different now as a result of the recession and state budget cuts, TANF families likely do *not* make up the majority

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### Box 1. The Close Ties between Welfare Reform Initiatives and Child Care Subsidies

Child care subsidies and welfare programs have been closely intertwined in recent decades. Each major federal effort to reform welfare (and the resulting state initiatives) has linked these two service areas.

**The Family Support Act of 1988:** Although states invested in child care to varying degrees before the late 1980s, there was no clear federal role in (or significant funding for) child care before the Family Support Act in 1988 (the last major welfare reform legislation before PRWORA). This legislation established the current federal role in child care. It made child care subsidies a key element of the welfare reform agenda, and created two child care entitlements—one for welfare recipients who were required to work or attend job-related activities, and one for a year of child care subsidies for families leaving welfare because of increased earnings (also known as Transitional Child Care). The federal role broadened in 1990 with the passage of the Child Care and Development Block Grant (CCDBG, also known now as the Child Care and Development Fund, or CCDF) and the At-Risk Child Care Grants to states. These programs expanded funding to support low-income working families not on welfare—albeit not on an entitlement basis—though many states still prioritized welfare and transitioning families.

The impact of the 1988 and 1990 legislations varied across states. Those with longer histories of investing state funds in subsidies for low-income families, including those not on welfare, generally added the new federal mandate on top of their existing programs. Other states had no subsidy program (or only a very small one) for low-income families in 1988. These states responded to the 1988 legislation by creating subsidy systems, often based closely on requirements of the federal programs. Regardless of each state's history, by the early 1990s every state had a subsidy system that focused at least in part on providing subsidies to welfare clients and families transitioning off welfare.

**The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA):** The link between child care and welfare was also a major focus of the 1996 PRWORA welfare reform legislation. While the Act eliminated the previously mentioned child care entitlements available to welfare families and welfare leavers, it increased funding for child care in the context of a major overhaul of the welfare system. Generally, states continued to place a high priority on serving welfare recipients subject to work requirements and families leaving welfare. Interestingly, the proportion of the subsidy caseload that was TANF families actually fell in some states in the late 1990s, owing to the drop in TANF caseloads. However, the TANF and child care systems became further entangled because of states' ability to use federal TANF funds for child care in addition to CCDBG funds. Many states used significant amounts of their TANF funding to expand their child care subsidy programs. As of summer 2005, PRWORA had yet to be reauthorized, and the ties between child care and welfare continued to evolve.

of families in the child care subsidy system.<sup>5</sup> (See boxes 3 and 4 at the end of the introduction for overviews of the TANF and child care subsidy programs.)

Although the connection between child care as a work support and the TANF program's mandate to help welfare recipients obtain employment is conceptually simple, the process used by states and localities to ensure child care assistance is made available

## Box 2. Glossary of Terms

**Caseworker terms:** Although caseworkers went by various titles in different sites, we developed some common terms to use across sites for this report. While this simplifies the discussion, the terms used here may not be same as those actually used by a particular site. The report uses four common terms to describe various kinds of caseworkers:

*Child care subsidy worker:* The worker that handles child care responsibilities—specifically, authorization and reauthorization of subsidies. Sometimes these workers handle more than only child care, and they may or may not be employed by a separate child care agency.

*Integrated worker:* A caseworker that is responsible for both cash assistance (TANF) eligibility and welfare-to-work case management.

*TANF eligibility worker:* The worker that handles initial and ongoing eligibility for cash assistance.

*Welfare-to-work case manager:* The worker that manages the employment (versus cash aid) aspects of the TANF case—in some cases these workers may not be employed by the TANF agency.

**Child Care and Development Fund (CCDF) (also known as the Child Care and Development Block Grant, or CCDBG):** The major federal program that provides funding for child care subsidies. See box 4 at the end of this section for more information.

**Child Care Resource and Referral (CCR&R) agencies:** Local agencies that help parents find care and provide information about child care options. Sometimes these agencies also are contracted to manage subsidies, although that varies by state and by site.

**Child care subsidies:** Local agencies help families pay for some or all of the cost of child care through child care subsidies. Many states rely primarily upon vouchers, which families can use to purchase care at any legal child care provider whose rates fall within the limits set by the state. Funds for subsidies can come from various sources, including from CCDF/CCDBG, TANF, or state funds. See box 4 at the end of this chapter for more information.

**Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA):** The 1996 welfare reform legislation that created TANF and made several other major changes in welfare-related laws. See boxes 1 and 3 for more information.

**Subsidy authorization or certification (also reauthorization/recertification):** The initial child care subsidy authorization sets the basic parameters of the subsidy, including how long the subsidy will last and the number of hours of child care for which the state will pay. The authorization is also used by the child care subsidy agency as the basis for setting up the payment process for providers, monitoring payments, and other administrative functions. Since the authorization is for a finite period, at some point the subsidy expires and must be “reauthorized” (or “recertified”) or the subsidy ends. The terms reauthorization and recertification are used interchangeably in this report.

**Temporary Assistance for Needy Families (TANF):** The 1996 welfare reform legislation set the course for a work-oriented welfare system by replacing the previous cash assistance entitlement program—Aid to Families with Dependent Children (AFDC)—with Temporary Assistance for Needy Families (TANF). Throughout this report, the terms TANF, cash assistance, and welfare are used interchangeably. See box 3 at the end of the chapter for more information.

**Work-related activities:** Unsubsidized or subsidized employment, unpaid community work experience and on-the-job training programs, and activities designed to prepare TANF recipients for finding employment, such as job search or vocational education and training.

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to TANF families moving from welfare to work is far more complicated. This is in large part because while child care subsidy and TANF services have some shared interests, their goals, histories, target populations, administrative structures, and policy frameworks are not identical. The complexity is further compounded by the fact that both systems are not only very devolved, but also have undergone significant change since 1996, as states responded to the increased flexibility provided under PRWORA to redesign their child care and/or welfare services. This has led to enormous variation both within and across states in both systems, making it impossible to identify or develop a single model or approach that will work across different sites.

Previous research has examined the implementation of welfare-to-work services<sup>6</sup> and child care subsidies,<sup>7</sup> but it has not focused on how states and localities have handled the intersection of these two services and systems. As a consequence, state and local policymakers and administrators have had to design and identify strategies that directly or indirectly shape the nature and efficiency of this connection with relatively little research-based information to guide their efforts. Yet the way states and localities connect these services directly affects TANF parents and systems (see, for example, Adams, Snyder, and Sandfort 2002).

This study was designed to explore questions about the intersections between the welfare and child care systems at the system and client levels. Because of the devolved nature of these systems, it examines these issues across 11 local sites and identifies common patterns or issues that can be instructive to policymakers and administrators.

Through discussions with child care and TANF workers and administrators in 11 sites in winter 2001/2002, this study examined four key questions:

- What administrative structures have states and localities designed to connect TANF and child care subsidy functions?
- What has to happen—both at the administrative and client levels—for TANF parents to receive and keep child care assistance as they move through applying for TANF cash assistance, participating in required work activities, and finding employment?
- What coordination issues have states and localities faced in bringing these two systems together, and what strategies have they developed?
- What are the implications of the answers to these questions for both parents and agencies, as well as for the successful achievement of child care and welfare goals?

This is the first report of a three-part study that explores different aspects of the intersection of the child care and welfare systems. This report focuses on the systems and policies that affect families' child care subsidies while they *are receiving cash assistance* through TANF and participating in work activities. The second report in the larger study focuses on some of the particular issues and policy strategies around retaining subsidies when *leaving* welfare (Adams, Koralek, and Martinson 2006). The third report of the

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study examines how these issues play out for parents (both those receiving TANF and those who recently left TANF) through data collected in focus groups with parents in selected sites (Snyder, Bernstein, and Koralek 2006). A synthesis report (Holcomb et al. 2006) highlights the key findings and implications of all three reports.

## Understanding the Context

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In recent years, interest in reforming the welfare system has intensified the focus on meeting the child care needs of families moving from welfare to work and has increased the need for new or expanded links between welfare systems and other systems (such as child care) that can help reduce barriers to employment.

Issues pertaining to access and use of child care subsidies, and factors that can support stable child care arrangements, are key in meeting the goals of helping families obtain and retain employment and reducing welfare rolls.<sup>8</sup> Despite the importance of the links between child care and welfare and the convergence of interests between the welfare and child care systems around meeting the needs of low-income families on welfare, bringing them together can be complicated.

Several underlying factors contribute to the complexity of this undertaking:

- *The target populations served by TANF and child care subsidies overlap but are not identical.* TANF is designed to provide temporary cash assistance to the lowest-income families and therefore usually has a fairly low income eligibility cutoff. Child care subsidies, in contrast, usually have a higher income cutoff, as they are designed to support low-income families that need child care to work—both families receiving cash assistance and those who are working at low wages and might be at risk of going on welfare.<sup>9</sup> Although research indicates not all TANF clients receive child care subsidies (Collins et al. 2000), TANF clients are a high-priority group for child care assistance in most states and usually take priority over other low-income families not on welfare.
- *TANF welfare-to-work programs and child care subsidies provide different services, with overlapping (though not identical) goals and philosophies.* The TANF welfare-to-work system involves temporary cash assistance along with short-term employment services for parents who need assistance entering the labor market. In contrast, child care is designed as a longer-term work support that helps parents offset some or all of the cost of purchasing child care in their communities. Therefore, while TANF benefits have time limits and relatively low income cutoffs, child care subsidies usually can continue as long as the family is eligible and funding is available, which can be long after the family has become ineligible for TANF.
- *TANF is seen as a short-term support, while child care is seen as a longer-term support service for working parents.* The TANF welfare-to-work system focuses on getting families into and out of the program quickly, with the goal of minimizing the length of time par-

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ents receive assistance. The child care subsidy system views its subsidies as a support service that can help families get off and stay off welfare.

- *Although both systems focus on helping low-income families work, child care subsidies also focus on supporting child development and school readiness.* While the subsidy system has many policies, and funding and market realities, that make it challenging to ensure subsidized children receive good quality care (Adams and Rohacek 2002), supporting the development of children is also an issue of concern to many child care administrators and agencies. For example, states are required to invest some funds from the federal CCDF program to improve the quality of care (though these funds can function separately from the subsidy program). This interest is in contrast to the welfare-to-work system, in which the predominant focus is not on children but rather on adult recipients and the need to move these parents into employment.

## Study Design

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This report presents information on how 11 sites set up and administered the interconnections between child care subsidies and TANF. It focuses specifically on the issues as they play out for families entering TANF that participate in work-related activities as part of the welfare-to-work system. As noted earlier, issues facing families when they *leave* welfare are examined in the second phase of the overall study.

The overall study builds directly upon data collected as part of the 1999–2000 child care and welfare/employment case studies of the *Assessing the New Federalism* project. These case studies were conducted in 17 sites across 12 states. One set of case studies examined how the child care subsidy system worked for TANF families, while the other examined welfare reform developments, including how parents applied for cash assistance and participated in welfare-to-work activities.

For this study, we selected a subset of 11 of the original 17 sites, in 11 states. These sites were Birmingham, AL; Boston, MA; Denver, CO; Detroit, MI; Houston, TX; Jackson, MS; Miami, FL; Milwaukee, WI; Minneapolis, MN; San Diego, CA; and Seattle, WA. Apart from being located in urban areas, the sites varied widely. The sites were from all parts of the country (figure 1), and as shown in table 1, their key demographic characteristics differed. As discussed further in part I of this report, they also varied in their administrative approaches to child care and welfare. While site characteristics were not the primary focus of the study, we did not find any relationship between such characteristics as demographics or geographical location and administrative structures or policies and practices.

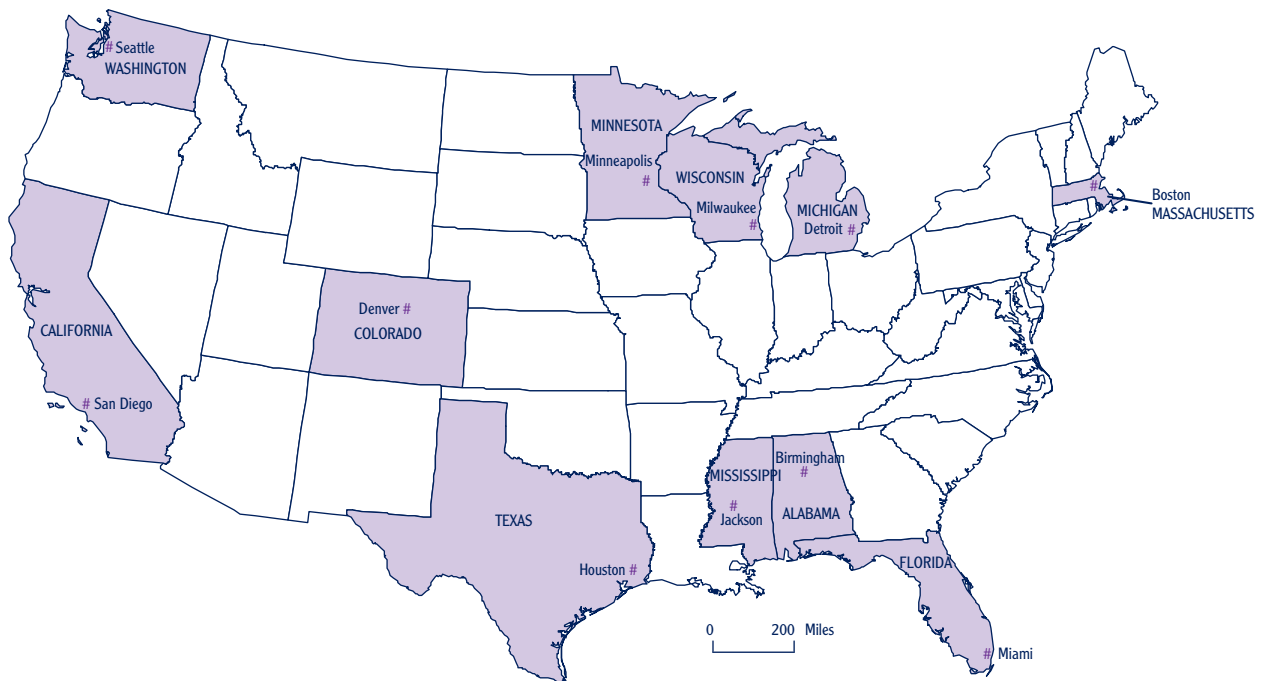
This study first reanalyzed the data from the two sets of 1999–2000 case studies for these 11 sites to obtain a baseline picture of the client flow in each site. This first step in the analysis specifically examined how parents entered and moved through the TANF welfare-to-work and child care systems and points in the client flow where these two



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**Figure 1. Study Sites**

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systems interconnected, as well as gaps in the existing data. We then conducted semi-structured telephone discussions with a number of key welfare and child care respondents in these sites to obtain a more complete picture of the administrative structures and caseworker responsibilities in both systems, what parents had to do to receive and keep subsidies as they moved through the welfare-to-work system, and coordination issues and challenges.

Respondents included state and local welfare and child care administrators, as well as two to four welfare-to-work case managers per site, a TANF staff member familiar with TANF eligibility processes, and at least one child care staff member familiar with subsidy processes for TANF families. The number of individual and group discussions conducted in each site varied depending on the local office structure. Where multiple local agencies managed the welfare-to-work program, we conducted discussions with staff in one focal office, which was generally the office with the largest caseload.

This report and research approach has some unique qualities. First, as noted earlier, little previous research has focused on how states handle the intersection of the welfare-to-work and child care services and systems. Second, the information presented here is based on multiple perspectives (i.e., administrative and frontline staff, staff from both child care subsidy and TANF/welfare-to-work agencies), which enabled us to explore



**Table 1. Demographic Characteristics of the 11 Study Sites**

	Population		Distribution by Race and Ethnicity (%)					Household Characteristics (% unless noted)					Family Structure (%)	
	Total	Share under age 5 (%)	White	Black/African American	Asian	Other	Two or more races	Hispanic/Latino (any race)	Median household income (\$)	Share with income below poverty level	Share with related children under 5	Share receiving public assistance	Female householder, no husband present	Below poverty level
Birmingham, AL	242,820	6.8	24.1	73.5	1.0	0.8	0.8	1.6	26,735	20.9	33.9	3.4	14.7	36.1
Boston, MA	589,141	5.4	54.5	25.3	7.5	8.3	4.4	14.4	39,629	15.3	24.5	4.1	9.7	29.0
Denver, CO	554,636	6.8	65.3	11.1	2.8	17.0	3.7	31.7	39,500	10.6	19.6	3.4	5.4	25.3
Detroit, MI	951,270	8.0	12.3	81.6	10.0	2.9	2.3	5.0	29,526	21.7	34.3	11.4	15.6	32.8
Jackson, MS	184,256	7.8	27.8	70.6	6.0	0.3	7.0	8.0	30,414	19.6	31.8	4.8	14.5	38.5
Houston, TX	1,953,631	8.2	49.3	25.3	5.3	17.0	3.1	37.4	36,616	16.0	25.2	3.0	7.0	30.3
Miami, FL	362,470	5.9	66.6	22.3	7.0	5.7	4.7	65.8	23,483	23.5	35.9	9.9	11.4	40.0
Milwaukee, WI	596,974	8.0	50.0	37.3	2.9	7.0	2.7	12.0	32,216	17.4	31.3	4.6	12.4	35.4
Minneapolis, MN	382,618	6.6	65.1	18.0	6.1	6.4	4.0	7.6	37,974	11.9	22.3	6.8	7.1	26.8
San Diego, CA	1,223,400	6.7	60.2	79.0	13.6	0.5	4.8	25.4	45,733	10.6	18.6	3.9	4.7	25.6
Seattle, WA	563,374	4.7	70.1	84.0	13.1	3.9	4.5	5.3	45,736	6.9	12.5	3.0	3.4	19.2

Source: American Fact Finder, Census Bureau, 2000.

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how these systems, policies, and practices actually worked from the perspective of both systems. (Another critical perspective—that of parents—is explored in the third part of the overall study.) Third, this study relies on a multistate, multisite approach. This approach is necessary because the devolution of the child care and welfare-to-work systems creates enormous variation from site to site in policies, practices, and administrative approaches.

Despite these strengths, however, there are also some challenges in interpreting data collected through this research approach. We note three particular challenges:

1. Due to the focus on local systems, some of our findings are specific to the local study sites or to a particular office within that local site.<sup>10</sup> These findings, therefore, are not necessarily representative of the policies and practices in other local agencies or offices within each site, of other sites within the state, or of the state overall.
2. Because data were collected through telephone discussions, it was not possible to examine first-hand the implementation of the policies and practices discussed. This is important, given research on both child care and welfare implementation has consistently shown a gap between the reported policies of local agencies and how these policies are implemented and experienced by clients.<sup>11</sup>
3. Finally, these data provide a point-in-time picture (winter 2001/2002). Given the evolving nature of policies and practices in both TANF and child care subsidies, certain site-specific details presented in this report likely have changed between 2001 and 2005.<sup>12</sup> Such changes are noted in a footnote where this information is available. Nonetheless, while some specifics presented here may no longer be true for a particular site, the overall patterns and findings continue to be indicative of the issues and challenges facing sites in their efforts to bring together these systems.

Overall, this report provides initial insights into the complex interactions of these two systems and lays useful groundwork for future research in this area. It highlights the key points of intersection between the systems and points out potential places of friction as well as strategies used to minimize administrative inefficiencies and client burden. It is beyond the scope of this particular research to actually assess or evaluate how different approaches were working in any particular site. However, it lays a broad-based and comparative framework for researchers and policymakers to conduct more intensive and empirical assessments of these policies from the perspective of agencies and clients.

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## A Road Map to the Report

The rest of this report is laid out in four parts:

- Part I examines how local offices structured their organizational and staffing approaches to interconnect the child care and welfare systems. This part provides

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important context for understanding how the policies and practices described in the rest of the report differ across sites.

- Part II examines each of the key steps families take as they move through the welfare-to-work system and access child care. It highlights major points of interconnection between the child care and welfare systems, and examines the policies and practices that shape each step—specifically,
  - entry into the welfare system, the initial connection to child care, and finding a provider (section 1), and
  - authorizing and reauthorizing child care subsidies as families move from welfare to work (section 2).
- Part III discusses key coordination issues faced by local sites working to bring together child care and welfare-to-work activities, and highlights strategies that promote coordination.
- Part IV summarizes the major findings of the study and discusses the implications of these findings for efforts to help families successfully move from welfare to work.

### Box 3. Temporary Assistance for Needy Families (TANF) Program: Work-Focused Welfare Reform

The welfare system was originally designed to provide cash assistance to low-income women to help them stay home to care for their children. Over time, this system has changed from one that focuses on income maintenance to one that focuses primarily on moving parents into the workforce. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 set the course of a work-oriented welfare system by replacing the previous cash assistance program—Aid to Families with Dependent Children (AFDC)—with Temporary Assistance for Needy Families (TANF).

In addition to eliminating the entitlement to cash assistance for low-income families, TANF changed the nature of welfare by placing limits on the amount of time individuals could receive cash assistance and requiring states to move more individuals into employment. While enacting these important policy changes, PRWORA also gave states considerable flexibility in how they implemented their TANF programs. As described below, many used this flexibility to establish a mix of policies designed to promote and reinforce employment among welfare recipients.

**Work requirements.** The TANF program provides incentives to states to move individuals into work, primarily by establishing stringent federal participation rates. States are required to have a specified portion of their TANF caseload either working or participating in program activities for a specified number of hours each month. The work and work-related activities that “count” toward the participation requirement include a range of job preparation activities such as job search, job readiness classes, community service, and, under much more limited circumstances, education and training. Unsubsidized employment also can count toward work requirements, as long as individuals do not become ineligible for TANF because of their earnings. Many states have adopted a more generous treatment of recipients’ earned income (allowing them to receive cash assistance at higher earnings levels) as another way to encourage work. As a result of these participation requirements, states have strong incentives to help TANF families access key support services, such as child care, to allow them to participate in program activities, find jobs, and leave welfare.

**Time limits and sanctions.** Another way TANF promotes work is by limiting the amount of time individuals can receive assistance. Under TANF, parents can receive cash assistance for up to 60 months, but states can set shorter time limits. States can also penalize individuals for not participating in required program activities by reducing or eliminating their cash assistance. However, states cannot sanction parents with a child under 6 years old if they have a demonstrated inability to obtain affordable and suitable child care arrangements within a reasonable distance from their home or work.

**Exemptions from the work requirements.** TANF employment services are provided to parents receiving cash assistance, although states may, but are not required to, exempt certain types of individuals or groups from participating in work-related activities. Specifically, states have the option to exempt parents with a child under 1 year old from the TANF work requirements, although they can set shorter or longer exemption periods, and these parents are not included in the calculation of the participation rate (individuals exempted for other reasons, such as illness or incapacity, are included in the denominator of the rate).

#### Box 4. Child Care Subsidies: Helping Low-Income Working Families Pay for Child Care

The federal government significantly increased its involvement in child care subsidies in the late 1980s and 1990s. Federal actions during that period established the framework of the current child care subsidy system. A primary focus of the child care subsidy system is to support work for low-income families—both to help families leave welfare and to help prevent welfare receipt. A secondary focus is to support the quality and infrastructure of the child care system for all families—a function implemented principally through funds dedicated for this purpose, though states struggle with whether and how to focus their subsidy funds on this issue (Adams and Rohacek 2002).

**Funding and administrative structure.** Child care subsidies and other child care activities are primarily funded by the federal Child Care and Development Fund, related state funds, and funds from the TANF block grant that states have chosen to spend on child care assistance. These funds are not sufficient to serve all eligible families, and almost one-half of states either have waiting lists of eligible families that want assistance or have frozen intake (Schulman and Blank 2004). States use various mechanisms to target services, including setting income eligibility thresholds below the federal ceiling (85 percent of state median income), prioritizing among eligible families, and limiting outreach about subsidies.

While the federal government provides basic guidelines, states have a significant amount of discretion in whether they contribute state funds (and in the amount they invest), as well as how they organize and administer subsidies. As a result, there is wide variation across states (and sometimes localities) in funding levels, administrative approaches, policies (such as eligibility cutoffs, payment rates, and parent fee levels), and practices. Local subsidy agencies can also vary widely—from state and local government social service agencies, to community agencies such as Child Care Resource and Referral agencies (CCR&Rs), to other nongovernmental organizations or designated agencies.

**Eligible population.** Subsidies are designed to reach a broader group of low-income families than simply those on TANF. Indeed, data from a study of 16 states found most families receiving subsidies are *not* on TANF (Collins et al. 2000). Target populations include TANF recipients working to get off TANF, former TANF recipients, low-income parents at risk of going on welfare, and parents needing child care because of special circumstances, such as being in the child protective services system or being a foster parent. Generally, states give the highest priority to current and former TANF recipients (and in some cases families in the child welfare system), and give low-income parents with no recent welfare involvement lowest priority. Eligibility for subsidies is usually based on income and parental work status (or participation in a TANF-related work activity). With federal funds, states can set their income eligibility cutoffs as high as 85 percent of state median income, though almost all states set their cutoffs below this level.

**Parent choice.** Subsidies are typically administered by giving parents a voucher to use at the child care provider of their choice, though some states use some of their funds to pay for contracts with providers to pay for slots for children. “Parental choice” is a key principle of the subsidy system. Under state voucher programs, parents can use any legal provider willing to accept their child and the subsidy,

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#### Box 4. (Continued)

including child care centers, family child care homes (care in the home of a non-relative), relative caregivers, and in-home caregivers. Vouchers can be used for programs legally exempt from licensing (such as relative caregivers, in-home caregivers, and—depending on the state—smaller family child care providers), though states must have basic health and safety protections in place for exempt providers (except for certain relatives).

**Subsidy design.** Subsidy agencies usually enter into an agreement with the chosen provider to pay some of or all the costs of child care for a particular child, as long as the price does not exceed a maximum level set by the state. While the subsidy is usually thought of as going to the parent, the actual subsidy is generally a payment made directly to the provider that operates through parent choice mechanism. Some states pay parents directly if they use license-exempt providers with the expectation that the parent will pay the provider. States also typically charge parents a copayment, based on a sliding fee scale, though some states exempt the lowest income families (such as those who are on TANF) from having to pay a fee. For more information on providers and subsidy policies, see Adams and Snyder (2003) and U.S. Department of Health and Human Services (HHS), Child Care Bureau (2003).



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## PART I

# *Organizational and Staffing Approaches to the Interconnection of Child Care and Welfare-to-Work Systems*

**K**ey to understanding the interconnections between the child care and welfare systems is how local social service agencies organize and administer these different functions. For example, how do agencies set up and administer the various steps involved in applying for and receiving cash assistance, employment-related services, and child care assistance? What child care–related functions are managed by the welfare agency versus a separate agency (or department) that is responsible for child care subsidies? How do agencies structure staffing to help families access child care? Each question has staffing and coordination implications for agencies as well as for TANF parents.

This part first describes the various functions that are part of helping TANF clients access child care services. It then discusses ways to categorize the 11 sites in this study according to how sites organized these functions in terms of the questions above. Note that some terms used here for different types of caseworkers are defined in box 2 in the preceding section.

## **How Do Sites Package the Necessary Administrative Functions to Link Welfare-to-Work and Child Care Subsidies?**

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On the most basic level, providing child care to TANF clients requires coordinating a number of different kinds of functions for families (table 2). On the *TANF welfare-to-work* side, for example, child care is but one of several tasks that take place before or in conjunction with connecting welfare clients with a work-related activity. Other functions include

- assessing the client’s eligibility for cash assistance,
- monitoring ongoing eligibility and benefits for cash assistance,
- connecting the client to the welfare-to-work system,



**Table 2. Key Functions in Providing Child Care Subsidies to Families Moving from Welfare to Work**

<b>Welfare-to-work functions</b>	<b>Child care functions</b>
<b>TANF/cash assistance–related</b> <ul style="list-style-type: none"><li>■ Assessing eligibility</li><li>■ Ongoing monitoring of cash assistance eligibility and benefits</li><li>■ Connecting to welfare-to-work program (case management of subsidy)</li></ul>	<b>Client-related</b> <ul style="list-style-type: none"><li>■ Assessing eligibility</li><li>■ Authorizing subsidies</li><li>■ Ongoing monitoring of subsidy eligibility and benefit levels</li></ul>
<b>Work-related</b> <ul style="list-style-type: none"><li>■ Case management of participation in work-related services</li><li>■ Providing work-related services</li></ul>	<b>Provider-related</b> <ul style="list-style-type: none"><li>■ Approving and enrolling providers</li><li>■ Paying providers</li></ul>

- managing the client’s participation in welfare-to-work activities, and
- providing employment/training/work preparation services and supportive services.

Similarly, ensuring that families on TANF receive child care subsidies requires agencies to perform several tasks related to setting up the subsidy for the client and the payment to the provider, such as

- assessing eligibility for child care,
- authorizing child care subsidies,
- conducting ongoing case management of the child care subsidy (i.e., monitoring eligibility and changing subsidy levels or provider payments in response to changes in family circumstances),
- handling the necessary changes when the family leaves welfare,
- enrolling providers in the system and approving them for payment, and
- paying providers.

As is evident throughout this report, because of the devolution of the child care and TANF systems, our sites varied significantly in how they structured the administration of these different functions.

Given our interest in administrative complexity and coordination issues, in this section we examine how the different sites packaged these functions, with three overarching questions in mind:

1. How many agencies or entities were involved in getting child care subsidies for families moving from welfare to work?
2. How many types of workers were engaged in the process, and how many of them interacted with the parents?

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3. How much do the answers to these questions vary depending on the *stage of the process* being considered (e.g., when a family is already in the welfare-to-work system and accesses child care versus initially getting on cash assistance) as well as the *particular functions* being examined?

None of the sites packaged their administration of these functions in what might have been assumed a common approach—that is, with all the welfare-to-work functions operating out of a welfare agency (or the agency given responsibility for administering the welfare-to-work program for the welfare agency) and all the child care functions operating out of a child care agency. Instead, in every site, at least one (if not more) of the child care subsidy–related functions for TANF clients was administered or managed by an agency or entity that was responsible for some of the welfare-to-work functions.

The placement of some child care functions in the welfare-to-work system can be illustrated by looking at how sites administered tasks for families that were *already in the TANF welfare-to-work system and needed child care*. This involved packaging three functions—welfare-to-work case management, the child care subsidy eligibility, and the subsidy case management functions—for those TANF parents who were employed or involved in a work activity. In looking at how sites packaged these functions alone, sites fell into three categories:

1. *Single agency, integrated worker*. Two sites used a single agency and a single worker for these functions (Detroit and Jackson). In these sites, TANF welfare-to-work case management and child care eligibility and subsidy management were both handled in a single agency and by one set of workers.
2. *Single agency, multiple workers*. Two sites used a single agency but had multiple workers responsible for these functions (Denver and Seattle).<sup>13</sup> In these sites, a single agency managed these functions but had divided responsibilities, so one set of workers was responsible for the welfare-to-work case management function and another set was responsible for the child care–related functions.
3. *Multiple agencies, multiple workers*. The remaining sites used multiple agencies and multiple workers (Birmingham, Boston, Houston, Miami, Milwaukee, Minneapolis, and San Diego). In these sites, one agency was responsible for the welfare-to-work case management functions and another agency was responsible for the child care–related functions.<sup>14</sup> By definition, these sites also had multiple workers.

Interestingly, packaging these functions so multiple workers were involved did not necessarily mean parents had to interact with multiple workers or agencies at any particular stage. In fact, a number of the sites with multiple workers (whether in a single agency or multiple agencies) reduced interactions with parents by limiting the function of the “child care subsidy worker” to administrative processes only. In some sites, however, parents did have to interact with multiple workers, sometimes repeatedly, to move through the system. (Box 5 summarizes the approaches each study site used for these functions.)

### Box 5. Site Approaches to the Welfare-to-Work Case Management and Child Care Eligibility/Case Management Functions

**Birmingham, AL:** The welfare-to-work case management and child care subsidy functions were handled by separate workers in the TANF and child care agencies, although the welfare-to-work case manager was responsible for key child care intake and case management issues. For example, the welfare-to-work case manager determined the client's eligibility for subsidies and determined how long and for how many hours a week the client was authorized for subsidies. Child care subsidy workers—colocated in the same building, but part of a separate child care agency—did not need to see the client and their responsibility for administering TANF clients' child care subsidies was limited to processing the authorization created by the welfare-to-work case manager, which included approving the provider and authorizing the provider payment. With few exceptions, the child care agency—the local child care resource and referral agency that had the contract to manage child care subsidies—was solely responsible for managing the provider side of the subsidy management function, including processing and making payments to providers. The child care subsidy agency also handled all functions for low-income working families that were not on welfare.

**Boston, MA:** A single welfare-to-work case manager handled TANF eligibility and welfare-to-work case management, as well as child care eligibility and authorization decisions. However, child care subsidy administration was contracted out to a local child care resource and referral agency. TANF parents were required to interact with the child care subsidy worker in this agency to initially receive a child care subsidy and whenever the subsidy needed to be recertified or adjusted. The child care subsidy worker issued a subsidy to the parent based on the welfare-to-work case manager's authorization. The child care subsidy worker was also a resource and referral worker; he or she advised parents on how to select care and made referrals to providers.

**Denver, CO:** The welfare-to-work case management and child care functions were handled by separate workers in different divisions within the Department of Human Services. However, from the clients' perspective, TANF and child care services were accessed through the welfare-to-work case manager. Although designated child care caseworkers worked only on TANF cases, they never actually met with TANF clients about their subsidy needs. The welfare-to-work case manager authorized child care and sent new referrals to the colocated child care subsidy workers when client activities changed. The child care subsidy worker assisted the welfare-to-work case manager by entering the authorization information into the child care tracking system, dealing with provider-related issues, and acting as a liaison to the billing office for setting up payments to providers. The low-income child care program used different child care subsidy workers to administer subsidies for the non-TANF population.

**Detroit, MI:** One worker was assigned primary responsibility for handling TANF eligibility matters, overseeing the client's employment and training activities, and securing supportive services (including child care subsidies). The single worker's child care responsibilities included approving the provider, entering required information into the automated system, and authorizing the provider to receive payments. This single worker did not handle provider payments, a responsibility assumed by the state child care agency. The single worker was also responsible for child care subsidies for families not receiving TANF benefits.

### Box 5. (Continued)

**Houston, TX:** Texas exemplified a highly devolved TANF welfare-to-work program and child care system. Local TANF offices determined TANF eligibility and handled TANF recertifications but they did not provide TANF work program case management or employment and training services and were not involved with the child care subsidy system. In Houston, TANF clients were referred to one of five employment and training providers for employment services and ongoing case management. These services were provided through 30 workforce development career centers. Child care subsidies were managed by a separate organization contracted by the local workforce development board. Most child care subsidy workers were colocated in the career centers. Child care subsidy workers helped the TANF client choose a provider and issued the subsidy, but the welfare-to-work case manager determined the length of the subsidy and authorized and reauthorized the subsidy.

**Jackson, MS:** The staff person responsible for handling employment and training activities also handled the client's child care subsidy, including authorizing the subsidy, approving the provider, and putting the client's child care information into the computer system. This worker did not handle the TANF eligibility function (a responsibility assumed by a separate TANF caseworker). A separate child care agency managed subsidies at the local level for low-income families not receiving TANF benefits.

**Miami, FL:** Local TANF offices determined TANF eligibility and recertifications, but did not provide case management or employment and training services and had no involvement with the child care subsidy system. TANF clients were referred to a local one-stop for assessment, case management, and supportive services including child care subsidy authorization. Child care subsidy workers, colocated in the one-stop or available in satellite offices, issued the child care authorization. The child care subsidy worker also educated parents about their child care choices and assessed the parent fee.

**Milwaukee, WI:** Milwaukee's staffing and organizational structure contained some unique features. As part of its complete overhaul of the welfare system, Wisconsin moved TANF cash assistance out of the "welfare" agency and placed it in the agency responsible for workforce development. The state also eliminated the distinction between welfare and non-welfare child care—meaning child care eligibility did not depend on the parent's welfare status. In conjunction with these changes, eligibility workers (county employees) responsible for food stamps and Medicaid were also responsible for determining eligibility for child care subsidies, approving child care providers and authorizing provider payments.<sup>a</sup> Welfare-to-work case managers—employees of the contracted agency that managed the TANF program—were responsible for both eligibility determination for TANF cash assistance and case management for employment-related services and activities.

**Minneapolis, MN:** The welfare-to-work case management and child care functions for TANF clients were handled by separate workers. The welfare-to-work case management function, however, was contracted out to the more than 30 employment service providers that handled employment and training services. The welfare-to-work case managers handled all work issues as well as the child care referral, provider selection, and authorization. The child care subsidy worker, who was an employee of the county human services department, did the final approval, set up provider billing, and dealt with the child care providers, but had little to no interaction with parents. In addition to the welfare-to-work case manager

### Box 5. (Continued)

and the child care worker, separate workers in the county human services department handled TANF eligibility and ongoing case management.

**San Diego, CA:** The welfare administrative structure was divided into six regions. How child care, welfare to work, and cash assistance systems were set up operationally varied somewhat across regions, though they were bound by the same set of regulations and desired outcomes. At the focal office studied here, TANF, child care, employment and training services, and 30 other services were colocated (this was not the case in other regions). However, some services were provided by separate workers employed by different agencies. County welfare workers handled TANF eligibility, while staff of the contracted employment service provider handled case management and employment and training services, determined child care eligibility, and approved subsidy authorizations (though the subsidy was processed by a separate child care subsidy worker).<sup>b</sup>

**Seattle, WA:** The welfare agency used a specialized “social worker” position to handle special supportive needs of welfare clients, including child care. The distribution of child care and other supportive service responsibilities across workers within the social work units varied across local welfare offices. The social worker/child care subsidy workers were responsible for authorizing and recertifying child care, meeting with the client, and providing information about finding a child care provider. Welfare-to-work case managers’ child care responsibilities were limited to referring clients to child care subsidy workers for subsidy authorization and issuance.

*Notes:* See box 2 for common terms used in this report (e.g., child care subsidy worker) to describe different caseworker functions. These terms may or may not be the same ones used in any individual site.

<sup>a</sup>Throughout the paper we refer to this worker as the “child care subsidy worker.”

<sup>b</sup>The child care system in California has a three-stage child care delivery system managed by multiple agencies. Stage 1 child care is for “unstable” CalWORKs cases, Stage 2 is for CalWORKs clients that have “stabilized,” and Stage 3 is for former CalWORKs clients transferring from Stage 2. Stage 1 child care is managed by the county welfare office, while stages 2 and 3 are divided among the county agency and two private contracted agencies. When families move from each stage depends in part on the funding available. For example, in theory clients should stay in Stage 1 funding for about six months, but some respondents reported that because of limited funding for Stage 2, clients may stay in this stage longer. The transfer from Stage 2 to Stage 3, however, corresponds to the client transitioning off CalWORKs.

The categorization of sites described above does not adequately capture the level of inter-organization, interaction, and complexity that occurs if other functions or stages in the process are included. For example, the number of *agencies* involved in the process for a TANF client changes if the initial eligibility and ongoing eligibility monitoring of the TANF cash assistance benefit is also considered. Including these functions often increases the number of agencies involved because TANF eligibility staff in a number of sites often did not deliver employment services. Instead, employment services were generally contracted out to other agencies or organizations, such as the workforce development agency or various nonprofit agencies.

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Sites varied in whether these contracted agencies also handled the welfare-to-work case management function for clients, including monitoring participation in work activities and authorizing use of various supportive services.<sup>15</sup> In some sites, including Houston, Miami, Milwaukee, Minneapolis, and San Diego, the welfare agency transferred all employment-related responsibilities—including welfare-to-work case management functions—to these agencies or organizations.<sup>16</sup> In all these sites except Milwaukee, the welfare agency retained responsibility for initial TANF eligibility and ongoing monitoring of cash assistance eligibility.

The number of *workers* involved also changes when including the cash assistance eligibility and ongoing monitoring functions, as many sites had more than one worker managing the various welfare- and employment-related functions for the parent. In most sites, welfare clients interacted with one type of specialized welfare agency staff about their eligibility for TANF cash benefits and another type of welfare-to-work case management staff about developing and coordinating employment-related service plans and monitoring their participation and progress in employment or work-preparation activities.<sup>17</sup> However, in four study sites (Boston, Detroit, Milwaukee, and Seattle) these two functions (the TANF eligibility and the employment and training functions) were integrated at the front line into a single staff position. In most study sites, the primary responsibility for linking the client to child care subsidies lay with the staff managing the employment services rather than those responsible for TANF eligibility.

Similarly, the number of agencies or workers involved also changed in some sites when considering the child care functions related to provider approval and payment. In most sites, the provider-related functions were carried out by the worker responsible for child care subsidies. However, in some sites the TANF welfare-to-work case manager also held some provider-related responsibilities. For example, this worker oversaw the provider approval process in Detroit and Jackson, and made initial contact with the child care provider in Denver and Jackson. In Birmingham, the provider functions were the responsibility of the child care agency for the vast majority of clients, although the TANF welfare-to-work case managers handled all provider payment-related responsibilities under certain circumstances, including processing the authorization and getting the provider approved.<sup>18</sup> In some of these sites, these child care responsibilities were assumed by TANF workers within the past few years to better streamline the process for TANF families.

## What Are the Implications of the Different Approaches?

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Any administrative approach involves trade-offs. Given the focus of this study, the central trade-offs are embedded in two basic decisions: first, whether to have single or multiple agencies, and single or multiple caseworkers; and second, how to allocate the welfare and child care responsibilities for the different functions across different workers and whether to require parents to interact with them.



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According to respondents, most trade-offs relating to these decisions were concentrated in a few basic areas. Specifically, consolidating more responsibilities under a single worker can reduce the need for coordination, improve efficiency, and reduce client burden but—if implemented poorly—may increase caseworker burden and compromise the quality and accuracy of service delivery and administration. On the other hand, spreading responsibilities across different workers allows for specialization of responsibilities, which can also increase efficiency, reduce caseworker burden, and support parents’ receiving more in-depth information. But this second approach—if implemented poorly—can require more coordination, be less efficient, and, depending on what is required of parents, may increase client burden. These issues are described below and, where relevant, are discussed later in the report.

### **Implications for agencies and staff**

Respondents suggested that decisions around concentrating responsibilities into fewer workers had implications for agencies and staff in two ways. First, they affected administrative coordination; second, they affected staff burden and service delivery.

#### **Administrative coordination**

Coordination challenges are inherent in any system involving multiple frontline staff managing distinct aspects of a welfare client’s case. Some sites—such as Detroit and Jackson—consolidated more responsibilities under a single worker, and thus avoided many administrative coordination challenges found in the other approaches. Respondents noted the benefits of this approach included increased caseworker control and the removal of a third party that parents might “play” against the caseworker. A Detroit respondent noted one advantage of this approach is that “you [the single worker] see the whole family. You know what is going on with everyone in the household. As things come up, you are better able to guide or suggest, and allocate resources.” Respondents in this site also commented the transition to a single worker had eliminated communication breakdowns.

All other sites had separate workers for the welfare-to-work case management and child care responsibilities, though the function of the child care subsidy worker varied from purely administrative to some interactions with parents to actual decisionmaking about the subsidy. Nonetheless, all these approaches required local frontline workers to somehow coordinate their efforts. Respondents from offices using these approaches noted this structure could be challenging, since communication and coordination had to be strong to ensure information was relayed between workers efficiently and accurately. They noted different ways this communication and coordination could break down with problematic results (such as delays in starting the subsidy, duplicative documentation requirements, termination of subsidies at recertification, and improper payment of child care subsidies). These issues, and strategies developed to deal with them, are discussed in greater depth in part III.

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## Staff burden and service delivery

Respondents also noted decisions about how much responsibility to place under a single worker could affect staff burden and service delivery. This could occur in sites with a single integrated worker handling all functions as well as in sites with multiple workers where the welfare-to-work case manager was responsible for more child care functions (e.g., setting the length of the authorization period for child care and the number of hours authorized, serving as the parents' main connection to the subsidy system, and performing some provider-related responsibilities).

Obviously, how the increased responsibilities play out in terms of staff burden and service delivery is closely intertwined with other caseworker issues such as caseloads, staff turnover levels, pay levels and benefits, training, and access to computer systems and other supports. While these issues were not the focus of this research, and we were unable to tease out how much each of these factors contributed to the findings, they clearly affect how well workers are able to do their job (see part III of this paper as well as Adams et al. 2002).

Concentrating more functions into a single worker carries its own set of trade-offs. While this approach can reduce the number of steps families need to complete, respondents in these sites were more likely to report concerns that adding child care-related responsibilities to the tasks of welfare-to-work case managers had overburdened staff. This burden seemed related to two issues: (1) dealing with such a broad and complex range of topics and program areas was demanding; and (2) caseloads were not reduced to account for these additional, time-consuming responsibilities.

For example,

- In Jackson, respondents reported workers' caseloads were not reduced when welfare-to-work case managers were given additional child care responsibilities; as a result, case managers had trouble completing paperwork on time and faced backlogs.<sup>19</sup> Respondents were particularly challenged by the administrative burden created by provider-related responsibilities—workers had to process a new certificate each time a TANF parent wanted a new provider, and some families changed providers frequently.
- Some respondents also expressed frustration with having to keep track of the rules for multiple programs. A TANF administrator in Detroit noted it is easier for workers to focus on one program at a time: “The advantage of having them [TANF and child care] separate is that it takes some burden off one worker. . . . When you are focusing on one [service] area, let's face it, overall it is easier. . . . It is just so much easier handling one program at a time.”
- Staff in Minneapolis noted welfare-to-work case managers were sometimes overloaded, even with their relatively limited responsibility for initial referral and eligibility determination.



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Ultimately, some respondents reported, these high caseloads and broad responsibilities led to service delivery problems—such as delays in processing the subsidy or paying providers—that occurred, in part, because of paperwork backlogs. These problems were compounded by the fact that *subsidy* management can be particularly labor-intensive for workers. Parents may experience frequent changes in their circumstances that can, in turn, require changes in their subsidy or provider (see Adams et al. 2002). For example, respondents in Denver noted that every time parents’ status or work activity changed, their TANF plans had to be modified and new child care referrals issued. Similarly, as noted above, caseworkers in Jackson reported the caseworker burden associated with provider changes.

Conversely, respondents in sites where more of these child care–specific tasks were the responsibility of separate workers often believed their approach resulted in less administrative burden and better services. For example, TANF respondents in Boston noted keeping programmatic responsibilities separate between TANF welfare-to-work and child care staff was advantageous because “we can’t do everything.” Similarly, respondents in Minneapolis said although their administrative approach appears very complicated, it was a “delicate balance” between the two systems. One respondent suggested this approach allowed them to ensure better outcomes and compliance with the different laws and regulations. Because of the tremendous volume of what workers needed to understand and do to fulfill program policies and rules concerning TANF and child care, this respondent felt it was impossible for one staff person to handle both programs efficiently.

### **Implications for parents**

Respondents suggested these administrative and staffing decisions had implications for parents in two ways—first, in the level of parent interactions that were required, and second, in the “quality” of the services.

#### **Parent interactions**

The level of parent interaction with caseworkers depended on several factors, including the number of workers involved, how many workers parents had to interact with, and what parents had to do at each stage in the process. It is particularly important to remember the importance of this last point, as this research found that *what* TANF clients have to do at each stage can matter more than the number of workers involved. For example, a site with multiple caseworkers that had minimal requirements for parents could actually require less of parents than a site with a single caseworker that required parents to interact with that worker multiple times or had more intensive paperwork requirements. Further, as described earlier, these issues can vary depending on the stage of the process and the number of welfare-to-work and child care functions being considered.

Nonetheless, the number of caseworkers TANF clients had to see to receive and retain their subsidy varied significantly across sites. Sites that minimized the number of

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caseworkers involved with the TANF client generally felt this approach was more customer-friendly and efficient for parents. For example, they felt this approach allowed workers to address client issues more holistically, while also lessening the likelihood that parents had to provide the same information to multiple workers. (One possible downside of this approach is parents may face a bigger transition when they leave welfare; they have to effectively switch agencies and workers as they interact with the child care subsidy agency for the first time. This issue is addressed in more depth in this study's companion reports.)

Respondents were more concerned about parent burden in sites where parents had to interact with both a welfare-to-work case manager and a child care subsidy case-worker to access and retain subsidies. Child care staff in one site noted a distinct disadvantage with this approach; they did not have a seamless system, and parents were required to go through an additional step (e.g., meet with an additional worker as part of the TANF eligibility and child care subsidy process). A TANF administrator in another site noted having welfare-to-work case managers administering clients' child care subsidies would reduce clients' frustration.

### **“Quality” of child care service**

With TANF welfare-to-work case managers taking on child care responsibilities, some respondents in sites such as Boston and Minneapolis (among others) raised concerns about what this meant for the quality of the child care assistance provided by the agency. Some respondents suggested clients may not receive adequate information about child care options if they do not interact directly with a specialized child care subsidy worker, and others were concerned that eliminating the specialized child care worker might lose the focus on child development and the importance of helping families choose quality care.<sup>20</sup> Other respondents questioned whether placing responsibility for child care in the hands of welfare-to-work case managers might also present challenges for coordinating with providers—a role they felt specialized child care subsidy workers may be in a better position to perform.

Similarly, respondents in sites that had a more specialized child care role, such as Boston, San Diego, and Seattle, believed this specialization resulted in better service and ensured the integrity of the separate programs (e.g., knowledge about quality of care and employment and training). The experience in Seattle was particularly instructive, as respondents there reported that although welfare-to-work case managers had administered the child care subsidies earlier, administrators found child care was not a priority among the many other responsibilities handled by these staff. Workers responsible for non-TANF child care subsidies subsequently assumed responsibilities for TANF child care subsidy management. Respondents felt this allowed child care subsidy workers to work more closely with TANF clients who had special child care needs (such as culturally appropriate care or care for children with special needs). They also felt these workers were better able to help clients select child care providers and resolve problems with providers.

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This experience was corroborated by a Minneapolis respondent who described a site that had experimented with combining child care and TANF duties into a single job classification, and had found the worker ended up dealing with TANF-related responsibilities and placing a lower priority on child care. The site reported their child care use had dropped.

It is interesting to note that the third phase of this study, which involved talking with parents directly about their experiences moving through the welfare and child care systems in selected sites, found some evidence to suggest parents could benefit from a stronger focus on, and knowledge of, child care issues (Snyder et al. 2006). In particular, some parents reported wanting more child care-specific information about key issues such as finding providers, as well as concerns about policies such as the length of time they were given to find a provider.

## Conclusion

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As this discussion suggests, there is no inherent “right” or “wrong” approach to interconnecting the TANF and child care systems. Each way of structuring, administering, and coordinating the systems involves trade-offs. Agencies continue to confront these trade-offs as they try to identify the best approach for their clients and staff. However, as is described in depth in the next sections of this report, a host of other issues affect the impact of any particular approach on frontline staff or parents. These include the following four items:

- Specific policies and practices, such as what is required of TANF parents or staff at each point in the process—for example, how many steps are required, how many caseworkers parents must see, how many times parents must see each caseworker, and how many places they must visit,
- Administrative structures and organizational systems that affect how policies are implemented, including those policies and structures developed to address the particular shortcomings of any approach—for example, the extent to which services are colocated and/or coordinated,
- How processes are implemented, which affects how well the policies and practices function, how much interaction is required between agencies, and how well the processes and subsequent communication systems work, and
- The level of coherence or disconnect between the policies and practices of different agencies, and how well they complement or contradict each other.

Finally, each of the above issues can play out differently depending on the stage of the process under examination. Although the rest of the report examines each stage separately, it is essential to consider the cumulative impact of these stages on TANF clients as they move through the system.

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## PART II

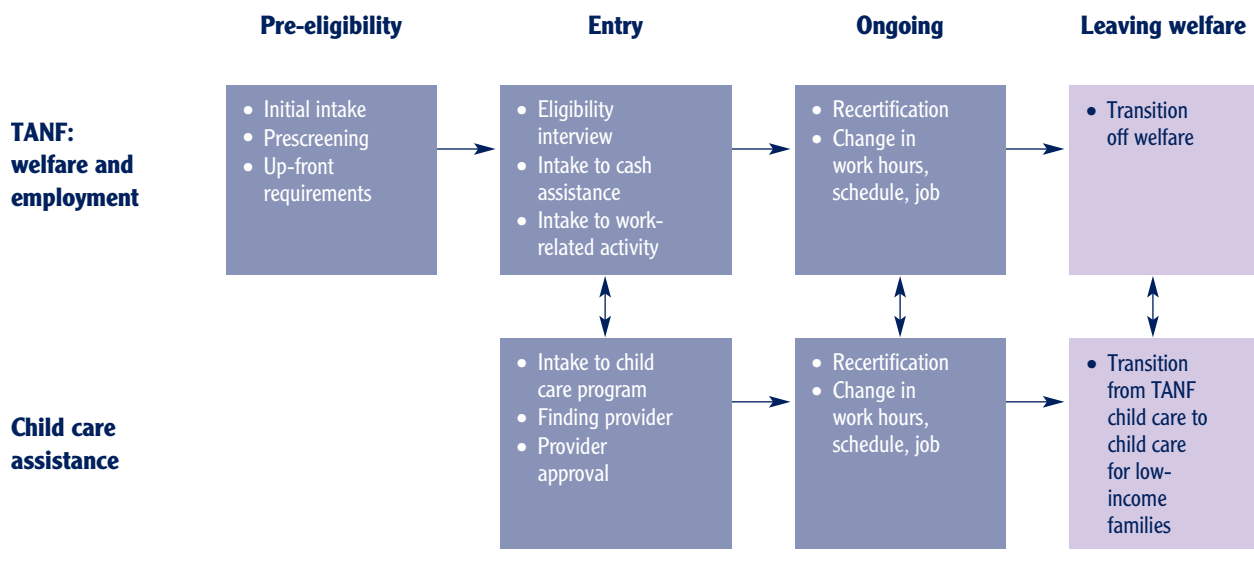
# *Key Points of Interconnection as Parents Move through the Child Care and Welfare Systems*

Policies and processes implemented at the local level play a key role in defining and shaping the interconnection between the child care and welfare systems. Figure 2 illustrates the major steps TANF parents commonly experience as they move through the welfare and child care systems. Although this process varies across states and localities, it typically includes three stages:

- *Pre-eligibility:* This is the first stage for parents applying for TANF cash assistance. It includes certain activities that can precede an eligibility assessment, such as attending an orientation or participating in an up-front job search activity.
- *Entry to cash assistance, work-related activities, and child care:* This stage involves steps to start cash assistance benefits and connect the TANF client to work-related activities and (if needed) to child care subsidies. To obtain a child care subsidy, welfare clients must be formally approved, or “authorized,” to receive the subsidy. This authorization sets the basic parameters of the subsidy—including how long the subsidy will last and the number of hours of child care for which the state will pay. At some point in this process, or at the beginning of the next stage, parents also need to find a child care provider and get the provider approved for payment.
- *Ongoing cash benefit receipt, welfare-to-work program participation, and subsidy receipt:* This stage includes the various steps necessary to monitor ongoing program participation in employment activities, eligibility for cash assistance, and child care subsidies. Since the authorization is for a finite period of time, at some point the subsidy expires and must be “reauthorized” (or “recertified”), or the subsidy ends. These steps are dynamic and vary depending on changes in the TANF client’s employment-related activities, work circumstances, or other circumstances that can affect cash assistance eligibility or trigger a “subsidy adjustment” before the subsidy expires.

This part of the report examines the major steps TANF parents commonly experience as they move through the welfare-to-work and child care systems. (Another report from this project, Adams et al. 2006, focuses on what happens with child care subsidies as families leave welfare.) This part includes two sections. The first section examines

**Figure 2. Child Care and Welfare Client Flow Path**



what occurs both administratively and for parents during the first two stages above (pre-eligibility and entry to cash assistance, work-related activities, and child care). The second section examines what has to happen for parents to retain subsidies as they participate in work-related activities.

However, while figure 2 provides a useful framework for understanding the key steps in the TANF and child care assistance process, the reader is encouraged to bear in mind that this chart merely illustrates rather than fully captures the complexity of client-system interactions. Because TANF parents' interactions with the welfare and child care systems often do not occur in such a linear fashion, the client flow for any particular parent may look slightly or even sharply different. For example, some parents may move through these steps as they are structured and sequenced in a particular local site. Others may cycle through various steps more than once—such as moving from a job activity to finding a job, leaving welfare, losing the job, and then returning to welfare (Loprest 2002a; Acs and Loprest 2004). Some parents may need to search for a child care provider, others may already have a provider chosen before they apply for welfare, and still others may change providers numerous times within a short period.

Overall, these two sections provide a wealth of detail about what occurred at each step of the process for parents in the 11 sites, and how local agencies dealt with these issues administratively. However, it was not possible to fully assess or evaluate any particular site or approach, because of both the complexity and variation across sites. Since this research did not actually evaluate the impact of these different approaches, we do not recommend any particular approach over another but rather consider some of the trade-offs involved.

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## Section 1. Entering the Welfare-to-Work System, Making the Initial Child Care Connection, and Finding a Child Care Provider

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This section examines three processes: how clients entered the TANF program, focusing on what parents had to do to apply for TANF cash assistance benefits; how clients were initially connected to the TANF welfare-to-work program and to child care subsidies; and how much time and assistance TANF parents were given to find child care so they could participate in welfare-to-work activities. Overall, our sites varied significantly in how they structured this process, demonstrating that entry into the TANF cash assistance and welfare-to-work system can be relatively simple or it can be complex and involve numerous steps and multiple visits to different offices or caseworkers.

### How do clients apply for TANF benefits?

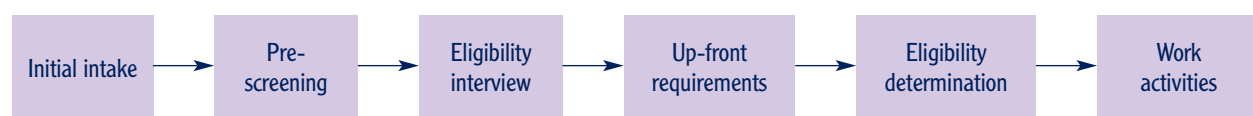
Figure 3 lays out the major steps involved in entering the TANF cash assistance program until the client is connected to the welfare-to-work component. The precise order may differ across sites—for example, some sites had up-front requirements (such as attending an orientation) that occurred before the eligibility interview, while others imposed additional requirements after the eligibility interview.

The first step of the TANF application process, or *initial intake*, typically involved an interaction with clerical or administrative staff at the welfare agency.<sup>21</sup> These intake workers typically provided blank application forms, accepted completed applications, answered general questions, scheduled eligibility determination appointments, and sometimes conducted initial reviews of the applications to check for missing information.

Many TANF agencies—including 6 of our 11 sites<sup>22</sup>—conducted *prescreenings* as part of the TANF application process. These screenings took place prior to eligibility determination and were either incorporated into the initial intake step or constituted a completely separate step. The prescreenings served one or more of the following purposes:

- Simplifying and shortening the eligibility interview;
- Determining the need for expedited food stamps or other emergency services;
- Conducting an up-front needs assessment to divert applicants from TANF cash assistance and instead give them a financial lump-sum “diversion” payment<sup>23</sup> and/or referrals to other programs and resources;

**Figure 3. Entering the TANF Welfare-to-Work System**





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- Informing applicants about the documentation they needed to submit; and
  - Identifying potential barriers to participation in the TANF employment program.

Eligibility determination for TANF required an in-person *eligibility interview* with a TANF worker, necessitating most applicants to make a second trip to the welfare office, even in sites that did not have pre-eligibility screenings or orientations. A wide range of information necessary to determine eligibility and fulfill verification requirements was typically collected at this interview.

Many TANF programs impose *up-front eligibility requirements* in addition to those tied to the client's income levels and needs. These additional requirements generally reflect efforts to alter the culture of welfare so it is clearly associated with work and self-reliance (Holcomb and Martinson 2002; Lurie 2001). In some places, these requirements must be met before the eligibility interview, while in others they must be met after the interview but before the TANF application can be approved.

Orientations represented the most common up-front requirement in our sites. About half our sites (Denver, Detroit, Houston, Miami, Minneapolis, and San Diego) required TANF applicants to attend either a group or individual orientation session on the TANF program. Orientation sessions typically concentrated on informing applicants about TANF requirements, explaining key TANF policies (e.g., time limits and sanctions), and describing TANF work program activities and supportive services. Depending on the site, participation in these orientations was required before the eligibility interview (often on the same day the individual came to welfare office to apply for benefits) or benefit approval was made contingent upon applicants attending an orientation after completing the eligibility interview. Applicants often attended the required orientation session on the same day they came to the welfare office to apply for benefits or undergo the *eligibility determination* interview.

Up-front work activities were built into the TANF application process in two sites (Birmingham and Denver). Before benefits could be approved, TANF applicants in Birmingham were required to register at the Employment Service office and conduct a job search consisting of making two job contacts. Similarly, applicants in Denver had 10 days to complete 22–34 hours of work-related activities (depending on the age of the applicant's child). In Birmingham, child care subsidies were not available for these up-front activities for TANF applicants. In Denver, an on-site child care center in the welfare office could handle applicants' child care needs while they engaged in a required up-front work activity.

### **How and when are clients initially linked to the TANF welfare-to-work program and child care subsidies?**

Entry into the TANF welfare-to-work program typically occurred after eligibility for TANF cash benefits was approved (though there were exceptions, such as in

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Milwaukee) and involved a mini-assessment of the TANF parent's employment barriers and goals, past job experience, and education background; the development of an employability or self-sufficiency plan (i.e., an "action" plan); and assignment to work or a work-related activity (e.g., job search).<sup>24</sup>

Information about the availability of child care subsidies and the initial connection to the child care subsidy system usually occurred at this step in the TANF entry process. How and when parents were told about child care varied across our sites depending on the administrative and staffing approach:

- In sites where TANF eligibility and TANF welfare-to-work program case management responsibilities were divided between two separate workers, the work program entry process involved an in-person meeting with a TANF work program case manager after the eligibility interview (usually on a different day and sometimes in a different location). In these sites, the connection to child care subsidies was triggered by the parent's entry into the TANF welfare-to-work program. This typically occurred when the parent met with the TANF welfare-to-work case manager.
- In sites with an integrated worker, issues pertaining to TANF eligibility and the TANF work program were covered in a single interview. The integrated workers in these sites actually connected parents to child care subsidies (i.e., parents completed whatever step or steps were needed to initiate child care authorization during that interview).

In most of our sites, respondents reported TANF parents' first welfare-to-work activity was generally job search or job readiness classes.<sup>25</sup> If participation in this initial job readiness or job search component did not result in employment, parents typically met with their welfare-to-work case managers to determine next steps. These might include, although were not limited to, short-term vocational education or skills training, work experience placement, more comprehensive assessment, or intensive job readiness skills-building. These activities might also be combined with continued job search activities.

### **How much time and assistance do TANF parents receive to find care?**

Finding good-quality affordable child care can be a challenge for many parents. Research indicates many programs across various settings do not adequately support children's development (Vandell and Wolfe 2000). It also finds the shortage of good care can be particularly severe for particular children or families—including infant-toddlers or school-age children, families living in some low-income neighborhoods or rural areas, children with special needs, families with inadequate transportation, or families with nontraditional or irregular work schedules (Fuller et al. 2004; GAO 1995, 1997)—though supply can vary across different communities.<sup>26</sup>



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While finding child care—let alone quality child care—can be difficult for parents of any income level, TANF parents can face particular challenges. They are not only likely to be in several of these “short supply” categories (i.e., living in low-income areas and having young children, inadequate transportation, or nontraditional/irregular work schedules), but they may also have relatively less experience with finding and using child care in the first place. In addition, families coming into the welfare-to-work system often need to make child care decisions very quickly after going on welfare. They may not yet know several key issues about their child care needs, including such critical issues as their schedule in required welfare-to-work activities or, if they move directly into employment, their work schedule and place of work. Additionally, some child care programs have waiting lists—meaning parents can face a wait of several months before they can enroll their child—and may charge an application fee to even place a child on the waiting list.

All these variables can have major implications for the child care choices available to TANF families and make the TANF welfare-to-work policies and practices that influence the process of finding care for TANF families particularly important to examine. Two issues that may shape the child care choices of those on welfare are examined in depth here. First, how long did TANF clients have to find care before beginning their work activity; second, what assistance were they given in finding care?

### **How long parents had to find a provider**

The issue of how long parents have to find care is important on several levels. In particular, insufficient time to make informed choices about the type of care and to find an appropriate provider may result in parents using a child care setting that is not the best option for their children. This undercuts the concept of supporting parental choice (a key principle of the CCDF), and may result in parents having to subsequently change their child care arrangement. This can be problematic for those transitioning off welfare to work to achieve job stability and remain off welfare. Reducing disruptions in child care arrangements may also positively affect children’s development given the importance of continuity of care for children, as well as reduce subsidy-related administrative costs, as each change requires caseworkers to stop payment to one provider and start it for another (Adams and Snyder 2003). Also, common sense and anecdotal evidence suggest parents with little time to find a provider may end up choosing informal care simply because they do not have sufficient time or information to access formal care. This situation is problematic if informal care is not the parent’s preferred care arrangement.

We consider the question of how much time TANF parents are given to find a child provider from two angles: (1) how and when TANF clients learned of the need to find child care and the availability of child care subsidies, and (2) the length of time TANF parents were given to find child care before starting their assigned work activity, including any provisions in place for those TANF clients that had not found child care within that period.

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**How and when TANF parents learned about child care subsidies.** For the most part, TANF parents heard about child care at least once before they were initially connected to child care subsidies. The subject of child care—either in terms of the need to find a provider or the availability of child care subsidies—was most often introduced during the orientation (Denver, Houston, Miami, Minneapolis, and San Diego) and, in some sites, as part of a pre-eligibility screening (Detroit, Milwaukee, and San Diego).<sup>27</sup> It appeared child care generally was not discussed when individuals first contacted the welfare office to apply for TANF benefits. A TANF applicant who inquired about child care at this initial point of contact, however, would likely be told child care subsidies were available.

In all sites, TANF clients were connected with child care subsidies by the same worker that assigned them to a TANF welfare-to-work program activity. In sites where TANF eligibility and TANF welfare-to-work program case management functions were combined under a single worker (Boston, Detroit, Milwaukee, and Seattle), the parents' first meeting with their integrated worker covered at least some information about the TANF welfare-to-work program, including the need to find a child care provider and the availability of child care subsidies.

However, in sites where TANF eligibility and TANF work program case management functions were divided between two specialized workers (Birmingham, Denver, Houston, Jackson, Miami, Minneapolis, and San Diego), TANF work program issues, including child care, usually were handled at a separate meeting with the welfare-to-work case manager. Two sites in the study diverged from this general pattern. Eligibility workers in San Diego not only mentioned child care subsidies were available to TANF work program participants, but also gave parents the child care application packet. Eligibility workers in Denver talked to applicants about their child care options.

**Time TANF parents were given to find child care.** Once parents knew child care assistance was available, several policies and practices determined how much time they were given to find child care before starting their assigned work activity. These include the length of time TANF parents were allowed to find child care before they had to start participating in the work activity and the provisions in place for clients that had not found child care by the time their work activity was scheduled to begin.

In four sites (Denver, Houston, San Diego, and Seattle) respondents reported there was no standard time frame for starting a work activity because the start of the activity was contingent on having a child care arrangement in place:

- In Denver and San Diego, respondents reported “finding child care” could constitute parents' first work-related activity if they did not have a regular child care provider.
- In Houston, it was up to the welfare-to-work case manager to make sure the client had child care set up before starting an activity. As one respondent in Houston noted

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“[this is] not a direct order, but as career specialists, we do make sure that child care is set up.”

- In Seattle, respondents noted the welfare-to-work case manager would work with clients if they had trouble finding care, saying “we work with them, we’re not that hard-nosed.”

In five sites (Birmingham, Boston, Jackson, Miami, and Milwaukee), respondents reported TANF parents were given between seven and 10 days to find child care between meeting with their welfare-to-work case manager and starting their assigned work activity. In two sites, TANF clients were expected to begin participating in the work activity within a few days of their orientation (Detroit) or initial meeting with the welfare-to-work case manager (Minneapolis). Respondents in Minneapolis also noted TANF clients are told at a required orientation about two weeks before meeting their case manager that they should be looking for child care. As one respondent noted, the message at the orientation was, “Don’t wait, find child care now” (though it can be difficult for parents to find care before they know the hours or location of the work activity). Also, focus groups with parents in a subset of these sites suggest caseworkers actually had a fair amount of discretion on these timelines, and may—in at least some instances—give parents *less* time than suggested by these guidelines (Snyder et al. 2006).

Although most sites had a distinct time frame for the start of the work activity, a number of sites tried to accommodate parents who experienced problems with finding care. One approach was to provide some flexibility in the timing of the start of the work activity if parents were unable to find child care. For example, respondents in Miami reported they tried to get clients in an activity within 10 days, but if parents were unable to find child care that quickly, welfare-to-work case managers deferred the clients from work activities for a period of time. In Boston, policies regarding which clients were required to participate in work activities allowed for flexibility—in particular, parents with children under school age were not required to participate in a work activity (though could do so voluntarily), while those with school-age children were required to participate for 20 hours in an approved activity, which could be completed during school hours.<sup>28</sup>

Some sites (Denver, Milwaukee, and San Diego) offered structured “work” activities that were designed to help clients find child care. As noted earlier, job-ready TANF parents in Denver and San Diego who did not have a child care arrangement were allowed time to find child care—which was then considered the TANF client’s “first” work activity. These activities lasted about two weeks, though respondents in Denver reported it could last longer. In Milwaukee, parents who had not secured child care in time to start their first required work activity could be assigned to a one-week program called “Free Academy.” The program provided more information about the Milwaukee TANF program and how to find child care in the morning and then expected parents to look for care in the afternoon.

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Yet another approach taken by some sites (Denver, Detroit, and Milwaukee) was to offer on-site child care for TANF parents who could not set up their own arrangement by the start of their assigned work activity. However, these programs were considered short-term alternatives, so parents still needed to find appropriate longer-term care settings for their children. Further, there are families for whom such programs may not be the best option, even in the short term.

Because the information provided here is based on discussions with agency staff and not with parents, it was not possible to ascertain how these policies and practices were experienced by parents—in particular, whether parents in these sites knew they had alternatives if they were unable to find satisfactory care or how this information would have affected the decisions or choices they made. We were also unable to ascertain whether parents were told that, under certain circumstances, they would not be subject to sanctions for noncompliance with the work requirements if they were unable to find affordable and suitable child care.

One of the interesting questions worth exploring further is how the length of time available to parents to find care shapes the kind of care they end up using. This issue was raised by respondents in our study, who suggested that when parents have little time to find care, they are less likely to choose formal options. As one respondent noted:

In many instances, people don't have a whole lot of time to go out scouting day care facilities and connecting with the CCR&R to find referrals. They have to make some decisions fairly quickly. And, of course, when people are put into that sort of situation, many of the decisions are people that they already know—relatives, friends, and so forth. That might also push a greater percentage of people into the informal care arrangements.

Other respondents also pointed out short time frames push parents into taking whatever choice is available to them:

You can show up at the welfare office on Friday and they will tell you that they want you to go to a job on Monday morning. Are you going to go out and spend the next three weeks visiting providers, picking what you think is quality care? No—you are going to take the fastest, quickest, easiest thing you can find.

This is particularly true given many formal providers are only open during working hours—meaning it is impossible for parents to visit them during non-work hours or weekends. Interestingly, these issues—along with challenges of transportation and flexible schedules—were also reported by some parents in the parent focus groups from the third phase of this study (Snyder et al. 2006).

### **Assistance available to TANF parents in finding a provider**

There are several ways agencies can help parents find a provider. Agencies may provide information about parents' child care options or how to choose good child care, they

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may give lists of providers in the area, they may give parents the phone number of the local CCR&Rs, or they may have parents meet with CCR&R staff. Sites varied in the help they provided parents looking for care, both in terms of who received assistance—all TANF parents or only those who indicated they needed help choosing—and the kind of assistance provided.

While many respondents believed that many TANF parents already knew the provider they wanted to use, they recognized that some parents—such as those working nontraditional hours or those with an infant or toddler, or a special needs child—could experience difficulty finding any care, let alone good care. This issue was of concern to some respondents, who realized difficulties finding care could delay the work activity. Respondents in Milwaukee and San Diego noted delays in the entry or authorization process were a result of parents not selecting their provider early enough.

At a minimum, all sites provided at least some parents (usually those who came back to the agency and reported difficulty finding care) with a list of providers or the number of the local CCR&R, which could then offer parents more help finding a provider. Similarly, in most sites,<sup>29</sup> some parents were also given at least some information about their child care options or how to choose child care—either by a staff person or through a brochure. Again, however, in many cases this information was provided only to those parents who told the agency they didn’t know the provider they wanted to use. Some sites also offered clients additional assistance in finding a child care provider by directly helping them access local CCR&R staff or—as described earlier—by incorporating special sessions about child care into orientation or a separate workshop.

Sites also varied somewhat in how heavily they relied on the TANF eligibility worker and TANF welfare-to-work case manager to provide parents information about finding child care. For the most part, TANF workers referred parents to the child care worker or the local CCR&R if they had difficulty finding a provider. In some sites, the TANF workers counseled parents about their child care options (e.g., Denver), gave parents written information about finding child care or their child care options (e.g., Minneapolis and San Diego), or provided them with lists of providers (e.g., Birmingham, Houston, and Jackson).

The focus groups conducted with parents in four sites in the third phase of this project provided additional insights into these issues. In particular, across the sites, one of the main challenges reported by families was finding child care before their work activity started. In particular, parents across our sites reported they did not have enough time to find care and/or would have liked more information or assistance in finding care. Parents also reported some challenges around finding care resulting from transportation problems.

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## Conclusion

Examining the welfare entry process and how child care intersects with it has some important implications for child care. First, when TANF parents were first told about child care subsidies and how much information they received varied across sites. In terms of timing, our research suggests parents may be informed about the availability of subsidies at a number of points during the welfare entry process—during their pre-eligibility screenings, orientation, eligibility interview, or when they meet with the worker handling TANF employment program responsibilities. However, it appeared most sites provided little information about child care subsidies before parents were linked to the TANF welfare-to-work program and assigned to a work or work-related activity. While the question of *when* parents are most likely to need to hear about the availability of subsidies and *what information* they most need about the benefit is not clear from this study, it is clear agencies have many opportunities available to talk with parents. Exploring the pros and cons of different timing and levels of information would be useful.

Second, our research suggests that a number of sites provided relatively little time to find care—between a few days and 10 days—and relatively little in-depth information or counseling about child care options. While some sites had policies or practices that meant these timelines were actually flexible and others assisted parents who reported having difficulty finding care, additional research should explore whether parents knew about and used these options.

It is also important to examine further the question of whether parents need more time and information to find care. Many agency respondents said in their experience parents did not need more time to find child care. In fact, they typically believed many parents already knew what provider they wanted to use before they came to the TANF office. Yet, there were indications—in particular from parent focus groups in a subset of sites in the third phase of the study—that at least some parents may need more time to find care or do not know what provider to use. One possible explanation for the disconnection between the perceptions of the agency staff and the parent reports may be that some parents who experience difficulties finding child care may not communicate those problems to their welfare-to-work case manager because they do not realize there is flexibility in the system to deal with this issue.

Finally, as noted earlier, another issue worthy of further exploration is whether the policies and practices of the TANF welfare-to-work system play a role in inadvertently limiting the child care options available to TANF families. (This is important because parental choice is a cornerstone of the federal–state child care subsidy system under the CCDBG/CCDF.) In particular, it could be interesting to examine whether the amount of time and support parents have to find care is related to the arrangements they are able to make. It seems possible that parents with less time and information may be more likely to choose less formal child care providers such as family, friends, or neighbors.<sup>30</sup> While there is no reason to think choosing license-exempt child care is problematic in



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and of itself, there is reason to be concerned if it is a choice made out of constraints rather than because parents feel it is the best option for them and their child.

## Section 2. Authorizing and Recertifying Child Care

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The next set of issues facing TANF clients that need subsidies to participate in welfare-to-work activities concerns what must happen for them to obtain a subsidy, as well as what they must do to keep it as they move through their various work activities and changes in circumstances. This section describes the processes used by welfare and child care agencies in the study sites to authorize, reauthorize, and adjust subsidies for welfare parents. These processes present critical junctures in the connection between child care and welfare—both for parents and for the agency staff working to help families become self-sufficient. These are also complex processes that require each component of the system—TANF eligibility, employment and training, and child care assistance—to interact.

We examine the following questions in turn, with a particular focus on the roles of the welfare-to-work and child care systems, how they interconnect, and what is required of TANF recipients for these processes to take effect:

- What does “getting authorized” to receive a child care subsidy entail for families on TANF?
- What is the level of the subsidy—how long does the authorization period last in different sites, and how do local sites set the number of hours of child care that welfare families can receive?
- What happens at the end of the authorization period? What does recertification entail?
- What happens if parents on TANF experience changes in their circumstances before the end of the authorization period?
- What issues arise in communicating across agencies during authorization or reauthorization?

Although we examine local-level processes and practices associated with each of these questions separately, it is also important to consider their cumulative impact on agency staff and parents in terms of administrative and client burden. The combination of the relative complexity (or simplicity) of the authorization, reauthorization, and subsidy adjustment processes *and* how frequently these processes must be undertaken affects the level of burden. Further, the focus here is primarily on what parents need to do to recertify for child care. There are also additional steps required for parents to recertify for TANF that are not examined in this report but add to the responsibilities of parents and caseworkers.

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## What does the authorization process entail?

Table 3 summarizes the child care subsidy authorization process for welfare families in each site. As described in the preceding section, the child care authorization was typically initiated by the welfare-to-work case manager or (in Detroit and Jackson) the integrated worker as part of the TANF parent's initial entry into welfare-to-work. Generally, the child care subsidy system was only minimally involved in decisionmaking about whether TANF clients were eligible for or would receive child care subsidies. In sites with a separate worker responsible for child care, the role of this worker was largely confined to processing the paperwork needed to issue the subsidy and/or meeting with the parent. One exception to this pattern was the focal office in Seattle, where the entire authorization function (i.e., authorizing and determining the level of the subsidy) was handled by the child care worker based on information provided by the welfare-to-work case manager. However, the child care worker and the welfare-to-work case manager were both physically located in the same building.

Although the child care agency typically was not involved in decisionmaking about the subsidies, successfully completing the authorization process was still contingent on the transfer of relevant information to child care subsidy staff. The amount and type of information provided to the child care worker varied across sites, but typically contained key information about the subsidy—for example, that the parent was a TANF client, why the subsidy was needed, and the number or range of hours and overall length of time for which the child care subsidy authorization was in effect. Child care subsidy staff used this information to set up the appropriate payments for providers, monitor the subsidy, and so forth.<sup>31</sup>

Authorization information was transferred to the child care subsidy worker through various means. Sites often lacked the automated capacity to transfer or share information, but many colocated their child care staff with TANF welfare agency staff or TANF employment program contractors to facilitate the manual transfer of information. In several sites, the welfare-to-work case manager relayed the information by physically walking the appropriate form(s) over to the child care subsidy worker (Birmingham, Houston, San Diego, and Seattle). In other sites, information was faxed or mailed (Boston, Denver, and Minneapolis), or e-mailed (Milwaukee). In one site (Miami), the parent served as the conduit for the information.

Once the TANF agency passed on the initial authorization information, the role of the child care subsidy agency differed across sites. In three sites (Birmingham, Denver, and Minneapolis), there was a limited role for the child care agency, and the worker responsible for child care did not need to interact with the client. In these sites, the child care worker used the subsidy authorization information to approve the child care provider and authorize the provider payment.

In a number of sites, the worker responsible for child care had a greater role, and the TANF parent had to interact in some way with this worker. In four sites (Boston, Miami,



**Table 3. Authorization and Recertification Processes**

	<b>Initial child care authorization process</b>	<b>Child care recertification process</b>
Birmingham	<ul style="list-style-type: none"><li>■ Welfare-to-work case manager authorizes child care and places completed authorization in child care mailbox.</li><li>■ Child care worker processes authorization.</li></ul>	<ul style="list-style-type: none"><li>■ Child care worker sends notification to welfare-to-work case manager.</li><li>■ Welfare-to-work case manager reauthorizes child care and places completed authorization in child care mailbox.</li><li>■ Child care worker processes new authorization.</li></ul>
Boston	<ul style="list-style-type: none"><li>■ Welfare-to-work case manager creates child care authorization.</li><li>■ Welfare-to-work case manager faxes child care authorization to child care agency and gives copy to parent.</li><li>■ Parent visits child care office and delivers child care authorization to child care worker.</li><li>■ Child care worker processes authorization.</li></ul>	<ul style="list-style-type: none"><li>■ Child care worker sends notification to parent.</li><li>■ Parent contacts welfare-to-work case manager for new authorization.</li><li>■ Welfare-to-work case manager reauthorizes child care, faxes authorization to child care agency, and sends copy to parent.</li><li>■ Parent visits child care office (if employed) to provide authorization and pay stubs. Parent does not need to visit office if in job search or training program.</li><li>■ Child care worker processes new authorization.</li></ul>
Denver	<ul style="list-style-type: none"><li>■ Intake caseworker completes child care referral form with parent and passes it to welfare-to-work case manager.</li><li>■ Welfare-to-work case manager authorizes care and mails authorization to child care worker through internal system.</li><li>■ Child care worker processes authorization.</li></ul>	<ul style="list-style-type: none"><li>■ Welfare-to-work case manager calls parent to let her know to recertify.</li><li>■ Welfare-to-work case manager reauthorizes child care and sends authorization to the child care worker through internal mail system.</li><li>■ Child care worker processes new authorization.</li></ul>
Detroit	<ul style="list-style-type: none"><li>■ Parent is given child care packet to complete.</li><li>■ Integrated worker authorizes and processes subsidy.</li></ul>	<ul style="list-style-type: none"><li>■ Integrated worker sends parent recertification packet.</li><li>■ Parent completes form and provides documentation to verify employment or enrollment in school.</li><li>■ Integrated worker processes new authorization.</li></ul>
Houston	<ul style="list-style-type: none"><li>■ Welfare-to-work case manager completes child care authorization and walks it over to the child care worker.</li><li>■ Parent contacts child care worker (by phone or in person).</li><li>■ Child care worker processes authorization.</li></ul>	<ul style="list-style-type: none"><li>■ Child care worker sends notification to welfare-to-work case manager.</li><li>■ Welfare-to-work case manager authorizes child care and walks over authorization to child care worker.</li><li>■ Parent contacts child care worker (by phone or in person).</li><li>■ Child care worker processes new authorization.</li></ul>
Jackson	<ul style="list-style-type: none"><li>■ Integrated worker authorizes and processes subsidy.</li><li>■ Parent comes in to pick up authorization.</li></ul>	<ul style="list-style-type: none"><li>■ Integrated worker sends parent notification.</li><li>■ Integrated worker processes new authorization.</li><li>■ Parent comes in to pick up new authorization.</li></ul>
Miami	<ul style="list-style-type: none"><li>■ Welfare-to-work case manager completes a child care authorization and gives it to parent.</li><li>■ Parent meets with child care worker and delivers child care authorization and other required documentation.</li><li>■ Child care worker processes authorization.</li></ul>	<ul style="list-style-type: none"><li>■ Child care worker sends notification to parent.</li><li>■ Parent meets with welfare-to-work case manager, who reauthorizes child care.</li><li>■ Parent takes child care authorization to child care worker.</li><li>■ Child care worker processes new authorization.</li></ul>

**Table 3. (Continued)**

	Initial child care authorization process	Child care recertification process
Milwaukee	<ul style="list-style-type: none"> <li>■ Parent meets with worker responsible for TANF eligibility determination, food stamps, Medicaid, and child care processing.</li> <li>■ Welfare-to-work case manager authorizes child care and e-mails an authorization to the child care worker.</li> <li>■ Child care worker processes authorization.</li> </ul>	<ul style="list-style-type: none"> <li>■ Child care worker sends notification to parent.</li> <li>■ Parent contacts welfare-to-work case manager to update authorization.</li> <li>■ Welfare-to-work case manager reauthorizes child care and e-mails authorization to child care worker.</li> <li>■ Parent meets with child care worker and provides verification of changed information.</li> <li>■ Child care worker processes new authorization.</li> </ul>
Minneapolis	<ul style="list-style-type: none"> <li>■ Parent completes child care application.</li> <li>■ Welfare-to-work case manager authorizes child care and faxes or mails application, supporting documentation, and employment plan to child care worker.</li> <li>■ Child care worker processes authorization.</li> </ul>	<ul style="list-style-type: none"> <li>■ Child care worker sends parent/welfare-to-work case manager recertification form.</li> <li>■ Parent meets welfare-to-work case manager to complete form (or mails form in).</li> <li>■ Welfare-to-work case manager reauthorizes child care and faxes or mails authorization to child care worker.</li> <li>■ Child care worker processes new authorization.</li> </ul>
San Diego	<ul style="list-style-type: none"> <li>■ Intake worker gives parent child care application.</li> <li>■ Parent fills out child care application.</li> <li>■ Welfare-to-work case manager authorizes child care and walks over authorization/completed application to child care worker.</li> <li>■ Parent meets with child care worker.</li> <li>■ Child care worker processes authorization.</li> </ul>	<ul style="list-style-type: none"> <li>■ Child care worker sends notification to welfare-to-work case manager.</li> <li>■ Welfare-to-work case manager reauthorizes child care and sends authorization to the child care worker.</li> <li>■ Child care worker processes new authorization.</li> </ul>
Seattle	<ul style="list-style-type: none"> <li>■ Welfare-to-work case manager completes a child care referral and puts it into the child care mail basket.</li> <li>■ Child care worker meets with parent to complete child care form (if parent is not at office, form is mailed to parent).</li> <li>■ Child care worker authorizes child care.</li> </ul>	<ul style="list-style-type: none"> <li>■ Child care worker sends letter to parent with application to complete.</li> <li>■ Parent mails application and documentation.</li> <li>■ Child care worker reauthorizes child care.</li> </ul>

*Note:* For the sake of consistency, the form initiated by the welfare-to-work case manager that creates the child care authorization is referred to as the child care authorization. In many sites, this form may be referred to as a referral or application. Similarly, the terminology used to refer to caseworkers may not reflect the terms used by any particular site. See box 2 for common definitions.

Milwaukee, and San Diego), face-to-face interaction was required, while in Houston, the interaction could occur by phone.<sup>32</sup> The meeting between the child care worker and parent served various purposes across sites, including acquainting the parent with the rules of the child care program, educating the parent on how to find quality care, and/or making sure the parent had completed child care paperwork correctly. In Seattle, parents usually met with the child care worker after the initial interview with their welfare-to-work case manager to fill out the child care subsidy application. However, the meeting was not mandatory and the application could be sent out and returned by mail. Child care workers in Seattle also authorized the length of time and the number of hours the TANF parent could receive the child care subsidy.

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Looking across sites, the child care entry process varied in terms of what TANF parents had to do—an issue of interest since past studies have found more burdensome requirements, such as in-person visits and duplicative paperwork, can create challenges for parents that make it more difficult to obtain or retain their subsidies (Adams et al. 2002, Shlay et al. 2002; Wilkins 2002).<sup>33</sup> In some sites, parents could obtain child care without having additional steps beyond meeting with the welfare-to-work case manager (as in Birmingham and Denver). In other sites, parents needed to interact with both the welfare-to-work case manager and child care worker, and complete additional paperwork and documentation to receive subsidies (Miami, San Diego, and Seattle). Additionally, parents in about half our sites had to complete additional child care paperwork (Detroit, Minneapolis, San Diego, and Seattle) or provide additional documentation (Miami) to receive a child care subsidy.<sup>34</sup> In Miami, parents were required to provide the child care worker the child care authorization completed by the welfare-to-work case manager, along with their Social Security card and the child’s birth certificate and immunization records.

### **What determines the level of the subsidy authorization?**

An integral part of the initial authorization process is determining the level of the subsidy parents receive. This section considers two key sets of policies that affect the subsidy:<sup>35</sup>

- the length or duration of the authorization period, which is the maximum amount of time subsidies could be provided before a TANF parent’s eligibility for child care had to be reviewed and the subsidy recertified
- how many hours of care each week a TANF parent was authorized to receive a subsidy

### **Setting the length of the authorization period**

The length of the authorization period is critical. The subsidy effectively expires at the end of this period, and the parent cannot continue to obtain child care assistance unless action is taken to recertify. Because the authorization period sets the outside parameter of how long a TANF client can receive subsidies before they must be renewed, it affects how frequently parents and administrative systems must interact and therefore also affects administrative and client burden. In addition, many families (and particularly families on TANF) appear to experience short spells of subsidy use (Meyers et al. 2001), leading policymakers to question whether problems with recertification could be one cause of these short spells. Child care caseworkers in the 1999 ANF child care case studies suggested failure to recertify was one of the most common causes of subsidy termination—though it is not possible to determine how many terminations were the result of families no longer being eligible and how many the result of problems with the recertification process (Adams et al. 2002).

We found the length of the authorization period varied widely both across and within sites. It was usually less than six months, though it ranged from one to 12 (table 4). In most sites, the length of the period varied depending on such factors as the type of parents' TANF work activity assignment or the stability of their participation. Despite this variation, however, sites tended to use one of the following approaches:

- *Standard one-year authorization period.* Two sites (Detroit and Jackson) set a one-year authorization period for all clients.<sup>36</sup> These were the only two sites where the length of the authorization did not vary for different parents, though, as with all sites, parents still needed to report interim changes in their circumstances. These two sites were also the only two that had integrated child care and welfare functions within a single worker.
- *Various set blocks of time.* Three sites (Houston, Miami, and Milwaukee) authorized parents according to a set block of time (such as one month, three months, or six months). These authorization periods varied by client within sites. Houston, for example, allowed the welfare-to-work case manager some flexibility in determining the length of the authorization; the child care authorization could be set for a shorter period if the TANF parent's participation in a work activity was unstable. In Milwaukee, TANF parents engaged in employment were authorized for up to six months of subsidized child care at a time, while those engaged in other types of work activities (such as training) were authorized for up to three months at a time.
- *Expected length of the work activity.* Six sites (Birmingham, Boston, Denver, Minneapolis, San Diego, and Seattle) based the length of the authorization on the length of time the welfare parent was expected to be engaged in an assigned work activity.

Basing the length of subsidy authorizations on parents' circumstances (e.g., their work activity, participation patterns, and so on) has important implications for how often parents have to recertify. Many welfare-to-work activities are short-term, ranging from a few weeks to a few months long. Therefore, to the extent the length of the authorization period is based on the length of the activity, a significant proportion of families will likely face relatively short authorization periods. This, in turn, means parents and workers may need to complete the recertification processes fairly frequently.

**Table 4. Maximum Length of Authorization Period for TANF Parents**

Varies by work activity	3 months	6 months	12 months
Birmingham	Houston	Miami	Detroit
Boston (up to 6 months)	Milwaukee (if in work activity)	Milwaukee (if employed)	Jackson
Denver			
Minneapolis (up to 6 months)			
San Diego (up to 12 months)			
Seattle (up to 6 months)			

Additionally, the first authorization period is likely to be shorter than subsequent authorizations because the first activity is often short-term. In most sites, a job search and/or job readiness class was generally the first assigned activity, and these activities were usually structured to take place over four to eight weeks.<sup>37</sup> For example, in our Seattle site, welfare parents were typically first assigned to a 30-day job readiness/job search component and authorized to receive a child care subsidy for the same 30 days. In Birmingham, welfare parents were usually put in a job readiness program that lasted between two and four weeks.

### Determining the number of hours of care parents are authorized to receive

To meet current federal participation requirements, states often assign families to 30 hours or more of work-related activities. Many states, including those represented by our sites, typically required between 30 and 35 hours of weekly participation in work or work-preparation activities, although the exact number could vary by type of activity or age of child (table 5). Also, states allowed families with young children to be exempt from work requirements, though they would not be exempt from time limits on benefits (table 6). TANF parents may be engaged in a single activity for this time or may combine different activities to fulfill their work hour requirements. Typically, when parents are in job search or job readiness programs, their activity schedules follow more traditional hours (e.g., 9:00 to 5:00), but they may work more nontraditional hours (e.g., evenings and weekends) once they become employed.

Generally, there were three ways our sites appeared to set the hours for which they authorized care:

1. *Broad definition of hours of care.* About half the sites (Birmingham, Boston, Detroit, Jackson, and Seattle) used the number of hours in the activity (plus travel time) to determine whether the parent would receive “full-time” or “part-time” subsidies. How sites defined full-time and part-time varied. In Birmingham and Jackson, for example, part-time care was defined as less than 25 hours a week, while in Detroit it was less than 35 hours a week.<sup>38</sup> Sites also varied in how strictly they aligned care with work. For two sites (Birmingham and Jackson), the hours for which a client could receive a child care subsidy were not specifically tied to the number of hours

**Table 5. Minimum Work Activity Hour Requirements (as of July 1999)**

Less than 30 hours	30 hours	More than 30 hours	Varies
CO (22 hrs) MN (25 hrs)	FL MI MS TX WA	CA (32 hrs) WI (40 hrs)	AL (case-by-case) MA (depends on activity)

Source: Gretchen Rowe, “The Welfare Rules Databook: State TANF Policies as of July 1999” (Washington, DC: The Urban Institute, 2000).

**Table 6. Exemptions from State Work Requirements for Caring for a Young Child**

Less than 3 months	3–12 months	More than 12 months	No automatic exemption
WI (12 weeks)	AL (3 months) FL (3 months) MI (3 months) WA (3 months) CA (6 months) <sup>a</sup> MN (12 months) MS (12 months)	TX (3 years) MA (6 years)	CO (at county discretion)

Source: Department of Health and Human Services, *Temporary Assistance for Needy Families (TANF) Program: Fourth Annual Report to Congress* (Washington, DC: Administration for Children and Families, Office of Planning, Research, and Evaluation, 2002).

Note: Months or years in parentheses refer to the maximum age of the child.

<sup>a</sup> California counties have discretion to set the age of the exemption for caring for a young child, between the ages of 12 weeks and 1 year, on a case-by-case basis.

the TANF parent was engaged in a work activity. Instead, welfare parents participating in enough hours of activities or employment to meet the broad definition of full-time care were not held to specifics concerning the exact number of hours of care used or the exact timing of the provision of this care. Moreover, these sites typically authorized full-time care for most parents, reserving part-time care for special circumstances in which part-time participation was permitted<sup>39</sup> or the children were school-age and did not require full-time care. Detroit took a slightly different approach: while the authorization categories were broad, providers were only allowed to bill for the actual hours the parent was engaged in the work activity, up to the authorized level.

2. *Specified number of hours of care.* Another common approach, used by four sites (Denver, Miami, Milwaukee, and Minneapolis), authorized a specific number of hours of subsidized care, based on the hours the TANF parent was expected to participate in a work activity. While this policy seems likely to result in more adjustments/modifications in response to changes in clients' hourly participation than in the places that authorized broader part-time or full-time subsidies, it did not appear to be the case in at least some sites we examined. In two sites (Miami and Milwaukee), respondents reported parents were generally authorized for the highest number of hours possible. In Milwaukee, for example, parents could be authorized for up to 50 hours a week of subsidized child care, a policy that provided child care coverage for both 6–8 hours per day of work activity engagement and transportation time. Nonetheless, the policy of an hourly-based authorization did allow caseworkers to authorize fewer hours of care if they deemed it more appropriately reflected the parent's participation.
3. *Standardized schedule of hours.* A third approach, used by two sites (Houston and San Diego), authorized child care according to a standard schedule of hours (e.g., 8:00 AM to 5:00 PM, Monday–Friday), which corresponded to the hours the parent was par-



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ticipating in the work activity. However, caseworkers in San Diego could authorize a wide variety of schedules depending on parents' actual needs.

How sites determine the hours for the subsidy is critical for several reasons. First, these requirements can ultimately determine how often the subsidy needs to be adjusted between authorization periods if parents' circumstances change. For example, an authorization that closely ties the number of hours of subsidized care permitted to the number of hours a client is engaged in work activities may require frequent adjustments to the subsidy as parents' activities and schedules change. This is particularly problematic for parents if they have a flexible schedule, which is likely for this population (at least once they become employed). These adjustments can mean more time spent on processing subsidy information for welfare-to-work case managers and child care workers, as well as potentially more instances where parents have to complete requirements in order to retain subsidies. Yet at the same time, this tight calibration also potentially reduces the incidence of overpayments. It ensures the agency does not pay for care beyond a client's work activity hours and transportation time—a consideration that may be particularly important for agencies with limited funding.

Second, these policies may also affect the types of child care providers parents can access. While more research needs to be done in this area, research suggests the relationship between subsidy payment approaches and private-market practices is an important issue. For example, do subsidies reflect the way providers charge private-paying parents, such as paying for full-time care or absent days? This may affect whether parents have access to a full range of providers; some providers may be less likely to serve parents receiving subsidies if they receive less than their private pay rate (Adams and Snyder 2003).

Third, how agencies set authorized child care hours also affects whether the subsidy covers the actual period the parent needs to be away from her child and needs child care—and hence whether the parent has to cover additional costs or find other ways to cover this unsubsidized time.

### **What does the recertification process entail?**

For TANF clients to continue receiving their child care subsidies, they must formally recertify their eligibility at the end of each authorization period. If they do not, their subsidies will be terminated. What occurs at this stage is key, given there is some indication that a failure to recertify can be an important reason for subsidy terminations in the larger subsidy system—though it is unclear whether this is also true of families on TANF—and that burdensome requirements at this step can make it difficult for parents to continue receiving subsidies (Adams et al. 2002). We found the recertification process often looked virtually the same as (or fairly similar to) the initial authorization process in most of our sites (table 3). However, there were some important differences, particularly in who initiated the process and in the role of the parent.



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While the initial child care authorization process was typically initiated by the welfare system on behalf of welfare recipients, the recertification process was usually initiated by the worker in charge of child care. This was true in all sites except Denver and the two sites that had a single agency/single worker approach (Detroit and Jackson).<sup>40</sup> The initiation of the recertification process is, in fact, one of the few areas where the worker or agency responsible for child care subsidies played an active role. It is unclear why this is so, but child care agencies may be viewed as better equipped to handle recertification notices since they must already track when subsidies need to be recertified to finalize initial authorization documents and approve payments to providers. This is, obviously, already a responsibility assumed by child care subsidy agencies for non-TANF parents receiving subsidies.

In most of our sites, parents were responsible for ensuring the recertification process continued once they received initial notification that subsidy recertification was due. Specifically, in 8 of 11 sites, parents received a recertification notice (in Minneapolis, a notice was also sent to the welfare-to-work case manager). And in all but one of these eight sites (Seattle),<sup>41</sup> parents then were responsible for contacting their welfare-to-work case manager to obtain a new child care authorization. This contact could be made by phone in two sites (Boston and Denver), in person in four sites (Detroit,<sup>42</sup> Jackson, Miami, and Milwaukee), and either by mail or in person in Minneapolis.

In three sites (Birmingham, Houston, and San Diego), the welfare parent was not involved in moving the recertification process forward. Instead, the relevant recertification information was directly transferred from the welfare-to-work case manager to the child care worker. This practice reduces client burden and responsibility. It may also reduce the potential for subsidies due for recertification to be mistakenly terminated—as long as there is a timely information transfer between the welfare-to-work case manager and child care worker—and the administrative burden of trying to re-contact clients to avoid this possibility.

Despite the critical importance of ensuring that parents have the child care they need to participate in work activities, the recertification process in most sites depended on the parent to take appropriate actions. In at least some sites, welfare-to-work case managers appeared to have little involvement in ensuring recertification took place. For example, respondents in Boston noted while parents were notified when their authorization was ending, welfare-to-work case managers were unsure when parents needed to recertify and waited to hear from the parent before issuing a new authorization.

We were unable to determine for all sites what happened if parents failed to take the necessary actions to recertify—would the child care subsidy be terminated immediately, or would the welfare-to-work case manager start processing the new authorization without hearing from the parent? In at least a few sites (Boston, Miami, Minneapolis, and Milwaukee), however, respondents reported the subsidy might be terminated if the par-

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ent did not take the steps required to recertify. For example, a respondent in Milwaukee noted her agency's method:

If a client was due for a [child care] review by the 31st of January and January 26th was the last Saturday of the month, that was as far as [we] can authorize child care. If [a client doesn't] show up for the review, they will not be able to be seen again until sometime in February. Their child care [subsidy] will have stopped on January 26th.

From the perspective of the parent, aside from the additional responsibility of initiating the process, the actions needed to obtain a subsidy reauthorization were fairly similar to those for the initial authorization (i.e., some sites required additional paperwork or documentation of parents and others did not), although there was some variation in whether the parent had to meet with the child care worker.<sup>43</sup> As noted earlier, previous research suggests more burdensome requirements on parents may lower subsidy use—either by creating disincentives for parents to use the assistance or by increasing the likelihood parents will fail to meet the requirements and lose their subsidies (see Adams et al. 2002, Wilkins 2002, and Shlay et al. 2002).

Overall, welfare parents' responsibilities for completing the recertification process varied from none in Birmingham and for Stage 1 TANF parents in San Diego,<sup>44</sup> to interacting with one worker by phone or mail (Denver and Seattle) or in person (Detroit, Jackson, Minneapolis, and Stage 2 TANF parents in San Diego), to interacting with both the welfare-to-work case manager and the child care worker either by phone (Houston) or in person (Boston, Miami, and Milwaukee).

### **What happens if parental circumstances change within an authorization period?**

In addition to recertifying at the end of the authorization period, interim changes in welfare parents' circumstances (e.g., a change in work activity or employment hours) could affect their subsidy. Depending upon agency policy, such changes could necessitate an adjustment in the child care subsidy before the end of the subsidy authorization period. Since the adjustment process was quite similar to the standard recertification process, this meant parents essentially had to reauthorize their subsidy more often than the stated authorization period indicated. Agencies faced an important trade-off between ensuring the subsidy was adjusted to reflect each change in family circumstance (thereby minimizing improper payments) and implementing more flexible policies that had lower administrative costs and client burden.

We examine below the extent to which changes in four areas—changes in a work activity, changes in work hours, loss of a job, and being sanctioned—resulted in subsidy adjustments and what that process looked like. With the exception of the sanctions, we found each of these changes would be handled through the recertification process described above *if* it occurred at the end of an authorization period. However, if the change occurred in the middle of an authorization period, sites varied in whether the change triggered a new authorization. Interestingly, the process worked differently here

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than that described earlier for recertification. While the recertification process was often initiated by the child care worker, the start of any necessary adjustments to the subsidy (again, with the exception of sanctions) was generally initiated by the welfare-to-work case manager, who relied on the parent to report any changes.

### **Ending a work activity**

In a number of the sites where the subsidy authorization period was set according to the work activity (specifically Boston, Denver, Minneapolis, and San Diego),<sup>45</sup> a change in an activity ended that authorization and triggered the need to start the full subsidy recertification/reauthorization process or, if appropriate, to terminate the subsidy. The main exception to this policy was in Seattle, where although authorizations were set according to the work activity, a change in work activity did not always require a new full subsidy recertification or reauthorization. For example, if a person moved from one job to another, or shifted from one job schedule to another, the authorization could be modified and would not require recertification. In contrast, if the authorization period was *not* related to a specific work activity (as in Birmingham, Detroit, Houston, Jackson, Miami, and Milwaukee), the end of the activity did not in and of itself trigger a formal reauthorization—even if there was a delay in entering a new activity.<sup>46</sup>

One important question to consider, particularly for sites that tied authorization periods to work activities, is whether the time lag between work activities could lead to a break in the child care subsidy. (There is some reason to think subsidy spells are shorter for families on TANF. For example, a study of subsidy spells in five states found that in four of them, spells were shorter for TANF recipients than for non-TANF employed parents. See Meyers et al. 2001.) These breaks can represent a potentially problematic aspect of tying the child care authorization to participation in a specific activity (box 6). As much as continuous participation is a program goal, lags and delays can be difficult to avoid. For example, a welfare parent might complete a job search component but have to wait at least one week before her welfare-to-work case manager is available to discuss next steps and wait yet another few weeks before beginning a new activity (e.g., a training course).

Respondents across our sites noted these gaps could occur and were common in some sites, with some lasting as long as a few weeks. Several sites had adopted different frontline practices to avoid creating a break in the child care subsidy when there were gaps between work activities. For example,

- in Jackson and Seattle, subsidies could continue for up to 30 days if there was a gap in activities. In Seattle, child care workers also could retrospectively approve payment for care provided if there was a break in subsidies.
- in Minneapolis, case managers could reissue the authorization as long as another activity had been assigned (even if parents had not yet started that activity).

## Box 6. Implications of Subsidy Breaks

A break in the subsidy can have several unanticipated administrative consequences, as well as consequences for parents and children. Unnecessary breaks in child care subsidies could lead to

- increased administrative burden related to getting the parent back into the system, the care authorized, the provider approved, and payments started.
- increased parent burden, as they must get reauthorized, potentially find a new provider, and get the provider approved.
- greater administrative burden for providers associated with stopping and starting subsidies, or loss of revenue if they choose to keep a child during the break in subsidy without getting paid.
- increased potential of delayed payments to providers (or to parents in sites that pay parents directly), as research suggests the initial payment can often get delayed due to approval processes and getting set up in the payment system (Adams and Snyder 2003).
- greater possibility of permanent subsidy loss if parents don't successfully complete the requirements needed to authorize subsidies and set up payments.
- loss of continuity of care if the break in subsidy also causes children to lose their slot in the child care program. Developing stable relationships with caregivers (continuity of care) is a key element of good quality care that can affect children's development, while frequent changes in caregivers can be problematic for children's development.

- in Denver and Houston, case managers could assign clients to an interim activity so the parent could remain engaged in a work activity.

Although our research approach did not allow us to evaluate how effectively these practices addressed this potential problem, the staff reporting these practices generally felt they helped avoid unnecessary breaks in subsidies, thereby increasing the stability of clients' work activities and child care arrangements. For example, a respondent in Boston noted case managers did what they could to help clients keep their subsidies "because we don't want them to lose those slots because we know then that the next step—the important step . . . meaning employment—to get off of aid isn't going to be able to happen [without child care]." However, respondents in one site (Detroit) reported the subsidy would be temporarily suspended if the parent's work activity ended in the middle of the authorization period, and thus would not pay providers for that period. While this approach may make sense from the perspective of the agency, it can present problems for child care providers and for children.<sup>47</sup>

### Experiencing a change in work hours or schedules

According to respondents, it was not uncommon for working TANF parents to experience changes in their work hours. Whether a change in work hours or work schedule necessitated a subsidy adjustment depended on how sites defined the initial authoriza-

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tion period. In most sites that set authorization levels according to the broadly defined “full-time/part-time” distinction,<sup>48</sup> parents had to report the change to their child care worker (except in Birmingham)<sup>49</sup> but did not have to obtain a new authorization unless the change in work hours was so significant it required a shift from part-time to full-time subsidies (or vice versa). Some respondents reported, however, a new authorization was rarely necessary because most welfare parents received full-time subsidies and, in the event of a significant decrease in work hours, clients were assigned an additional work activity to offset the change in hours.

In most, but not all, of the remaining six sites—specifically those where subsidy authorizations were set either for a particular number of hours (Denver, Miami, Milwaukee, and Minneapolis) or according to a schedule (Houston and San Diego)—a change in work hours could require an adjustment to the subsidy. In particular, respondents in three sites (Denver, Milwaukee, and Minneapolis) reported a new authorization was completed each time work hours changed. In San Diego, a new authorization was required, unless the parent had been authorized with a “flex schedule,” which was almost always used for parents who were employed in the service industry and typically had varied work schedules. In Houston and Miami, respondents noted case managers did not necessarily change the authorization with a change in work hours (although these sites also reportedly had few working parents still on TANF).

In many sites, the subsidy adjustment process that staff and parents completed was similar to the recertification process (see table 3). However, the adjustment process required less of parents in two sites (Milwaukee and Minneapolis) than the recertification process. In Minneapolis, parents experiencing a change in hours were not required to complete a new child care application. In Milwaukee, parents had to contact the child care worker for recertification purposes but did not have to report interim modifications for subsidy adjustment purposes—this information was e-mailed from the welfare-to-work case manager to the child care worker.

Given a change in work hours resulted in a subsidy adjustment in some sites, an issue of interest is how sites handled the authorization for parents with varied or nonstandard schedules or schedules that changed frequently. Research indicates low-income entry-level workers experience more frequent job and schedule changes than do other workers (Lane 2000; Rangarajan, Meckstroth, and Novak 1998). We found some sites had a more flexible authorization option to accommodate this situation—in part to avoid having to frequently adjust the subsidy. The sites varied in the mechanisms used to address this issue:

- A number of sites generally authorized for the highest number of hours or for full-time care, so frequent shifts in hours would not require a change in subsidies.
- Other sites (Houston, Milwaukee, and San Diego) used a specific type of authorization that allowed for flexibility in the schedule. For example, in Milwaukee the welfare-to-

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work case manager could choose a varied schedule option when he or she completed the authorization form. Houston and San Diego had similar approaches.

- In Denver and Minneapolis, welfare-to-work case managers took an average number of hours and based the authorization on that average.<sup>50</sup> Respondents in Minneapolis noted, however, they were cautious with authorizing hours in this circumstance because they wanted to avoid situations where parents were required to compensate the agency for receiving subsidies during hours for which they were ineligible.

Consequently, when looking across the issues affecting welfare clients with changes in hours, it appeared several sites—though not all—had developed policies and practices that provided some flexibility to accommodate changes in hourly participation, particularly if changes were viewed as occurring frequently. This flexibility in turn should reduce the amount of potential parent and administrative burden associated with readjusting the authorization to reflect these kinds of changes.

### **Losing a job**

In some sites, respondents noted losing a job was a common experience for TANF parents who were able to combine welfare and work or leave welfare altogether for employment. For example, research has found that of the roughly one-half of TANF clients who leave welfare for employment, about one-fifth will return to TANF (Loprest 2002b). In all sites, parents could continue to receive child care subsidies when they lost a job as long as they entered a new TANF work or work-related activity.<sup>51</sup> However, the loss of a job could trigger a number of changes in the subsidy, including a change in the copayment, the authorized hours of care, or the reason for the subsidy.

In all sites, employed TANF parents were required to notify their welfare-to-work case manager (and in some cases their TANF eligibility worker) when they lost their job, as part of their TANF requirements. In three sites (Houston, Miami, and Seattle), they were also required to notify their child care worker.

Once parents were placed in a new TANF welfare-to-work activity, sites varied in whether parents needed a new subsidy authorization. In some sites (including Boston, Milwaukee, Minneapolis, and San Diego), the welfare-to-work case manager sent the child care worker a new authorization or an update form detailing the change in the same way information was transferred between workers for other processes. In Houston, respondents noted a new authorization was necessary only if the new activity caused the parent to move from one authorization type to another (e.g., from the regular authorization to the more flexible authorization). In the sites where a new authorization was not needed (Birmingham, Denver, Houston, Miami, and Seattle), information about job loss only needed to be given to the child care worker if the parent's child care subsidy was being terminated.<sup>52</sup>



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## Being sanctioned

Welfare recipients face financial penalties, or sanctions, for failing to comply with work or other program requirements. Under TANF, federal law requires states to impose at least a pro rata (partial) benefit reduction on families who do not satisfy work and child support enforcement compliance requirements. The sanction must remain in place until the family complies with these requirements. States have the option to impose more stringent penalties, and they can extend the duration of the sanction. States can also provide exemptions from sanctions for TANF families that are found to have “good cause” for not complying with the requirements, and can define what constitutes good cause (e.g., medical illness, caring for family members, inability to find child care).

Under TANF, many states initially moved to more severe sanctions than those required by federal law. Thirty-six states impose “full-family sanctions” for noncompliance, meaning benefits are terminated for the entire family. In most of these states, the sanction penalty is “graduated” (i.e., the grant is initially reduced for the first incidence of noncompliance but is terminated for subsequent noncompliance), while in the remainder the full-family sanction is immediate.<sup>53</sup> Other states implement “partial” sanctions that reduce benefits but do not completely eliminate cash assistance.

TANF sanctions can affect a family’s child care subsidies. Most sites (7 of the 11) terminated child care subsidies once a sanction went into effect.<sup>54</sup> In 4 sites (Detroit, Milwaukee, San Diego, and Seattle), however, respondents reported their office permitted some delays in subsidy termination under certain circumstances:

- In Detroit, case managers could temporarily suspend, rather than terminate, the child care subsidy of a welfare parent in noncompliance by reducing the number of hours authorized for subsidies to zero. This practice effectively terminated the subsidy from the perspective of the parent but it also reduced the additional administrative burden associated with terminating the subsidy, only to establish a new subsidy authorization if the parent came back into compliance. However, this practice still presents some of the problems associated with breaks in subsidy—particularly those involving providers and the potential loss of the care setting for the child.
- In Milwaukee, the child care subsidy continued regardless of the parent’s sanction status and, unlike the TANF assistance benefit, was not adjusted upward or downward according to the clients’ hours of participation within a given month. One respondent noted terminating the child care subsidy would have enabled recipients to attribute TANF noncompliance to lack of subsidized care and claim “good cause” for their noncompliance.
- In San Diego, some portion of the subsidy could be retained without disruption if the noncompliance was because the welfare parent’s participation fell short of the total number of required hours. The subsidy was also retained if the parent was employed and had provided verification of employment and employment hours or schedule.



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- In Seattle, even if TANF parents were in sanction status, they could receive subsidy support for the actual hours they were in work or an approved activity (plus travel).

Terminating a subsidy in the event a recipient was sanctioned for noncompliance typically required no parent involvement. Welfare-to-work case managers were responsible for initiating the sanction and—in sites with separate welfare-to-work case managers and child care workers—informing the child care worker if the subsidy of the sanctioned client should be discontinued.<sup>55</sup> Child care workers were notified through mail, fax, or e-mail—the same way they received information regarding the need to recertify or adjust the subsidy. The child care worker then informed the parent and/or provider of the subsidy termination.<sup>56</sup>

If the sanction penalty resulted in termination of the entire grant (i.e., a full family sanction), the parent must reapply for cash benefits and reenter the welfare-to-work program to resume receiving welfare-related child care subsidies.<sup>57</sup> If the sanction penalty resulted in a partial sanction, welfare parents in our sites could simply “cure” the sanction (i.e., have the sanction lifted) and resume their child care subsidy by meeting criteria that satisfactorily demonstrated compliance.

Regardless of the sanction penalty, the resumption of subsidies essentially required repeating the authorization process in 6 of the 11 sites (Birmingham, Boston, Houston, Jackson, Miami and Milwaukee). In the remaining 5 sites (Denver, Detroit, Minneapolis, San Diego, and Seattle), this process could be shortened under certain circumstances:

- In Denver, the subsidy terminated as soon as the sanction process began. However, the welfare-to-work case manager could send a referral form to the child care worker to restart the subsidy.
- In Detroit, as noted earlier, welfare-to-work case managers could opt to simply suspend the subsidy authorization while the parent was under sanction and increase the amount of subsidy hours authorized if and when the parent came back into compliance.
- In Minneapolis, San Diego, and Seattle, parents did not have to reapply for subsidies if the subsidy termination had been in effect for a short period (for example, less than a month in Minneapolis).

### **What issues arise in communicating across agencies during the authorization/reauthorization process?**

As is described in greater depth in part III of this paper, agencies had developed a number of strategies and processes for facilitating communication/information transfer across agencies and workers during the authorization/reauthorization process, and they generally felt these processes worked well. However, respondents in a number of sites reported problems stemming from glitches in transferring or sharing of information between the different workers and/or agencies during these processes:

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- Respondents in Seattle reported miscommunication between workers could lead to delays in subsidies, breaks between authorizations, and inaccurate authorization levels. They noted inaccurate authorization levels tended to occur at reauthorization rather than the initial authorization, or if there was a hiatus between authorizations. This was in part because of this site's policy of tying child care authorization periods to each activity—and because TANF clients moved rapidly through welfare-to-work activities, so status changes were frequent and not always communicated quickly enough. Each change needed to be coordinated with the client, case manager, and child care worker. The high volume of changes made these adjustments more difficult to coordinate than the initial referral.
  - Child care subsidies in Birmingham could not start until parents and/or child care providers received verbal or written authorization. Respondents reported families could have their child care subsidies terminated at recertification because their case manager did not get the paper child care referral to the child care worker on time, though this did not appear to be as big an issue in the office that was colocated. However, staff noted if authorizations did not occur quickly enough, case managers may intervene with child care workers on parents' behalf or pay for the child care during the interruption.
  - In Minneapolis, it was reported child care workers were often unaware of a client's change in status until subsidy recertification, rather than when the change occurred. This could lead to overpayments and other problems. Overpayments were of particular concern in Minneapolis, as clients were liable for the difference in payment if the state paid more than the client was eligible to receive. (Minneapolis was the only one of the 11 study sites with this policy.) Another consequence of overpayments was that parents could not receive additional subsidies until they arranged a repayment. This in turn delayed their ability to start future work activities, including employment.
  - Some staff in Houston noted a short (one- to two-day) delay sometimes occurred if the child care referral paperwork was not turned in early enough in the day. However, they reported most delays were because the client did not make the initial call to the child care subsidy agency to arrange for care. Child care workers in Houston also noted some parents were unaware of the recertification process and would wait until the last day to meet with their case worker and have subsidy renewal paperwork completed. This could result in subsidies being terminated. Usually, however, reauthorizations were processed in a timely fashion and there were no breakdowns.
  - Some respondents in Denver reported delays in receiving child care referrals could slow provider payments. Similarly, respondents in Detroit noted failure of communication between the welfare-to-work case managers and the TANF eligibility workers could result in payment problems, and often resulted in providers not receiving payment for child care they have provided.

In addition to the general strategies described in part III, some sites had devised targeted strategies to try to minimize the problems for parents caused by delays in

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subsidies due to cross worker/agency communication glitches during authorization/reauthorization. One common approach (used by Denver, Detroit, Minneapolis, and Seattle) was to backdate paperwork for the appropriate date if the delay was the result of a breakdown in communication or paper flow.

## Conclusion

When looking at how the welfare and child care systems interconnect during the subsidy authorization, reauthorization, and readjusting processes, a number of themes emerge.

*First, the dynamic nature of welfare use and work participation patterns creates challenges for coordination efforts of agencies and staff.* Participating in work activities can be very dynamic and can vary significantly across welfare parents. This makes for an especially challenging environment within which the welfare and child care subsidy systems have to monitor changes, ensure parents comply with program requirements, and coordinate their efforts. Coordinating the child care and welfare needs of clients is even more difficult because child care does not lend itself to the frequent stops and starts that are often prevalent in TANF clients' welfare-to-work program participation and employment patterns. These breaks in work activities can lead to gaps in subsidies, which are not in the best interest of the child (who needs the opportunity to develop a stable continuous relationship with his or her caregiver), the parent (for whom finding good child care can be difficult and time consuming), or the provider (who faces administrative challenges and potential loss of income when subsidized children stop and start in their care).

*Second, the cumulative effect of authorization, reauthorization, and subsidy adjustments depends on both the frequency and complexity of these processes.* To understand how these issues can affect agency staff and TANF clients, it is important to look at the relative complexity of requirements across all the various processes and how frequently these processes must be undertaken. While it is difficult to summarize the cumulative impact of various processes within or across sites, it appears each individual process for authorizing, recertifying, and adjusting child care may not be overly complicated for parents in a number of sites. However, some sites do require more of parents (such as in-person visits), which can create significant client burden and appear unnecessary, given other sites have dispensed with this approach. As noted earlier, however, agencies may prefer to have at least some in-person visits for various reasons.

We also find these processes—whether easy or difficult—sometimes must be frequent, given the dynamic nature of TANF clients' participation in work activities. As one respondent noted: "We have people who are eligible and then two days later they're not eligible and then two days after that they're eligible once again for care . . . there's a lot of off and on in terms of eligibility with [TANF] clients that we work with and that can be very, very challenging." The dynamic nature of eligibility can mean it is difficult for parents to meet reporting requirements even in sites with relatively simple processes, and it can be particularly challenging in sites that require more of clients. Additionally,

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with the exception of the two single-system sites with integrated workers (Detroit and Jackson), each process involves some administrative interchange between the welfare-to-work case manager and the worker responsible for child care—creating more opportunity for glitches to occur.

*Third, the level of client burden depends more on policies and practices than on a site's particular administrative approach.* There appears to be little connection between the ways different sites have set up their administrative structures (i.e., the number of agencies and number of workers involved described earlier) and the relative client burden. Instead, it appears sites have made choices about policies and practices that can make the process easier or more difficult for clients, and that these choices are independent of their administrative approaches. For example, in both Birmingham and San Diego, which have multiple agencies and workers involved in recertification, administrators have chosen to deal with all the process requirements internally, thereby creating no client burden. Yet in Boston and Miami, which also had multiple agencies and workers for this stage, parents had to interact with multiple workers during recertification. It appears, therefore, the policies and processes that sites implement in terms of their requirements for parents are independent of how sites set up their administrative structures.

*Finally, concerns about parents receiving subsidies while they are ineligible may lead to tightly calibrating subsidies to work activities.* Concerns about parents getting subsidies during periods of ineligibility created a sub-theme to a number of the issues discussed in this section. These include how closely participation in work activities and eligibility for child care were connected, how the authorization was set up, what changes necessitated changes in the subsidy, and how tightly calibrated the subsidy was to the parent's circumstances. While it is impossible to measure the impact on policies and practices, it appears how sites handled these issues may be related to their focus on ensuring parents were not receiving subsidies for times they were ineligible. There are a number of reasons for this, including concerns about improper payments, complying with federal requirements, equity and fairness, and using scarce resources wisely. However, this is an area where further research could be useful—for example, what are the administrative costs associated with tighter calibration, and are there ways to minimize improper payments without incurring such costs (as well as the associated client burden)?

Although all sites were concerned about ensuring parents received subsidies only while eligible, some sites appeared more overtly concerned than others. While it was difficult to discern a clear pattern, it appeared sites in which respondents were very focused on this issue were more likely to have policies where the subsidy needed to be adjusted with each change in hours, the authorization was set to the length of the activity, authorization periods were short to ensure parents only received subsidies when they were eligible, and overpayments were reportedly collected from parents when they received subsidies for time they were ineligible.<sup>58</sup> One interesting issue, which will be discussed in more depth in the final section of this report, is whether it is necessary to set up strong quality control procedures in both the welfare and child care systems for TANF parents' subsidies, particularly given the very strong oversight already present in the welfare system.



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## PART III

# *Making the Interconnections Work: Coordination and Communication*

The preceding sections of this report illustrate that regardless of how local sites set up their systems, they face coordination and communication issues as sites seek to ensure TANF families in need of child care assistance receive these subsidies. This is not surprising, given local agencies must bring together a range of different services to families—which usually entails (at a minimum) coordinating multiple caseworkers, and in some cases multiple programs or agencies. Further, as noted in the previous section, the coordination challenges are made more complex because of the dynamic and non-linear processes TANF families go through as they move from welfare to work.

Overall, respondents in most of our study sites reported they thought the systems were working well and coordination problems were not a key issue. Still, they did report some issues related to coordination and communication. As one TANF respondent noted, “We’ve made it work pretty well, but it’s not ideal.” This part examines several interrelated administrative or structural issues and challenges noted by respondents that can cause problems around communication or coordination, as well as the strategies sites had developed to address them. These issues are grouped into a few key areas:

- The number of staff or agencies involved
- Access to a shared management information system (MIS)
- The location of staff
- The quality of staff relationships
- The level of staff training
- The extent to which processes were streamlined

Each of these areas is described in more detail below.

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## The Number of Staff or Agencies

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As noted earlier, in addition to welfare-to-work and child care staff or agencies, some sites had other entities or staff—such as employment and training staff or other child care staff—that had to be coordinated. This coordination, and how it played out for TANF clients, manifested itself in several ways in our sites.

Some sites chose to assign their clients to multiple workers. For example, in Houston, Miami, Minneapolis, and San Diego, clients were assigned three workers—a TANF eligibility worker, a welfare-to-work case manager, and a child care worker—and often had to report changes in work activities, income, and so on to all three workers. In Detroit, a single worker handled welfare-to-work case management and child care responsibilities, but another worker oversaw TANF clients’ work activities. Respondents in a few of these sites reported information relayed between these workers could be delayed, affecting clients’ child care subsidies.

Other sites (e.g., Houston and Miami) reported challenges because the local employment and training agency provided welfare-to-work case management and/or employment and training services to TANF recipients, while TANF eligibility functions remained under the purview of the TANF agency. In Houston, the TANF employment/training providers and the child care subsidy agency were both contracted through the local workforce board. Respondents reported that while this approach improved coordination in some ways, it involved a change in administrative and fiscal structure and created two- to four-day delays in payments. The local workforce agency tried to prevent delays in payment to individual child care providers by drawing down funds in advance.

Another challenge reported by some sites (namely Detroit, Houston, Miami, Minneapolis, and San Diego) was managing services provided by multiple contractors. This approach was inherently complicated because child care workers had to communicate and share information with multiple organizations, some of which were more responsive than others. This fragmentation of service delivery at the local level needed fine-tuned coordination and information transfer. Additionally, each contractor could have its own internal reporting requirements that the child care agency had to meld with its own and the TANF agency’s requirements.

Respondents in Minneapolis, for example, reported variation across the 30 vendors that provided welfare-to-work services led to disparities in the type of assistance provided and in how child care subsidies were authorized. According to one staff person, the subsidy authorization process worked “tremendously well” with some providers, but was a “confusing morass” with others.<sup>59</sup> Similarly, respondents in Houston described the “operational headaches” that resulted from each of the multiple employment and training contractors having a different report format, as well as the challenges of tracking clients as they moved from one employment and training provider to another.<sup>60</sup> Houston respondents also noted communication and coordination were facilitated



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when the employment and training and child care activities were administered by the same entity. In the words of one administrator, “there is only one rule-making entity and one focus, alleviating all of the confusion.”

## **Access to a Shared Management Information System**

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One of the most critical questions affecting the transfer of information is whether sites had a shared management information system (MIS). Such a system allows workers to access a shared database and can minimize the need for other ways of transferring information. In the absence of a shared MIS and easy ways to communicate across programs, it can be difficult for workers to both verify information and obtain missing information. In some locations, the absence of a shared MIS was noted as a rather time-consuming obstacle to verifying and authorizing subsidies.

Among our study sites, three (Detroit, Jackson, and Milwaukee) relied on shared management information systems. Only one of these sites (Milwaukee) had a single system that handled eligibility determination for both TANF and child care, lessening caseworker burden and eliminating the possibility of a client’s reauthorization getting lost between systems. When communication between staff within the system was needed, staff relied on an e-form to transmit information from worker to worker. The e-form was used to authorize child care subsidies and share information about a client’s change in status. In addition, the agency had developed forms for both the case managers and the child care workers to collect the appropriate data, thereby reducing the number of interactions clients had to have with both workers.

The management information systems in Detroit and Jackson were shared only in the sense that one worker had access to information from separate systems (although in Jackson, it appears some information was transferred at night from one system to the next). The management information systems in Detroit were not specific to different services. Instead, staff in Detroit relied on three systems: one for tracking service receipt, including authorizing child care, one for budgeting and determining co-payments, and one for child care payments. Information regarding child care subsidies was sent via a form that was e-mailed among staff.

In most of our study sites (Birmingham, Boston, Denver, Houston, Miami, Minneapolis, and Seattle), however, the TANF and child care systems maintained separate MISs that did not interface or exchange information. (Staff at our focal agency in San Diego had limited access to view TANF case management information and employment services information.) In some of these sites, administrators or workers had implemented a variety of paper-based systems designed to smooth the transfer of information between TANF and child care:

- Minneapolis had three separate management information systems, plus information that had to be obtained from more than 30 employment and training vendors. As a

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result, administrators created a page-long chart detailing when (and how) to send “status update notices” to the appropriate staff or administrative entity.

- In Birmingham, information was transferred via a child care referral that TANF workers manually placed in a designated child care “mailbox.” Generally, staff felt this approach worked well. The colocation of child care and case management staff lessened the need for an automated interface—though both sides felt a linked computer system would be helpful.
- Houston staff relied heavily on paper documentation and referrals rather than on computer systems. Case managers and child care workers relied exclusively on a single form to indicate the start and stop of child care authorizations.

Respondents in the above sites generally felt their paper-based approaches worked well. However, respondents in Denver noted while they usually found this approach effective, they had occasionally lost information, which led to a major breakdown in the authorization and approval of those clients’ child care subsidies.

In other sites, such as Boston and Miami, staff relied more on parents to transfer the information. For example, workers in Boston reported faxing problems had prompted them to sometimes rely on parents to pass the information from the case manager to the child care worker and vice versa—though some workers disagreed about this issue.<sup>61</sup> In Miami, most information was relayed from the welfare-to-work case managers to the child care worker by parents who would take over the subsidized child care application form or referral (sometimes assisted initially by the case manager, who would walk them over to the child care worker). The fact that the case manager and child care worker were colocated facilitated this process, but parents sometimes had to wait to see the child care worker or had to make another visit to the office.

Respondents in some sites described the challenges caused by multiple MISs. For example, in Seattle, while child care workers could access TANF and case management computer systems, three distinct systems—TANF, Work First (the TANF welfare-to-work program), and child care—that could not communicate remained. The welfare-to-work case manager could not access to the child care system, and as a result, his or her knowledge of the status of a client’s child care subsidy was limited. Further, the TANF data was sometimes out-of-date because of data entry backlogs. Welfare-to-work case managers sometimes had to type information twice—into both the TANF and Work First systems—and then alert child care workers of changes. Given communication problems, respondents in Seattle reported they were not always aware of changes in client status, since the two types of workers did not always follow the policy of communicating changes by e-mail. As a result, clients often had to provide information to both workers. One respondent suggested the lack of interface between the TANF and Work First systems was even more problematic than the lack of an automated interface between these systems and the child care system.<sup>62</sup>

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Similarly, the lack of a shared MIS in San Diego was further complicated by the fact that although child care workers could view the information entered by case managers about a particular client, the workers at the agency we studied could not identify which case manager was working with that individual.<sup>63</sup> This made it difficult to track down the case managers responsible for specific cases and resolve issues. Respondents in Boston reported some outstationed child care workers could not access the agency's computer system to enter child care subsidy authorization information. These workers had to wait until they returned to the office, which could lead to delays in issuing vouchers.<sup>64</sup>

In an effort to improve efficiency and communication, administrators in some sites, including Miami, Minneapolis, and Seattle, were either taking steps to improve their management information systems or considering ways to do so. For example, the TANF agency in Minneapolis had implemented a document imaging system that they hoped would eventually allow child care workers to automatically receive copies of documents they needed. This would be an improvement over the then-current system that required TANF workers to send copies of documents to all necessary partners (i.e., child care and employment and training). TANF agency staff was also looking into a web-based MIS that would facilitate access throughout the county. In addition, employment and training staff expressed a desire to view the county's TANF data system so they could have timely and accurate information about clients' status.

## **The Location of Staff**

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The location of staff appeared to have important implications for coordination issues across our sites—particularly in those sites with multiple staff involved in setting up child care subsidies for TANF families. For these sites, colocating child care workers and welfare-to-work case management staff appeared to be a key factor in facilitating communication and information sharing. The majority of our study sites, including Birmingham, Boston, Denver, Houston, Miami, Milwaukee, San Diego, and Seattle, colocated TANF and child care staff in at least some offices for at least some of the time. In three sites (Boston, Houston, and Minneapolis) child care workers were not colocated with welfare-to-work case managers on a full-time basis in every office.<sup>65</sup> In some cases this was because of resource constraints, including client volume and limited space and staff. Some study sites had opted to colocate additional staff to provide TANF and child care services to TANF recipients. For example, Detroit (and indeed every local welfare office in Michigan) colocated CCR&R agency staff with the TANF or child care agency staff to assist clients in finding child care. Many TANF eligibility workers in Miami were colocated with the welfare-to-work case management staff in one-stop career centers. Other sites were considering moving in this direction.

Respondents reported several benefits from colocation. One common perceived benefit was that colocation improved service delivery. For example, respondents in Birmingham, Denver, Houston, and Miami reported this approach resolved a number

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of problems—by preventing delays in the subsidy application and approval processes, by facilitating the retrieval of missing information or clarifying questions on applications or recertifications, and by generally aiding coordination. Another commonly reported benefit of colocation was that it helped establish and maintain rapport among staff in different agencies, which helped smooth communication and build relationships. One respondent noted communication improved after colocation, stating one benefit was “the communication itself between the people when they know each other and see each other every day.”

Colocation does, not however, solve all coordination problems. For example,

- in Seattle, the colocation of staff did not appear to foster communication between welfare-to-work case managers and child care workers. Respondents reported despite the fact that staff was colocated in the same building, there was still limited communication between welfare-to-work case managers and child care workers, which in turn led to difficulties, particularly in the area of ongoing case management. There was little, if any, communication between workers when a parent’s situation changed.
- in Miami, respondents noted while colocation had facilitated communication among staff, it did not seem to prevent parents from having to make multiple trips to the office if the child care worker was too busy to meet with them on the same day they met with their case manager.
- respondents in San Diego reported while there were benefits of colocation, they had found the colocation of county and private contractor employees had actually led to a conflict that negatively affected coordination, due in part to employee pay and benefit disparities.<sup>66</sup>

## The Quality of Staff Relationships

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Respondents reported strong working relationships and good rapport across agency staff were critical to good coordination. Interestingly, the importance of staff rapport was true not only for frontline staff, but also for administrators. For example, in Birmingham, respondents attributed the strong communication between the TANF and child care agencies to the long-standing relationship between the agencies’ administrators. Agencies adopted several strategies to build staff rapport, including pairing staff, regular meetings, and staff liaisons.

### Pairing staff

One common strategy, reported in Denver, Milwaukee, and Minneapolis, was to match welfare-to-work case managers and child care workers so each one always communicated with the same person every time he or she contacted the other agency. Respondents in these sites noted pairing allowed for ongoing informal cross-training and

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supported cross-agency relationships. For example, a respondent in Denver noted the child care workers and case managers quickly developed a solid relationship, observing “we just build a bond between each other. We see each other every day . . . and work with the same clients.”

In addition to matching workers, Milwaukee administrators had further fostered coordination by physically grouping supportive services staff (who handle child care subsidies and other support services) and welfare-to-work case managers within “pods.” Each “pod” was made up of three welfare-to-work case managers and one supportive services worker (with a back-up in place if that worker was out of the office).<sup>67</sup>

### **Regular meetings**

Another common strategy, reported in Houston, Minneapolis, and San Diego, was to hold regular monthly meetings across different types of staff. In San Diego, these meetings were among supervisors. In Houston, they included representatives from TANF, child care, and employment and training. Respondents in Minneapolis reported an interesting twist, where participants in these regular meetings included welfare-to-work case managers, child care workers, and information technology (IT) staff. The latter were included because administrators had found IT staff often helped solve communication problems across agencies.

### **Cross-agency liaisons**

The use of designated cross-agency liaisons had been found to be helpful in some sites where responsibilities were split across agencies:

- In Birmingham, the manager of the TANF office took a lead role in working with other area TANF offices to improve communication with the child care agency. Respondents believed this would alleviate some of the communication and coordination problems other offices were experiencing.
- A TANF supervisor in Minneapolis served as the child care liaison. In this role, she ensured TANF workers were aware of updated policies regarding child care. Minneapolis also had a Coordination Office designated to address TANF issues. Staff felt this was critical because the program was administratively split across three public agencies—TANF, child care, and employment and training.
- In Boston, one person in the TANF agency served as the child care liaison and shared information with TANF staff about changes in child care policies and operations, a role that allowed her to develop a closer relationship with the child care agency.

Respondents also reported there were major challenges to developing staff rapport and communication. In particular, high staff turnover can make rapport and staff relationships especially difficult to maintain. For example, a respondent in Birmingham

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noted the high turnover made it more difficult to communicate across agencies: “If somebody new goes from our side or somebody new comes in from their side . . . they don’t have the background knowledge.”

## The Level of Staff Training

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Training, and more particularly cross-training, can be an important step in improving coordination and communication across agencies. It not only teaches staff about their own roles and responsibilities, but also allows staff to understand the roles and responsibilities of the other staff or agency and how their functional responsibilities interconnect. Cross-training becomes even more critical when welfare-to-work case managers are given additional child care responsibilities. The importance of training was mentioned by a number of respondents, including those in Birmingham, Houston, and Minneapolis.

Similarly, cross-training can be particularly important because of the high turnover experienced by many agencies. A staff person in Minneapolis noted the relevance of training in this context, observing that high turnover among employment and training staff meant many employment counselors were “thrown into the role,” which led to confusion and discrepancies across workers in how much assistance they provided when authorizing child care subsidies. Similarly, respondents in San Diego noted the importance of having further training, given the high turnover of their staff.

## Extent to which Processes Are Streamlined

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One of the most discussed issues around coordination and communication was how often parents had to provide similar paperwork, or report similar information, to each system. In some cases, these duplicative requirements were actually the result of the different agencies’ policy requirements. For example, respondents in Boston, Houston, Miami, and Seattle reported TANF parents were required to provide the same information to the TANF welfare-to-work case manager and the child care worker. Specifically, in both Boston and Seattle, employed parents had to submit proof of their income separately to the TANF welfare-to-work case manager and the child care worker. Respondents in Houston reported parents had to inform both the child care subsidy agency and the TANF agency of changes in income or household composition. And in Miami, parents were required to provide both the TANF agency and the child care agency with birth certificates, proof of Social Security numbers (SSNs), income documentation, and school certifications, among other items for eligibility purposes.<sup>68</sup> In addition, respondents noted TANF eligibility workers might require parents to provide information and verification that they have already provided to the welfare-to-work case manager.

Further, respondents in other sites (namely Detroit, Minneapolis, and Seattle) suggested even though the *policy* was to have staff transfer information, parents ended up



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having to provide duplicative information because of communication problems between staff:

- Respondents in Seattle suggested there were significant issues regarding case managers and child care workers communicating changes in clients' status. These issues meant clients ended up having to provide information to both their TANF and child care workers. Clients were also required, once employed, to provide wage stubs to both sets of workers.
- Similarly, TANF clients in Minneapolis were supposed to provide documentation only once—to their welfare-to-work case manager—and the TANF eligibility workers, the child care worker, and the welfare-to-work case manager were supposed to communicate directly. However, respondents suggested the process did not always work smoothly, particularly once TANF clients became “stably employed.” Once a client became employed, the TANF eligibility worker was the one to usually hear about changes, such as loss of employment. The welfare-to-work case managers indicated they often did not hear about these changes and therefore were not able to stop the child care subsidy in a timely manner.<sup>69</sup> Interestingly, the employment and training case managers reported they had no communication problems with the child care agency.
- Finally, despite the fact that a single case manager handled all aspects of a client's services in Michigan, respondents in Detroit noted the welfare-to-work case managers (responsible for assigning work activities) often failed to notify the TANF eligibility workers when clients became employed or were not meeting attendance requirements. This often resulted in a reliance on parents to communicate changes to multiple workers, which could lead to improper payment of child care subsidies or providers not getting paid for child care they had provided.

A number of sites reported taking steps to try to minimize duplicative requirements (see box 7 for specific examples) that sometimes occurred during the TANF and child care subsidy application and redetermination processes. Respondents in several sites reported they were either in the process of streamlining or had already streamlined their application processes for child care and TANF services. For example, some sites had implemented a single application form and/or automatic eligibility or taken other steps to streamline TANF and child care subsidy program rules. Other sites reported simplifying the referral process for subsidies to minimize parent burden.



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### **Box 7. Creating More Streamlined TANF and Child Care Application and Redetermination Processes: Selected Examples**

A number of sites reported strategies to minimize duplicative requirements during the application and recertification process. For example,

- in San Diego, TANF recipients were automatically eligible for child care subsidies, thus reducing the degree of redundant information clients were required to provide.
- Michigan had implemented a single application for both child care and TANF, and had “streamlined” its program rules for child care subsidies and TANF to make them compatible. As a result, there was a single income verification process for both programs and parents did not have to come in for redetermination for each program separately. According to state-level respondents, this change facilitated the eligibility process for both workers and parents. At the local level, however, respondents indicated that although this process was highly beneficial for parents, it increased the burden on staff.
- at the time of our study, Houston administrators were moving to a “universal” application form for all individuals applying for services at the one-stop center. This form was to incorporate child care subsidy information. Applicants would, however, still have to initially apply for TANF at local welfare offices. Other respondents identified several areas where TANF and child care eligibility rules could be aligned, including a single allowable income limit for both programs.
- Alabama administrators had streamlined their child care subsidy eligibility determination process. Welfare-to-work case managers determined clients’ eligibility for child care subsidies and then sent a referral to the child care agency, eliminating the need for clients to meet with child care workers. This change was implemented to prevent clients from having an additional interview that, in some cases, held up the initial entry to child care. The shift in responsibilities was not without difficulties, but staff noted once everybody knew what they were supposed to do, the system worked well. State and local administrators in Alabama indicated a desire for even more consistent eligibility processes across programs.
- Miami respondents noted the child care subsidy referral had been redesigned to allow both TANF eligibility and case managers to refer working clients for subsidies. This eliminated the “bouncing” of clients and allowed staff to accommodate clients’ child care subsidy needs quickly.

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## PART IV

# *Conclusions and Implications*

Providing child care assistance and helping families move from welfare to work have been closely linked for a long time. Yet little information has been available about how local agencies set up and administer this interconnection, and the opportunities and challenges both agencies and parents face in the effort to ensure parents on TANF are able to receive child care during the welfare-to-work process. The concluding part of this paper identifies several overarching issues and themes that emerged from this study, including those facing administrators and agencies working to provide services to parents, as well as the implications of these issues for TANF clients and their children.

## **Overarching Issues and Themes**

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This study contains seven overarching themes with important implications for both agencies and TANF clients.

**Connecting child care to TANF welfare-to-work services presents administrative challenges, and there is enormous variation in how sites set up their administrative structures to manage this process.**

This study demonstrates the complex challenges facing state and local administrators who are working to provide child care assistance to families moving from welfare to work. This process is particularly complicated for three reasons. First, pulling together these services involves coordinating several different services and, in some cases, several different systems—including those providing child care subsidies, TANF cash assistance, and TANF employment-related activities.

Second, there was enormous variation across sites owing to the devolution of each program. As a consequence, the study sites varied on every possible issue, from administrative structures to policies to staffing approaches to coordination strategies. This variation demonstrates both the benefits and the weaknesses of devolution. Parents and

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agencies are likely to have very different experiences from agency to agency and site to site, given the differences in approach. This variation and complexity also can make it difficult for administrators and policymakers to identify effective strategies and learn from each other. Yet this flexibility allows states and localities to tailor their approaches to their particular needs. Further, it means there are many different approaches to examine, and almost every area contains examples of creative strategies sites have developed to address these issues.

Third, participating in work activities can be dynamic and vary significantly across welfare parents. The longitudinal welfare-to-work program participation patterns of many parents who remain on welfare beyond their initial job search activity can follow several different paths, which may involve changes in the hours of participation in work activities as well as gaps between activities. These patterns make for a very dynamic environment within which the welfare-to-work and child care subsidy systems have to monitor changes, ensure parents comply with program requirements, and coordinate their efforts. These variations in participation patterns on an individual *and* caseload-wide basis make linking child care subsidies to work activity participation inherently more difficult than if all welfare parents followed the same welfare-to-work participation path at the same time and pace.

**Each state and local administrative approach had its pros and cons, and each involved trade-offs. Issues around client burden and administrative coordination appeared less related to specific administrative approaches and more related to particular policies, infrastructure issues, and implementation practices.**

While this study found significant variation in how sites set up their child care and welfare systems administratively, it did not find an overall “better” or “worse” administrative approach in terms of either client burden or administrative issues. As described in depth earlier, each approach had strengths and weaknesses and involved making trade-offs among important priorities—including administrative complexity, staff burden, client burden, and quality of service.

Interestingly, however, in many cases the administrative complexity and client burden reported across sites had far less to do with the administrative approach taken by the site and more to do with other issues—specifically, administrative decisions about staff responsibilities, staff location, and coordination strategies; policy decisions about what parents were required to do at each stage; and infrastructure issues, such as management information systems. It appears sites have made policy choices that can make the process easier or more difficult for clients, and that these choices are independent of sites’ administrative structures. This can be illustrated by looking at how sites approached recertification. In Birmingham and San Diego, for example, where multiple agencies and workers were involved in recertification, administrators chose to deal with all the recertification requirements administratively, thereby creating minimal client burden. Yet in Boston and Miami, which also had multiple agencies and workers for this stage, parents had to interact with multiple workers during the process.

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**In many sites, the TANF/welfare-to-work agency or staff were responsible for at least some child care functions, so the role of the child care subsidy agency or staff was limited. While this shift can minimize clients' burden while on TANF, it entails other trade-offs and raises questions for the child care field.**

The role of the child care subsidy agency in a number of sites was limited to approving authorizations, handling provider-related issues, and initiating recertification. In most sites, child care workers had no decisionmaking role in the subsidies for TANF clients; in some sites, the TANF clients never came into contact with a child care worker until they left welfare. Instead, the welfare-to-work case manager took on many responsibilities related to child care for TANF clients: setting the length of the authorization period and the number of hours of child care TANF clients could receive, brokering information between the parent and the child care agency, and (in a few cases) taking on responsibility for some provider-related functions.

While this allocation of responsibilities could streamline the process for parents while they are on welfare, it also raises some very interesting questions worth further examination. First, this approach means the welfare-to-work case manager plays an important role in determining many key aspects of child care services, including, for example, how long parents have to find care, and—in some sites—the kind of information and support they receive. While this study did not assess this issue, it would be useful to examine how much training and experience on child care issues these workers have, and whether such training might affect the “quality” of their child care service. It is also important for the child care field to consider whether key elements of “child care–specific” knowledge or training should be part of the training for welfare-to-work case managers. For example, what should welfare-to-work case managers know about subsidies, ways to help parents find a provider, and so on? The child care field may also want to identify ways to help welfare-to-work caseworkers access this information.

Second, allocating more responsibilities to the welfare-to-work case manager may have implications for subsidy retention when families leave welfare. In particular, it may make it more likely parents will see child care as intrinsically tied to TANF (see Snyder et al. 2006). This interconnection could have implications for subsidy retention—whether parents know they can continue to receive subsidies once they are off welfare, and whether they want to keep receiving subsidies if they associate them with the stigma of welfare. Research suggests, for example, some individuals are reluctant to use public benefits because of the stigma attached to welfare and program participation (Rosenberg, Nagatoshi, and Roper 2003; Shlay et al. 2002). Allocating more responsibilities to the welfare-to-work case manager also means TANF parents may face a more significant transition when they leave welfare, particularly in sites where they will begin interacting with the subsidy agency for the first time (see Adams et al. 2006). This second issue is an important reminder that one of the trade-offs in creating a more “seamless” approach for families while they are on welfare is that they may be more likely to face a “seam” when they leave (box 8).

## Box 8. Challenges in Working to Create a “Seamless” System

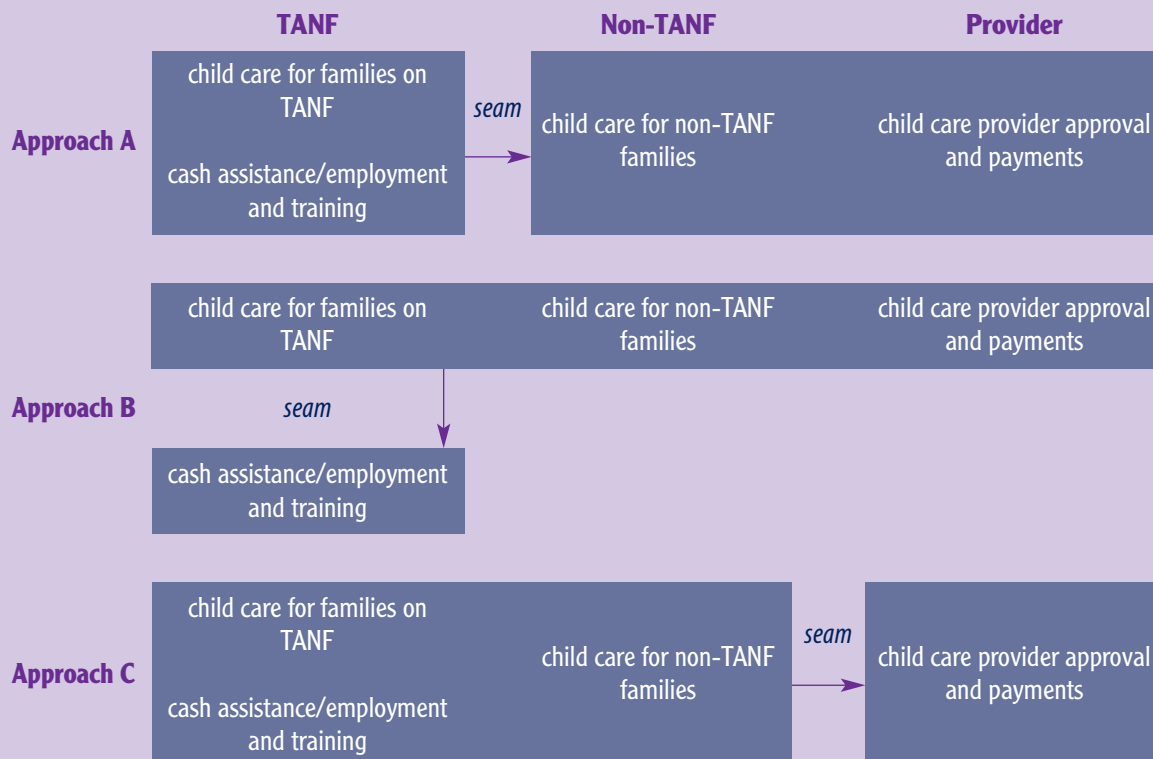
Policymakers often discuss the importance of “seamless” systems, which allow parents who have to work with more than one system (either at one point in time or over time) to experience minimal changes and minimal client burden. Despite the variety of approaches taken by the 11 study sites, each contained a seam of some sort. The figure below depicts three different administrative approaches and the seams that can develop. Overall, this research suggests seamlessness is elusive, and it may be more useful for policymakers and practitioners to identify the seams in a particular model and minimize the ways in which the seam may either create greater client burden or increase the possibility of families losing child care subsidy services unnecessarily. As discussed in part I, other trade-offs must also be considered as policymakers examine different tactics in setting up their administrative approaches to these systems.

**Approach A:** In terms of seamlessness from a client’s perspective, sites that choose to minimize the role of child care agencies for TANF families could minimize the “seam” between the child care and welfare systems for parents while they are on TANF. However, these families then have to make a transition (or experience a “seam”) when they leave welfare and start working with the child care agency for the first time.

**Approach B:** Sites with a larger role for the child care subsidy system while families are on welfare could be seen as having a seam between the systems for families while they are on welfare, but then these families generally would not face a “seam” in the child care subsidy system when they left welfare.

**Approach C:** Sites that combine their welfare-to-work system and child care subsidy system into a single worker could minimize the seam for the parent, though the fact that a separate agency handles provider payments means a seam can exist between parent and provider functions.

### “Seams” Created by Different Administrative Approaches to the Intersection between Welfare-to-Work and Child Care



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**To assess the ease or difficulty of the process for clients or administrative agencies, it is essential to consider the cumulative impact of what is required to authorize, recertify, and adjust subsidies for interim changes, as well as the frequency of these requirements—all within the context of a dynamic welfare-to-work process.**

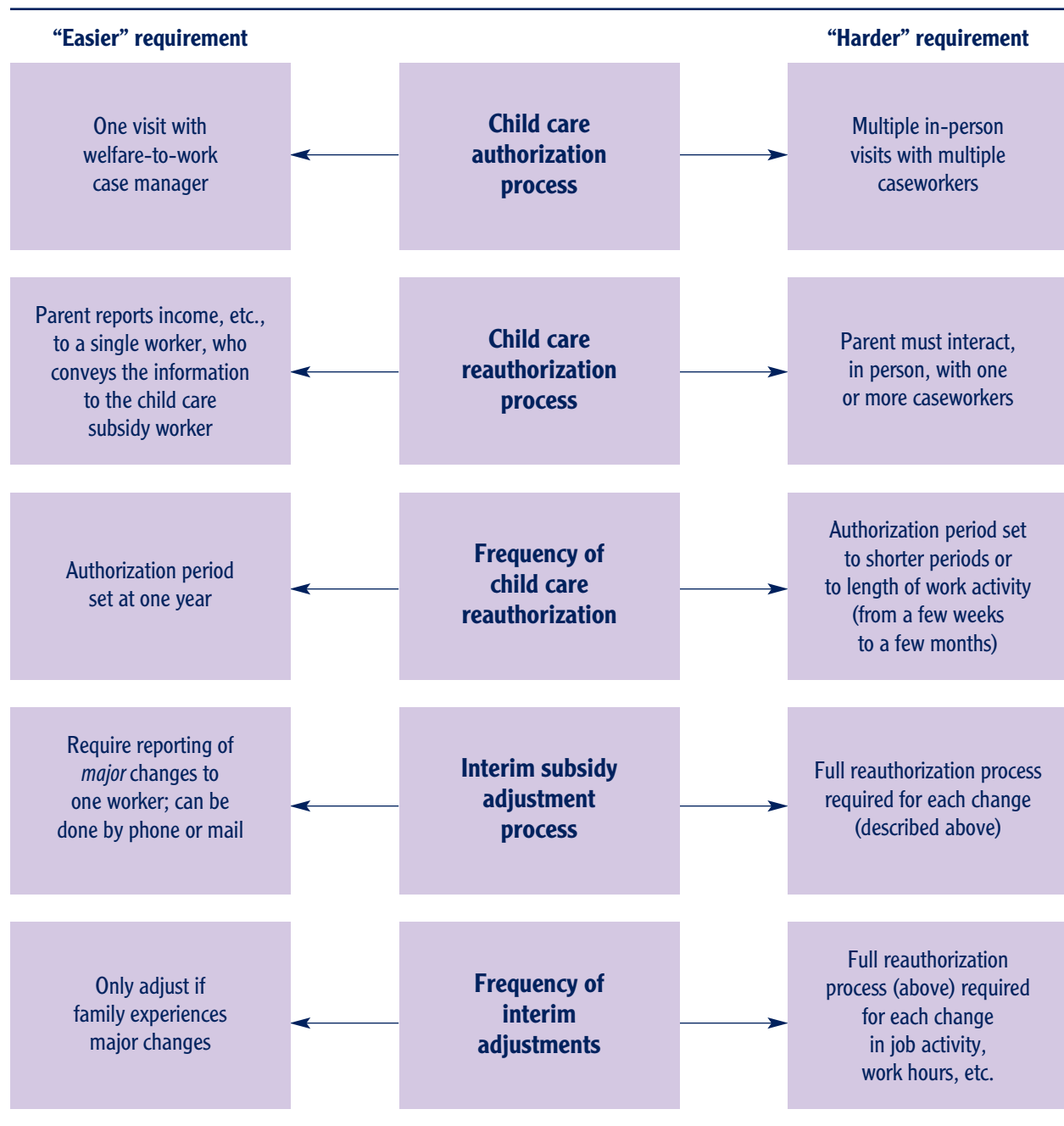
Sites varied in the relative simplicity or complexity of what clients and/or agencies had to do at each stage of the process—initial authorization, periodic recertification, and interim subsidy adjustments to respond to other changes in client circumstance—as well as in how often these processes occurred. In some sites, these processes were relatively simple or happened infrequently, while in others they were significantly more complicated or happened often. For example, in some sites parents were required to complete in-person visits with multiple caseworkers to address such issues as recertification, while in others these issues were handled administratively. Some sites required parents to provide duplicative paperwork; others did not. And sites were not necessarily consistent: in the same site, one process might be relatively simple and another more difficult.

Consequently, to assess the relative ease or difficulty of these requirements for clients or the administrative burden for agencies in any particular site (or for any particular agency), it is important to do three things:

- Assess the difficulty of each step in the process—for example, does it require parents to visit the office? Does it require parents to meet or contact multiple caseworkers? Does it require challenging or duplicative paperwork? If it can be done by phone, are the phones answered promptly, or are parents put on hold? Do caseworkers have the infrastructure they need to communicate with the other workers involved in the process?
- Examine the likely frequency of each step. This is particularly important given the dynamic employment patterns experienced by many TANF clients, who often experience a significant amount of change in their work activities or circumstances (and therefore would likely repeat these steps frequently).
- Examine difficulty and frequency together to assess the *cumulative* impact and complexity across all steps of the process. And at that point, depending on the outcome, assess the necessity of those steps that appear most difficult, and identify whether there are alternatives.

To illustrate this point, it is useful to consider the differences in the experiences of clients, as well as the burden for caseworkers, if they were in a site on the left side of figure 4 versus a site on the right side. While figure 4 provides only a hypothetical description of policy choices, the actual requirements in each box were found in the 11 study sites—and so are based on reality. Given the dynamic nature of participation in work activities, where sites fall on this continuum clearly has major implications for how difficult it is for parents to do what is necessary to keep their child care subsidy. Each addi-

**Figure 4. Key Steps in Getting Child Care Subsidies for TANF Clients Moving from Welfare to Work: Policy Choices with Implications for Client Burden and Administrative Burden**





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tional step required of parents makes receiving and keeping subsidies more difficult, and increases the likelihood that parents will either be unable to meet the requirements or will make a mistake that jeopardizes their subsidy—an even more challenging problem when the step requires significant parent burden (such as an in-person visit). It also can create a disincentive for parents to access subsidies (Adams et al. 2002; Shlay et al. 2002).

The implications of these issues for agency staff are also important, as many policy decisions that reduce client burden (such as fewer visits, less paperwork, and longer authorization periods) can also reduce administrative burden. Yet from the agency perspective, some of these requirements can be essential—for example, some administrators suggest in-person visits allow parents to develop relationships with caseworkers, and others feel such requirements are necessary for workers to ensure parents understand the requirements (which can in turn minimize error and delays) and/or to avoid improper payments. The challenge is, therefore, to assess the requirements and to identify those that can be altered or redesigned while ensuring the agency has the most effective information and process and is being fiscally responsible.

**Sites developed various strategies to improve coordination and communication between the welfare-to-work and child care systems. While staff generally felt the interconnections worked well, some problems remained.**

This research found sites had taken several steps to make the interconnections between welfare-to-work and child care function more smoothly. These included various strategies to address different problems. Some helped the administrative process or burden, others helped ease the process for parents, and others did both. In particular, sites were experimenting with

- using different administrative approaches, in terms of how responsibilities were allocated across staff;
- colocating staff;
- developing enhanced information-sharing among workers, though shared MISs were still rare;
- cross-training staff;
- building intra- and interorganizational staff relationships and rapport; and
- streamlining requirements to minimize duplication for parents.

Agency respondents generally reported their systems worked fairly well, though some problems remained. Some areas of concern highlighted by respondents in different sites included challenges facing parents in having to interact with multiple workers or multiple visits (whether due to policy requirements or poor communication between

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workers); glitches in cross-staff communication resulting in reauthorization delays, inadvertent termination of subsidies, or payment problems (such as overpayments or underpayments); and whether parents had sufficient time to find care. Respondents also noted the challenges created for caseworkers by the lack of shared management information systems, high staff turnover rates, and—in some sites—the broad nature of the caseworker’s responsibilities.

**Eligibility for child care subsidies is closely tied to participation in work-related activities. Sites varied in how tightly they connected these two services and how they addressed potential duplication between the systems. These variations have implications for administrative burden as well as for TANF parents, providers, and children.**

In all our sites, a TANF client’s eligibility for a subsidy was contingent upon participating in a work-related activity. The close ties between these two systems have several implications for policy and practice.

It is interesting to note that sites varied in how tightly they calibrated these two systems—whether subsidy authorizations were set based on the length of the work activity or for a longer period. While it is understandable that agencies need to ensure parents do not receive subsidies when they are not eligible, the more tightly calibrated policies may produce some problematic results, given the previously described dynamic nature of the welfare-to-work trajectory. In particular, it would be useful to explore further whether tighter calibration of child care to work activity results in clients experiencing breaks—albeit perhaps temporary—in their subsidies, and might partially explain the shorter subsidy spells experienced by TANF families. These breaks not only cause more administrative burden for workers but are also not in the best interest of the parent (for whom finding another provider can be difficult and time consuming, and can make fulfilling work requirements more difficult), the child (who needs the opportunity to develop a stable continuous relationship with his or her caregiver), or the provider (who faces administrative challenges and potential loss of income when subsidized children stop and start their care).

In addition, the primary motivations for tightly tying the subsidy to changes in parent circumstance are probably to ensure the subsidy is at the appropriate level and families receive subsidies only while eligible. Although all sites were concerned about these issues, some appeared more overtly concerned than others. While the pattern was not completely consistent, it appeared sites in which respondents were particularly focused on ensuring accuracy were somewhat more likely to have policies where the subsidy needed to be adjusted with each change in hours, authorization periods were short and set to the length of the work activity to ensure parents only received subsidies when they were eligible, and overpayments were reportedly collected from parents when they received subsidies for time they were ineligible.

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One question worthy of more consideration and discussion is whether such tight calibration and monitoring of the subsidy is necessary, given the intensity of the monitoring/fraud oversight process in the TANF system, or whether this level of effort leads to unnecessary duplication of oversight. The TANF system is strongly focused on ensuring parents are actually engaged in the activities required to meet work participation requirements, and closely monitors such issues as income, hours, schedules, and so on. Given that, it would be useful to examine the effect of reducing the required parent reporting of these issues for child care.<sup>70</sup> It would be interesting for sites with more tightly calibrated systems to explore the pros and cons of extending recertification periods for subsidies, increasing flexibility on how to define work-related activities for the purposes of subsidy eligibility, limiting subsidy adjustments to only *major* changes in family circumstance (rather than for every change), and relying more on the TANF system to trigger interim adjustments or terminations. Further research should assess what impact, if any, these changes would have on the number of parents receiving subsidies while ineligible—obviously an important concern—as well as whether they result in any administrative cost savings and benefits to parents, children, and providers.

Finally, the close relationship between the systems means the potential for duplication between them is significant. This issue was discussed earlier in the report, for example, when we highlighted how parents in some sites often had to provide the same paperwork about income and work schedules to multiple caseworkers. This was an issue of concern for several sites, and some had taken steps to streamline the requirements and processes.

**Whether TANF clients are given sufficient time and information to make informed child care choices should be examined closely, and further work should be done on how to best provide information and support to parents.**

One of the most challenging and still unanswered questions this study raises is whether TANF clients are given the time and information they need to make informed and stable child care choices. Generally, most respondents in this component of the study—which primarily involved discussions with caseworkers and agency staff—felt the process worked well and that most parents had sufficient time and information to find care. However, getting the perspective of parents themselves is particularly important, as it is not clear agency staff would necessarily know whether parents were having difficulty finding care or were making the choices they preferred. Indeed, there is some evidence from the parent component of this study that this is an area where agency/caseworker reports and parent experiences differ somewhat, with parents more likely to report difficulties (see Snyder et al. 2006).

This issue is worthy of further exploration for three reasons. First, the federal child care subsidy program (CCDF) has as a central principle and goal “parental choice” (the importance of parents having the ability to choose the child care options they prefer for their children). Therefore, it is worth examining whether TANF clients have adequate

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parental choice options. Second, further research should examine whether the amount of time parents have to find care, and the amount or quality of information given to help them, is related to the stability of arrangements (which, in turn, has implications for the parent's ability to maintain stable work and potentially for the child's well-being). If so, then the information and time given to find child care would have implications not only for the ability of TANF clients to successfully move into stable employment—and therefore for the success of welfare reform—but also for their children's long-term success.

Finally, many low-income parents already face challenges in finding quality affordable care. One question raised by this study is whether some policies and practices of the TANF welfare-to-work and child care systems inadvertently make it even more challenging for parents who need time or assistance finding care, and/or help understanding their options. Specifically, many of our sites required parents find care in less than a week and a half, and provided relatively little direct assistance unless the parent indicated a problem (though a number of sites did have some policies to support parents who reported difficulties). These policies make sense, given many of our agency respondents believed TANF parents already knew what provider they wanted to use when they came in the door. But our focus groups with parents suggested some parents could benefit from having more information about different options and more time to pursue these options (Snyder et al. 2006). As a result, these time frames seem quite short, given the various constraints noted earlier. In fact, some child care organizations recommend parents begin looking for care a few months before they need it.<sup>71</sup>

Additional research in this area would help identify policies and practices that support greater parent choice while continuing to help parents move into work-related activities. In particular, it would be helpful to better understand what information parents need to make informed choices, when they are most likely to be able to absorb and use this information, and how these patterns may differ for different parents or change over time. It would also be useful to explore the relative strengths and weaknesses of different policy strategies sites use to address their client's child care needs. For example, what are the benefits of offering parents access to child care resource and referral experts? What are the pros and cons of offering parents short-term on-site child care programs in comparison to allowing participants to count finding child care as an allowable work activity that meets participation requirements?

Finally, it would be interesting to explore whether these policies and practices affect the child care choices parents make. While this research cannot assess the role welfare-to-work policies or practices play in this decisionmaking process, it suggests the policies in some sites may increase the likelihood of choosing less formal providers, such as relatives or friends. While it is unclear whether providing more information and time to find care, or making other policy changes, would change parents' decisions, it is an important question to explore further if we want to ensure parents have real choice.

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## Concluding Thoughts

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It is clear the child care and TANF welfare-to-work systems are highly interdependent and closely intertwined in the lives of TANF clients and the relevant agencies. This research found significant variation across sites in how they set up and structured the interconnection between these systems, and in the policies they set around the interplay of welfare-to-work and child care. While we found examples of many policies and practices that seemed likely to result in significant levels of administrative complexity and/or client burden, we also found examples of policies and practices that seemed designed to minimize these problems. As a result, agencies looking for ways to simplify their administrative processes and reduce client burden have numerous examples of sites that have developed strategies to accomplish this end, and there are questions policymakers can use to assess their systems (see appendix 2). These issues are also discussed in the companion paper (Holcomb et al. 2006), which provides an overview of the overall study findings.

Helping TANF clients obtain child care subsidies while moving from welfare to work is clearly an area where states and local agencies have worked hard to bring together services for their clients, even in the absence of good information on strategies and policies that are working around the country. This research sets a framework for understanding some of these issues, and highlights several areas worthy of further exploration. Examining these questions, and others raised by this research, could help policymakers, administrators, and others to better support families moving from welfare to work and design more effective service delivery systems.



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## APPENDIX 1

# *Overview of Study Methodology and Design*

**T**his report is part of a three-part study that explores how the child care and welfare systems intersect as families enter the TANF system and move from welfare to work. The overall study examines this intersection from the perspective of agencies and clients. This appendix describes the overall study and research design in greater depth.

The overall study occurred in three phases, and examined three research questions:

- Phase 1: What are the key points of intersection between child care and TANF/welfare-to-work systems for TANF clients who need child care? For example, what are the steps in the process for TANF parents as they try to access and retain subsidies when moving from welfare to work? How do different localities structure and staff these intersections? What factors affect coordination between the systems?
- Phase 2: What do we know about subsidy retention when TANF clients leave welfare? For example, what do we know about welfare leavers and their child care needs? How do states or sites handle this transition in terms of helping families retain child care subsidies? What factors can explain low subsidy use among this population, and which of these factors might be amenable to policy solutions?
- Phase 3: What are TANF parents' experiences with accessing and retaining subsidies as they move from welfare to work? What can we learn about their experiences with applying for subsidies, finding a provider, meeting ongoing requirements, and the transition off welfare?

In all these areas, we focus on the implications of these findings for program administrators, caseworkers, community experts, and parents.

This research was conducted by a cross-disciplinary team that combined Urban Institute researchers who were expert in TANF welfare-to-work systems and implementation, and researchers who were expert in child care subsidy systems and implementation.



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The overall study builds directly on data collected as part of the 1999–2000 child care and welfare/employment case studies of the *Assessing the New Federalism* (ANF) project. These initial ANF case studies were conducted in 17 sites across 12 states. One set of the ANF case studies examined how the child care subsidy system worked for families (including families on TANF), while the other examined how parents applied for cash assistance and participated in welfare-to-work activities.

For the overall study, we chose to focus on 11 of the original 17 sites, across 11 states. These sites were Birmingham, Alabama; Boston, Massachusetts; Denver, Colorado; Detroit, Michigan; Houston, Texas; Jackson, Mississippi; Miami, Florida; Milwaukee, Wisconsin; Minneapolis, Minnesota; San Diego, California; and Seattle, Washington.

The first step of this research was to reanalyze the data from the child care and welfare case studies in conjunction with each other to obtain a baseline picture of the client flow in each of the 11 focal sites, specifically examining how parents entered and moved through the systems. We identified points in the client flow where the welfare-to-work and child care systems interconnected, as well as gaps in the existing data.

We then conducted semi-structured telephone discussions with key welfare and child care respondents in each site to obtain a more complete picture of the administrative structures and caseworker responsibilities in both systems, what parents had to do to get and keep subsidies as they moved through the welfare system, and coordination issues and challenges. Respondents included state and local welfare and child care administrators, as well as two to four TANF case managers per site, a TANF staff member familiar with TANF eligibility processes, and at least one child care staff member familiar with subsidy processes for TANF families. The number of individual and group discussions conducted in each site varied depending on how the local offices were structured. Where multiple local agencies managed the welfare-to-work program, we chose one focal office, generally the office with the largest caseload.

For phase one of this study, we then analyzed the data from this collection effort that were relevant to TANF clients *while they were in the welfare-to-work system*. These data provide a comprehensive and in-depth look at each step of the process for TANF clients as they applied for cash assistance, were connected to work activities, and were connected to child care subsidies, as well as what happened as they experienced the various changes inherent in the welfare-to-work system (i.e., changing work activities). We examined the administrative structures states and sites established to manage the intersection of these systems, the roles of the subsidy and the welfare-to-work agencies and staff in each step of the process, and what parents were required to do. We also examined the factors that affect coordination and communication between the TANF welfare-to-work and child care systems.

For phase two, which focuses on subsidy retention when leaving welfare, we focused on the data for these 11 sites that were relevant to TANF clients *as they moved off*

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*welfare*. We also examined existing research on welfare leavers and subsidy patterns, reviewed different state policies regarding child care subsidies for welfare leavers, and interviewed national experts to discuss the retention of child care subsidies as parents' transition off cash assistance.

Phase three involved looking in more depth at the connections between the welfare-to-work and child care subsidy systems from the perspective of parents. We chose 4 sites from the original 11 (Denver, Miami, Jackson, and Houston), and conducted focus groups during summer and fall of 2003. We chose sites that varied in their administrative approaches, connections between the welfare and child care systems, client flow path, and individual caseworker responsibilities. These focus groups were with parents receiving TANF and child care subsidies, as well as with parents who had left TANF within the previous year and were still receiving child care subsidies.

Participants in our focus groups with TANF clients were asked about their experiences with child care subsidies, with special emphasis on their experiences setting up subsidies, finding a provider, having the provider approved, and requirements for retaining subsidies while on TANF and while leaving TANF. Participants in our transitional focus groups were asked about their experiences retaining subsidies once they left TANF, and whether their experiences with subsidies after leaving TANF differed from their experiences while on the TANF program.



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## APPENDIX 2

# *A Guide for Policymakers: Assessing the Complexity of Helping TANF Clients Obtain Child Care Subsidies While Moving from Welfare to Work*

Given the enormous variation in how states and sites set up and deliver their child care, cash assistance, and welfare-to-work activities, it is not possible or realistic to prescribe a particular approach. However, there are ways agencies and advocates can identify and address some of the issues that may make accessing and retaining subsidies more challenging for families on TANF. In particular, policymakers can assess their particular approach by asking the following questions:

1. At what stage in the process do TANF parents hear they will have to find child care and they can receive a subsidy if needed? What information do they learn about subsidies at that point and from whom? When do parents learn the details about their work activity (i.e., the schedule and length of the activity) that they need to figure out what child care options will work best for them?
2. How easy or difficult is it for parents to apply for and receive a subsidy? What do they have to do, who do they have to meet with, and how many visits or workers does it involve? How much time and energy does it take?
3. How long do parents have to find child care? In particular, how long is it between when parents know the details of their work activity and when they have to start participating in the activity? Do caseworkers give parents the time suggested in policy, or do they encourage parents to start work more quickly?
4. What help do parents get in finding child care? In particular,
  - Are they given information about different child care options?
  - Are they given information on providers in their community? If so, what information is included—hours of operation, fees, whether the program has openings or has a waiting list, whether it requires an application fee, whether it provides transportation, etc.?
  - Is this assistance offered to all parents, or only to those who make it clear they want help? Is any effort made to actively reach out to parents with this information?

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- What do parents have to do to get this information—do they have to make an additional call or office visit?
  - Is this assistance made available to parents on an ongoing basis, or is it only at one point in time (i.e., when they enter the system)?
  - Do parents receive transportation assistance so they can visit the programs?
  - Who gives parents information/help with finding care and what kind of training or experience has this staff person received in this area?
5. How long can parents continue to receive their subsidy without having to recertify eligibility? Is it tied to the length of their work activity, and if so, does it appear to result in breaks in subsidy? What are the administrative and client costs of these breaks? What are the costs for the child in terms of continuity of care?
  6. What triggers recertification or interim adjustment of the subsidy? What do parents have to do in this situation? Given the particular realities of the dynamics of TANF caseloads, what are the implications of these requirements for client burden?
  7. What information is given to parents about their ongoing eligibility for subsidies when they leave TANF? When is this information provided?

Once the answers to these questions are determined, it is important to identify areas where parents may face particular challenges, and then, in turn, to examine the following questions:

1. What causes this challenge—state or local policy requirements? Local agency practices or leadership? Agency resources or infrastructure? Individual caseworkers? Some combination of the above?
2. Are these situations necessary from the perspective of the agencies? Are there other ways the state or locality can meet its needs while also meeting the needs of parents?

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## Notes

1. The second report in the overall study focuses on some of the particular issues and policy strategies around retaining subsidies when *leaving* welfare (Adams et al. 2006). The third report of the study examines how these issues play out for parents (those receiving TANF and those who recently left TANF) in selected sites (Snyder et al. 2006).
2. Birmingham, Alabama; Boston, Massachusetts; Denver, Colorado; Detroit, Michigan; Houston, Texas; Jackson, Mississippi; Miami, Florida; Milwaukee, Wisconsin; Minneapolis, Minnesota; San Diego, California; and Seattle, Washington.
3. For example, the average cost of care for a 4-year-old in a child care center is between \$4,000 and \$6,000 a year, and can be as much as \$10,000. The average cost of child care for infants is more than \$1,000 greater than for 4-year-olds (Schulman 2000).
4. This proportion was lower than earlier in the decade because of lower TANF caseloads and increased overall funding.
5. In recent years, TANF caseloads have risen in some states and fallen in others, and use of TANF funds for child care has declined while federal allocations for child care have been flat. It is therefore difficult to predict what this means for the proportion of TANF families receiving subsidies.
6. See, for example, Holcomb and Martinson (2002).
7. See, for example, the Urban Institute's child care case studies under ANF, the National Study of Low-Income Child Care, the Growing Up in Poverty Project, and the Child Care Policy Research Partnerships.
8. For related research, see Rangarajan et al. (1998); Schumacher and Greenberg (1999); Nightingale, Wissoker, and Burbridge (1990); Thornton and Hershey (1990); Gilbert, Duerr-Berrick, and Meyers (1992); Kisker and Ross (1997); and Siegel and Loman (1991).
9. For example, the income cutoff in Alabama for TANF cash assistance for a single-parent family of three was \$205 a month in 2001, while for child care it was \$1,504; in Washington, the income cutoff for TANF was \$1,090 a month, while for child care it was \$2,024 (Rowe, McManus, and Roberts 2004; U.S. Department of Health and Human Services 2002).
10. In a number of sites (such as Boston, Minneapolis, San Diego, and Seattle), multiple organizations provide employment and training services.
11. See, for example, Adams et al. (2006).
12. Since 2001, there have been several overall changes. For example, TANF caseloads have risen in some states and declined in others, and the use of TANF funds for child care has declined while federal allocations for child care have been essentially flat since 2002.

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13. In Seattle, employment-related services were provided by another agency or organization.
  14. In Minneapolis, the welfare-to-work case management functions were contracted out to more than 30 employment and training vendors. TANF eligibility and recertification were handled by the TANF agency.
  15. In Milwaukee, Wisconsin's TANF program was managed by private contracted agencies. Child care subsidies, Medicaid, and food stamps, however, were handled by county employees located in the same office.
  16. In San Diego, welfare-to-work case management functions were contracted out in four of the six Health and Human Services regions. San Diego County employees provided welfare-to-work case management functions in the remaining two regions.
  17. Integrating these two traditionally distinct responsibilities under a single worker is one way some welfare systems have sought to emphasize employment in the wake of welfare reform (beginning as soon as an applicant comes through the door) and serve the client more holistically. Note, though, that unlike in the other sites, in Milwaukee a contracted agency handled these responsibilities.
  18. Welfare-to-work case managers in Birmingham handled the provider-related responsibilities when they used non-transferred TANF funds to pay for subsidies, which they would use if the parent was eligible for TANF but ineligible for CCDF funds. Situations where TANF eligible parents were ineligible for CCDF funds occurred because the TANF and child care programs differed in what counted as income and in what activities were allowable for child care. In addition, child care subsidies could be provided for four months by the JOBS office through its short-term employment aid program. This program was for people who had received cash assistance in the past and whose case was closed owing to employment, or who had applied for family assistance but were denied before the case opened because they had found employment.
  19. It is important to note, though, that Jackson had integrated welfare-to-work case management and child care responsibilities under one worker less than six months before our discussions in December 2001, so the staff were still in a transition period.
  20. One reviewer noted this can be particularly important, given child development is not always the primary concern for families in finding care. Such issues as convenience, cost, and shared cultural values also play an important role.
  21. Those receiving TANF are generally also eligible to receive food stamps and Medicaid. Eligibility for these benefits may be determined simultaneously through an integrated application process.
  22. Boston, Detroit, Houston, Milwaukee, Minneapolis, and San Diego.
  23. In the interest of providing alternatives to welfare for those who may only be in need of short-term assistance, many states have lump sum payment programs—that is, one-time up-front payments that individuals can receive in lieu of TANF. Five of our sites (Denver, Houston, Minneapolis, San Diego, and Seattle) had formal financial diversion components as part of their TANF programs, although use of this alternative is not widespread.
  24. The TANF work entry process might also involve an orientation session that, as described earlier, occurs before or after the eligibility interview.
  25. This was a common characteristic of most welfare-to-work programs in the 1990s, which—particularly after the passage of federal welfare reform in 1996—adopted a Work First program model that required most or all recipients to first engage in relatively short-term job readiness and job search activities. See Holcomb et al. (1999).
  26. See, for example, Marrufo, O'Brien-Strain, and Oliver (2003).
  27. In Milwaukee, clients in most instances learned about child care subsidies during the initial in-person interview with the caseworker who assessed their eligibility for food stamps, medical



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assistance, and child care. In Detroit, the child care subsidy program was mentioned on the pre-screening form.

28. Massachusetts's current work policy is that a recipient whose youngest child is age 2 through mandatory school age must meet work program rules for 20 hours a week. A recipient whose youngest child is mandatory school age through age 8 must meet work program rules for 24 hours a week, and a recipient whose youngest child is age 9 or older must meet work program rules for 30 hours a week.
29. Boston, Denver, Houston, Jackson, Miami, Minneapolis, San Diego, and Seattle.
30. While little research has been done in this area, it appears the kinds of care used by TANF families receiving subsidies varies across states (Piecyk, Collins, and Kreader 1999). The use of license-exempt child care is likely to reflect a combination of preferences and constraints. For example, some parents may simply prefer more familial and familiar caregivers, or caregivers that are from a similar cultural, ethnic, or language background. Or parents may like the convenience and flexibility of these caregivers. The work patterns of TANF parents may also lead them to use informal caregivers, as they are likely to have nontraditional or irregular work schedules, may face a series of short-term activities, and may work multiple jobs. These realities can make it more challenging to use more formal child care options such as centers, as they generally do not have flexible hours of operation (i.e., are not available on evenings and weekends, and may not have any part-time slots). Finally, TANF parents may face constraints in finding good formal child care options—such as the inadequate supply of good formal options in some low-income areas, waiting lists and fees for some programs, and so forth. All these issues are likely to interact in shaping the child care decisions of TANF parents.
31. Detroit and Jackson, the two single-system sites with single workers, are exceptions. However, because the state child care agency handled payments to providers, certain provider-related information still needed to be transferred to the state-level agency.
32. The process works slightly differently in Milwaukee. Before meeting with the welfare-to-work case manager, the applicant was seen by a staff person responsible for food stamp and Medicaid eligibility determination in addition to processing child care authorizations. Once the welfare-to-work case manager assigned the parent to a work preparation activity and authorized the child care subsidy, this authorization information was sent to the eligibility worker handling child care, who then processed the subsidy authorization and set up the provider in the system.
33. For example, the 1999 ANF child care case studies found in-person visits were very challenging for parents who had to take time off work to comply—particularly given they were unlikely to have leave or flexible workplaces (Adams et al. 2002). Similarly, parents reported other challenges, such as duplicative paperwork and overburdened staff. These challenges can make it more difficult for parents to obtain or retain their subsidies (Wilkins 2002; Shlay et al. 2002). At the same time, some of these requirements can play an important role for the agency. In particular, in our earlier study, agency respondents reported face-to-face meetings with caseworkers could help them build relationships with parents and ensure parents understand what is required, thus minimizing error and delays.
34. The paperwork was often called a child care application and asked for information about the parent, child care needs, the child care provider the parent wanted to use, and so on. Child care subsidy applications sometimes required the provider's signature.
35. While the initial authorization process would also be the stage at which applicants would be assessed any relevant copayments, most states do not require families at the lowest income levels (which would include families on TANF) to pay copayments (HHS, Child Care Bureau 2003).
36. Respondents in Jackson noted they set the authorizations for less than a year if they know a child will be entering a new age tier. These age tiers (birth to 12 months, 13–36 months, 3–5 years, and 5–13 years) corresponded to different reimbursement levels.

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37. Under PRWORA, states are allowed to count up to no more than four consecutive weeks of job search per participant (and up to six total weeks a year) toward federally mandated participation rates.
  38. In Seattle part-time was less than 110 hours a month. In Boston, the decision of whether an individual qualified for part-time or full-time child care was based not only on the hours she would spend in an activity (plus travel time) but also the hours of the day involved.
  39. In Denver, for example, those with children under 6 years old were not required to participate more than 88 hours a month (22 hours a week).
  40. This distinction is not relevant for Detroit and Jackson because a single worker is responsible for handling all aspects of welfare parents' child care authorization and recertification as well as case managing their participation in the TANF welfare-to-work program. In Denver, the welfare-to-work case manager initiates recertification.
  41. In Seattle, the entire recertification is handled solely by the child care worker and parent via mail.
  42. In-person visits were not required in Detroit if an in-person interview had been conducted for another program within the preceding 12 months. Note that as of March 1, 2004, recertification can be done by mail.
  43. In San Diego and Seattle, parents did not have to come into the office to recertify, and in Boston parents in job search or training programs did not need to come into the office—though for all three sites parents did need to see the child care worker for initial authorization. In Milwaukee, however, parents needed to see the child care worker for recertification as well as initial authorization.
  44. Parents did not have to complete the recertification process if they were active TANF recipients receiving Stage 1 benefits. If they were active TANF and were receiving Stage 2 benefits, they were required to fully participate in the annual recertification, which included a face-to-face interview, completing new application forms, and submitting required verifications.
  45. Remember, however, that in San Diego, at least for Stage 1 active TANF clients, the recertification process does not require anything of the parent.
  46. However, respondents in some of these sites reported the subsidy might be adjusted if the new activity significantly changed either the number of hours of child care needed or the income of the family.
  47. In this situation, providers have to either keep the slot open for the child and lose the payment for that period or ask the parent to leave, which then presents difficulties for the parent (who has to find new child care) and the child (who faces a change in child care provider, thus affecting the continuity of care). An important question for future research is whether these situations create particular challenges for parents—for example, by creating more stress in finding new providers or making it more difficult to find providers because some providers may be less willing to serve families receiving subsidies.
  48. Boston, Birmingham, Detroit, and Jackson.
  49. Of these sites, Birmingham was the only one where the child care worker did not have contact with the parent—specifically, if the client reported the change to the welfare to work staff it was not necessary to notify the child care worker.
  50. While respondents in Denver and Minneapolis did not suggest this approach was problematic, it seems it could be somewhat complicated for child care providers, who may or may not actually get paid for the number of hours they served the child—particularly if they do not provide part-time care.
  51. Some respondents in Birmingham thought the policy required the case manager to suspend subsidies temporarily until the parent was in a new activity, but that did not happen in practice.

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52. In Jackson and Detroit (the two single-system sites), there was no separate child care worker and therefore no need to convey information across workers about the parent's change in activities.
  53. Welfare Rules Database, accessed 11/18/04.
  54. Birmingham, Boston, Denver, Houston, Jackson, Minneapolis, and Milwaukee.
  55. Sanction processes vary but typically include initiating intent to sanction notifications, providing opportunities to avoid a sanction by coming into compliance, granting good cause exemptions, and, in sites with separate TANF eligibility and welfare-to-work case managers, notifying the eligibility worker to change the benefit level per the sanction penalty.
  56. Previous research has indicated there can sometimes be challenges around ensuring parents and providers receive these notifications in a timely manner (see Adams et al. 2002).
  57. Parents may also stay off welfare and then—if they find employment on their own—may be eligible for subsidies for low-income families not receiving TANF.
  58. The pattern was not completely consistent. For example, although one site seemed less concerned about penalizing families for receiving subsidies when they were ineligible, it did consciously keep the authorization periods short.
  59. Minneapolis had a unique arrangement among our study sites, with over 30 entities providing case management and employment and training services to TANF recipients. Local administrators had expended considerable effort on coordination issues, but there were still glitches in how information flowed from one entity to the other(s). For example, service providers varied tremendously in how much they helped with the child care application process and how well they communicated information to the other partners.
  60. Some Houston respondents reported during our discussions they were moving toward an MIS that would allow staff to access client information across career centers. They thought the MIS would alleviate some of the problems.
  61. One Boston reviewer disagreed with this statement, reporting that CCR&R workers and TANF eligibility workers were colocated in the TANF office.
  62. According to this respondent, the child care data system was integrated with the TANF eligibility system.
  63. This was not true at the main offices, but was true of the partner agencies that we studied. HHSA (Health and Human Services Agency) and County of San Diego staff *could* use their system access to determine who the TANF case managers and employment services case managers were.
  64. This was not, however, true of all workers. Some child care workers colocated at the TANF office had a direct connection to their office network.
  65. In particular, in both Houston and Boston, child care workers were colocated in all offices (though not full-time), while in Minneapolis, child care workers were colocated in only 2 of the over 30 employment and training sites providing TANF case management. Additionally, in San Diego where there was a three-stage child care system, respondents noted Stage 1 child care workers were colocated with welfare-to-work case managers but Stage 2 child care workers were not, which sometimes resulted in communication problems.
  66. Despite these tensions, respondents reported the service delivery system remained “seamless” for clients, who should be unaware of the problems. In addition, most of the San Diego region did not have colocated delivery of services, which, according to respondents, did cause problems for parents trying to navigate the system.
  67. This “backup” supportive services worker was assigned to each pod because administrators noticed delays in processing child care authorizations could occur if the primary worker assigned to the pod was not in when parents came to see their welfare-to-work case managers.

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68. Both agencies were required to have this information on file. Because the TANF agency had already established proof of SSN and date of birth, etc., respondents reported the child care worker could still process the initial subsidy application if parents did not bring the necessary documents to their meeting. However, TANF parents must then bring any missing documents to their six-month subsidy review.
  69. This could be especially problematic when it resulted in an overpayment (i.e., payment of a subsidy when the client was not working or participating in an activity), as overpayment could jeopardize the client's ability to obtain subsidies in the future.
  70. Another reason for tight calibration in the child care system is to adjust parental copayments. However, many states do not charge copayments to parents on TANF, so this reason would not apply.
  71. See, for example, Child Care Aware's "5 Steps to Choosing Child Care" or Maryland Department of Human Resource's "Finding the Right Child Care."

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