Implications of Child Care and Development Block Grant Reauthorization for State Policies

Changes to Job Search Policies

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OPRE Report 2016-21
April 2016

The recent reauthorization of the Child Care and Development Block Grant (CCDBG) Act will create some major changes in how States and Territories provide child care subsidies to low-income families. This brief focuses on just one change, the extent to which subsidies are available to parents who are looking for work. Before the reauthorization, most but not all States/Territories provided some level of job search eligibility. Now, the States/Territories that have not allowed this type of eligibility may have to add it, and even States/Territories that already allow some eligibility for job search may have to make changes in their policies to comply with the new law.

Background

The Child Care and Development Fund (CCDF) provides funding from the CCDBG to the States, Territories, and Tribes to administer child care subsidy programs for low-income families.[1] States/Territories must comply with broad federal guidelines, including but not limited to establishing income eligibility limits at or below 85 percent of state median income (SMI); setting the maximum age for children at or below 12 years, or at or below 18 years if children have special needs; and defining what activities qualify for assistance (work, education, training, etc.). Within the broad federal guidelines, States/Territories are given discretion to

[1] "States/Territories" is used throughout the brief to refer to the 50 States, the District of Columbia, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands. While not covered in this brief, the CCDF program also provides funding for the Tribes.

establish many of the detailed policies used to operate their CCDF programs, including job search policies.

The CCDBG Act of 2014 is the first reauthorization of the federal grant since 1996. The reauthorization of CCDBG emphasizes family-friendly eligibility policies, increased quality of care, more explicit health and safety requirements for child care providers, and transparent and accessible information about providers to help parents make informed decisions.[2] One key requirement affects working parents who become unemployed while receiving CCDF-funded subsidies. States/Territories must continue providing child care subsidies to families during the eligibility period even if they experience a temporary disruption in their employment, education, or training status (such as maternity or medical leave, a change in seasonal work schedule, or a break between school semesters). For families who have a permanent change in their employment status (such as losing a job or finishing a training or education program), States/Territories can continue assistance until the end of the minimum 12-month eligibility period. If they choose to terminate assistance, the State/Territory must provide child care subsidies for at least 3 months to allow the parent to engage in a job search and resume work or to resume attendance at a job training or educational program.[3] (For more information on the revised eligibility period, see the companion brief "Reauthorization of the Child Care and Development Block Grant: Changes to Requirements for Ongoing Eligibility.") While this requirement will also apply to parents who stop attending education or training programs, in this brief we focus on the implications for state policies affecting parents who lose their jobs. While many of the new policies went into effect when the law was signed on November 19, 2014, some policies have later implementation dates. For requirements without specified dates, the Office of Child Care set September 30, 2016 as the implementation date. Additional guidance is provided to the States/Territories through the CCDF Plan Preprint and program instruction memorandums from the Office of Child Care.[4]

In this brief, we look at current State/Territory policies for job search as an approved activity as they are addressed in the new legislation in order to understand what State/Territories are currently doing and how those policies might have to change. We provide an overview of the policy, a snapshot of State/Territory policies prior to CCDBG reauthorization, and a description of how the policies will have to change to align with the new requirements. Finally, we provide information about additional resources for understanding State/Territory policies and CCDBG reauthorization.

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[2] For more information about the new child care provisions and the full law, see the Office of Child Care's CCDF reauthorization resources webpage at http://www.acf.hhs.gov/programs/occ/ccdf-reauthorization.

[3] These policies apply to most families receiving child care subsidies. States/Territories may establish different policies for subgroups of families (including families receiving TANF, families with children in protective services, etc.).

[4] The CCDF Plan serves as a State's/Territory's application for funds by providing a description of the program and policies and must be submitted every three years.

The policies discussed in this brief are drawn from several resources. We use the CCDF Policies Database to understand current State/Territory policies, and the CCDBG legislation, as well as the CCDF Plan Preprint, to describe the federal policy requirements. The U.S. Department of Health and Human Services (HHS) has issued proposed regulations based on the new law. In addition to providing information on how to implement the law, the regulations may include additional requirements, within the CCDBG legislation, for States'/Territories' child care subsidy policies.

Policies Related to Eligibility during Periods of Job Search

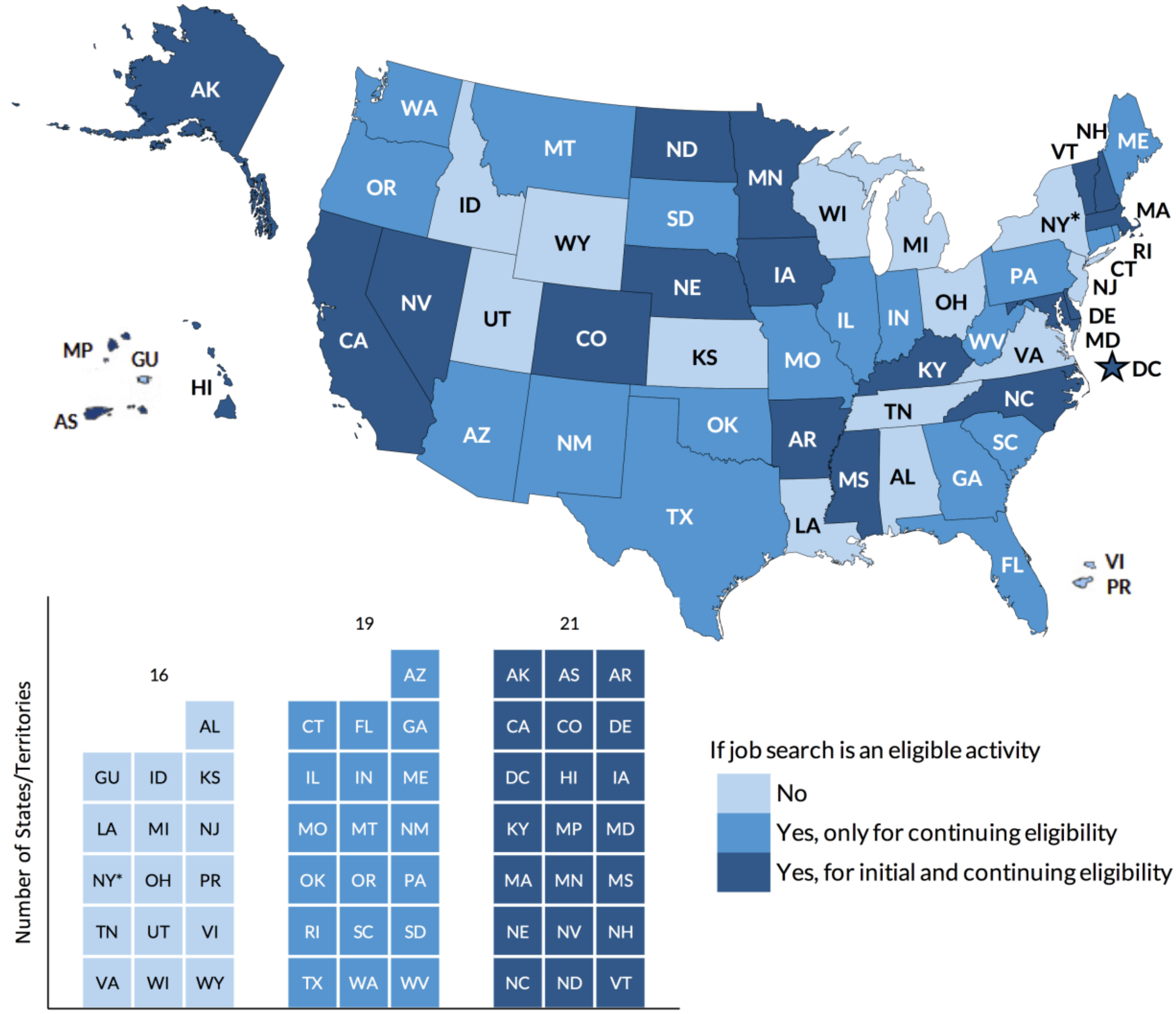
In order to qualify for subsidies under the CCDF program, parents or guardians must participate in an approved activity that demonstrates a need for child care. These activities have typically focused on work, education, or training, with some states also approving care for job search activities. Parents searching for a job may need child care so that they can attend interviews, work on resumes, or submit job applications. Policies related to job search periods can greatly impact a family's ability to keep subsidized child care, and in turn the continuity of care for the children.

Federal policy has typically allowed, but not required, States/Territories to provide CCDF subsidies for parents seeking work. As of October 1, 2014, the month prior to reauthorization, 16 States/Territories did not provide any CCDF-subsidized child care to support job search (figure 1 and appendix table 1). Among the 40 States/Territories that considered job search to be a qualifying activity for CCDF subsidies, the specifics of these policies varied widely. Some States/Territories approved this type of eligibility only for parents who became unemployed while already participating in the child care subsidy program. This is referred to as job search for continuing eligibility only, and 19 programs used this approach. Other States/Territories also approved subsidies for parents who were not working and were actively looking for employment when they entered the program (referred to as job search for initial eligibility). Twenty-one States/Territories considered job search a qualifying activity for both initial and continuing eligibility.[5]

[5] The policies described here are the general requirements in each State/Territory. States/Territories often establish different policies for TANF families participating in job search activities.

FIGURE 1

State/Territory Job Search Policies (2014)



*Policy coded for New York City.
Source: CCDF Policies Database October 1, 2014 data

States/Territories have also varied on the maximum length of time that unemployed parents can receive child care subsidies. As of October 1, 2014, the amount of time allowed for job search activities ranged from 2 to 13 weeks per year in 14 States/Territories, from one to two months per six-month period in five States/Territories, and from 30 days to six months per job loss occurrence in 18 States/Territories. The remaining three States/Territories that allowed for job search activities used slightly different methods for establishing the amount of time approved. In Connecticut and Oregon, job search activities were approved through the end of the month following the month in which employment ended, regardless of what day of the current month employment ended. In the Northern Mariana Islands, job search activities were approved for 30 days (with no specification of how many job search periods a family can have in a given time period). Appendix table 1 provides the States'/Territories' detailed job search policies, including time limits, for October 2014.

Now, some States/Territories will have to change existing policies to meet the new federal law regarding eligibility during periods of unemployment. Whereas States/Territories previously had the discretion to terminate a parent's child care subsidy if he or she lost a job or stopped attending a training or education program, CCDBG reauthorization now requires States/Territories to continue providing the subsidy to the family for the remainder of the 12-month minimum eligibility period or provide a job search period of at least three months if they choose to terminate the subsidy prior to the end of the 12-month eligibility period. For example, in a State/Territory that decides to terminate subsidies prior to the end of the eligibility period due to a permanent job loss, if a parent loses his or her job after 10 months of receiving child care subsidies, he or she must receive at least 3 more months of eligibility. In a State/Territory that decides to continue subsidies for the full eligibility period regardless of a loss of employment, if a parent loses his or her job after 6 months of receiving child care subsidies, he or she must receive subsidies for the remainder of the 12-month minimum eligibility period, so in this case for at least 6 more months. The new legislation intends for policies to allow sufficient time for families in every State/Territory to find work or re-enroll in education or job training without losing their child care subsidy in the interim. This may also allow for greater continuity of care for children.

To meet the requirements of the law, the 16 States/Territories that did not allow care for job search for continuing eligibility must either allow families to receive subsidies for at least 12 months, regardless of permanent changes in employment or attendance at an education and training program, or continue providing subsidies for at least three months. The other 40 States/Territories already partially or fully meet the new requirements by providing job search for at least continuing eligibility, but they will need to provide at least three months of subsidies for job search or provide subsidies for the full eligibility period for parents who become unemployed while receiving subsidies. Of the 40 States/Territories that authorized subsidies for job search, only five States/Territories had job search time limits of at least three months (in a year or per job loss occurrence). The remaining 35 States/Territories will need to extend their job search time limit to at least three months or provide care for the full eligibility period.

Understanding State/Territory Policy Changes Going Forward

Over the next several years, State/Territory CCDF policies will change significantly as a result of the reauthorization of the CCDBG Act. The policy change that requires States/Territories to continue a subsidy for at least three months after a parent loses a job or provide subsidies for the full eligibility period could result in changes in the number of families and children eligible for child care subsidies at a given point in time. For example, low-income families, who are more likely to experience periods of unemployment, might have previously lost their child care subsidies when they lost their job. Based on an analysis of the Current Population Survey (CPS), 6.9 million children in families with income below 200 percent of the Federal Poverty Level had a parent who was unemployed some time during 2012.[6] Among these children, about one-third had parents who were out of work for at least six months.[7] Families receiving subsidies will now be able to either stay on the program during the full eligibility period even if they lose their job or continue to receive their subsidies for at least three months.

While the new policies could result in significant changes in the length of time some families will receive CCDF assistance, it is unclear at this time how the actual caseloads will change as States/Territories make decisions about how to implement the new requirements and how other related policies might change. States/Territories will face decisions about how to implement the new requirements, and how to fund the changes, as the new law did not guarantee higher federal funding.[8] Over the next several years, as States/Territories revise their policies to come into alignment with the new law, additional information about CCDBG reauthorization and guidance for States/Territories, how and when State/Territory policies change, and how caseloads change, will be available through several public resources.

- **Resources from the CCDF Policies Database:** The CCDF policies shown here are taken from the CCDF Policies Database. The CCDF Policies Database tracks State/Territory policies over time, with hundreds of variables tracking policies related to family eligibility, application and wait list procedures, family copayments, provider reimbursement rates, and other provider policies. The Database is maintained by the Urban Institute and funded by the Office of Planning, Research and Evaluation within the Administration for Children and Families, U.S. Department of Health and Human Services. The data are available for public use through annual published reports and access to the full Database detail.[9] This brief is one in a series of briefs on the implications of CCDBG reauthorization on state child care subsidy policies. The other two briefs describe the changes to ongoing eligibility requirements and the changes to requirements for legally unregulated child care providers. Additionally, policy changes resulting from CCDBG reauthorization will be

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[6] Isaacs, Julia and Olivia Healy. 2014. "Public Supports When Parents Lose Work." The Urban Institute. http://www.urban.org/sites/default/files/alfresco/publication-pdfs/413115%20-%20Public-Supports-When-Parents-Lose-Work.pdf.

[7] These figures are for low-income families in general. Only a small percentage of these families receive CCDF subsidies.

[8] The law does include a 16 percent increase in authorized discretionary funds over six years, but this increase must be allocated by Congress each year. For more information about the funding for CCDBG, see the guide to reauthorization prepared by the Center for Law and Social Policy and the National Women's Law Center at http://www.clasp.org/resources-and-publications/publication-1/ccdbg-guide-for-states-final.pdf.

[9] For more information about the CCDF Policies Database and access to the Database products, see http://www.acf.hhs.gov/programs/opre/research/project/child-care-and-development-fund-ccdf-policies-database-2008-2013 and http://www.urban.org/policy-centers/income-and-benefits-policy-center/projects/ccdf-policies-database.

picked up as part of future updates to the Database, with the data made available for public use.

- **Resources from the Office of Child Care:** Information on CCDBG reauthorization, as well as information on CCDF caseloads and spending, can be obtained from the Office of Child Care (OCC), within the Administration for Children and Families, U.S. Department of Health and Human Services.
  - » *CCDBG Reauthorization*: OCC provides the statutory language of the Act, guidance for States/Territories provided in the CCDF Plan Preprint, details on the timeline for implementing the new requirements, and additional resources.[10]
  - » *CCDF Statistics*: OCC provides CCDF Statistics, including information on the number and characteristics of children and families served, the types of provider settings used, and State/Territory expenditures.[11]

- **Resources from the Child Care Administrative Data Center (CCADAC):** CCADAC, a project run by Child Trends and funded by OPRE, supports the use of administrative data to address policy-relevant early care and education research questions for state child care administrators and their research partners.[12] State/Territory leaders and researchers may be interested in analyzing data to understand the effects of changes to requirements for eligibility during periods of job search. Analysis of administrative data is a cost-effective means of assessing the intended and unintended outcomes of policies and administrative procedures. Box 1, with information provided by CCADAC, provides examples of questions that can be answered with administrative data and next steps that States/Territories can take now to capture relevant information in their administrative records.

[10] For more CCDBG reauthorization information from the Office of Child Care, see http://www.acf.hhs.gov/programs/occ/ccdf-reauthorization.
[11] CCDF statistics are available from OCC at http://www.acf.hhs.gov/programs/occ/resource/ccdf-statistics. CCDF expenditure data are available from OCC at http://www.acf.hhs.gov/programs/occ/resource/ccdf-expenditure-data-all-years.
[12] For more resources on working with administrative data from CCADAC, see http://www.researchconnections.org/content/childcare/understand/administrative-data.html.

BOX 1

Using Administrative Data to Understand Policy Changes Going Forward

What kinds of questions can be answered with administrative data?

Below are a few examples of questions that can be answered using administrative data:

- Characteristics of subsidy recipients who receive subsidies while searching for a job: Which subsidy recipients use subsidies for job search activities (considering characteristics such as income category, county, race/ethnicity, etc.)? How long are subsidies used for job search, on average, and does this vary by characteristics of the subsidy population?
- Family outcomes related to receiving subsidies while job searching: Are subsidy recipients' incomes higher after engaging in a supported job search than in their previous job? Among subsidy recipients, is the amount of time spent searching for a job related to families' future incomes?
- Outcomes before and after a change in policy or practice for job search: Using information from the CCDF Policies Database and administrative records, what outcomes are associated with recent policy or practice changes related to job search? Outcomes can include greater continuity in subsidy use, access to higher-quality care, higher incomes after the job search, or greater job stability.

Next steps in using administrative data to address job search issues

- Building or maintaining longitudinal data systems: States/Territories that maintain administrative data longitudinally can compare data over time to assess how job search policies and practices affect families' experiences with the subsidy program. Researchers may be interested in longitudinal variables, such as employment length, length of time on subsidies while on a job search, or number of times the subsidy recipient uses subsidies for job search.
- Linking subsidy data to other data systems: Subsidy data can be linked to employment data to see if subsidy use for job search is associated with longer bouts of employment or increased wages over time. Subsidy data could also be linked to Quality Rating and Improvement System (QRIS) ratings to see if use of subsidy for job search is associated with more consistent use of high-quality, subsidized child care.

Box 1 Source: This information was developed as part of the Child Care Administrative Data Analysis Center (CCADAC) through the Child Care and Early Education Policy and Research Analysis contract at Child Trends. The work is funded by the Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. CCADAC works to strengthen the ability of State/Territory child care administrators and their research partners to utilize administrative data to address policy-relevant early care and education research questions.

APPENDIX TABLE 1

State/Territory Job Search Policies (2014)

State	If Job Search is an Eligible Activity	Job Search Time Limit
Alabama	No	NA
Alaska	Yes, for initial and continuing eligibility	80 hours in a year
Arizona	Yes, only for continuing eligibility	30 days per job loss occurrence
Arkansas	Yes, for initial and continuing eligibility	60 days in a year
California	Yes, for initial and continuing eligibility	60 days in a year
Colorado	Yes, for initial and continuing eligibility	30 days in a year
Connecticut	Yes, only for continuing eligibility	Other [1]
Delaware	Yes, for initial and continuing eligibility	3 months per job loss occurrence
D.C.	Yes, for initial and continuing eligibility	3 months per job loss occurrence
Florida	Yes, only for continuing eligibility	60 days per job loss occurrence
Georgia	Yes, only for continuing eligibility	8 weeks per job loss occurrence
Hawaii	Yes, for initial and continuing eligibility	30 days in a year
Idaho	No	NA
Illinois	Yes, only for continuing eligibility	30 days per job loss occurrence
Indiana	Yes, only for continuing eligibility	13 weeks in a year
Iowa	Yes, for initial and continuing eligibility	30 days in a year
Kansas	No	NA
Kentucky	Yes, for initial and continuing eligibility	4 weeks per job loss occurrence
Louisiana	No	NA
Maine	Yes, only for continuing eligibility	2 months in 6 months
Maryland	Yes, for initial and continuing eligibility	1 month per job loss occurrence

State	If Job Search is an Eligible Activity	Job Search Time Limit
Massachusetts	Yes, for initial and continuing eligibility	12 weeks in a year
Michigan	No	NA
Minnesota	Yes, for initial and continuing eligibility	240 hours in a year
Mississippi	Yes, for initial and continuing eligibility	60 days per job loss occurrence
Missouri	Yes, only for continuing eligibility	30 days per job loss occurrence
Montana	Yes, only for continuing eligibility	90 days per job loss occurrence
Nebraska	Yes, for initial and continuing eligibility	2 months per job loss occurrence
Nevada	Yes, for initial and continuing eligibility	4 weeks in a year
New Hampshire	Yes, for initial and continuing eligibility	40 days in 6 months
New Jersey	No	NA
New Mexico	Yes, only for continuing eligibility	30 days per job loss occurrence
New York	No [1]	NA
North Carolina	Yes, for initial and continuing eligibility	60 days per job loss occurrence
North Dakota	Yes, for initial and continuing eligibility	8 weeks in a year
Ohio	No	NA
Oklahoma	Yes, only for continuing eligibility	30 days per job loss occurrence
Oregon	Yes, only for continuing eligibility	Other [2]
Pennsylvania	Yes, only for continuing eligibility	30 days per job loss occurrence
Rhode Island	Yes, only for continuing eligibility	21 days in 6 months
South Carolina	Yes, only for continuing eligibility	30 days per job loss occurrence
South Dakota	Yes, only for continuing eligibility	30 days in 6 months
Tennessee	No	NA
Texas	Yes, only for continuing eligibility	4 weeks in a year
Utah	No	NA

State	If Job Search is an Eligible Activity	Job Search Time Limit
Vermont	Yes, for initial and continuing eligibility	4 weeks in a year
Virginia	No	NA
Washington	Yes, only for continuing eligibility	56 days in a year
West Virginia	Yes, only for continuing eligibility	30 days in 6 months
Wisconsin	No	NA
Wyoming	No	NA
American Samoa	Yes, for initial and continuing eligibility	6 months per job loss occurrence
Guam	No	NA
No Mariana Islands	Yes, for initial and continuing eligibility	30 days
Puerto Rico	No	NA
Virgin Islands	No	NA

Source: CCDF Policies Database October 1, 2014 data

[1] Policy coded for New York City.
[2] Job search activities are approved through the end of the month following the month in which employment ended.

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Acknowledgments

This brief was funded by the Office of Planning, Research and Evaluation (OPRE). The authors would like to thank Linda Giannarelli (the Urban Institute) and Kathleen Dwyer (OPRE) for their insight during the drafting of the brief and their review of various drafts. The authors would also like to thank Gina Adams and Monica Rohacek of the Urban Institute for reviewing and providing feedback on the brief, as well as for their ongoing guidance on the project. Particular thanks are owed to the CCADAC team—Kelly Maxwell, Van-Kim Lin, Nicole Forry, and Carlise King—for their insight on using administrative data, for providing the supplemental material included in Box 1 of the brief, and for reviewing the draft brief. Finally, the authors would like to thank Rachel Schumacher (Director of OCC), Dawn Ramsburg (OCC), Minh Le (OCC), Amanda Clincy (OPRE), and Elizabeth Shuey (OPRE) for reviewing the draft brief, and Andrew Williams (OCC) for providing input on the overall plan and policy topics for the brief.

The views expressed in this publication do not necessarily reflect the views or policies of the Office of Planning, Research and Evaluation, the Administration for Children and Families, the U.S. Department of Health and Human Services, the Urban Institute, or the Urban Institute's trustees or funders.

Submitted to:
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Office of Planning, Research and Evaluation
Administration for Children and Families
U.S. Department of Health and Human Services
Contract Number: HHSP23320095654WC

Project Director:
Linda Giannarelli
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Washington, DC 20037

This brief is in the public domain. Permission to reproduce is not necessary. Suggested citation: Stevens, Kathryn, Sarah Minton, and Lorraine Blatt (2016). Implications of Child Care and Development Block Grant Reauthorization for State Policies: Changes to Job Search Policies. OPRE Report 2016-21, Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

This report and other reports sponsored by the Office of Planning, Research and Evaluation are available at http://www.acf.hhs.gov/programs/opre/index.html.

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The CCDF Policies Database project is funded by the Office of Planning, Research and Evaluation (OPRE), within the Administration for Children & Families (ACF). This brief was produced as part of the OPRE-funded project. ACF is a division of the U.S. Department of Health & Human Services (HHS). ACF promotes the economic and social well-being of families, children, individuals, and communities. OPRE studies ACF programs and the populations they serve through rigorous research and evaluation projects. These include evaluations of existing programs, evaluations of innovative approaches to helping low-income children and families, research syntheses and descriptive and exploratory studies.

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