



CHILDCARE DOLLARS EVALUATION 2006-08

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OCTOBER 2008

**children's
institute**

STRENGTHENING SOCIAL AND
EMOTIONAL HEALTH

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Special thanks to the Child Care Dollars families who took their time and energy to provide feedback and complete surveys, making this evaluation possible.

INTRODUCTION

What is Childcare Dollars?

The Monroe County Chapter of the New York Union Child Care Coalition (NYUCCC) of the New York State American Federation of Labor-Congress of Industrial Organizations and Children's Institute partnered together in the submission of a plan for the *Monroe County Childcare Subsidy Project*, to be known as *Childcare Dollars*. Children's Institute, Inc. is the administrator of the project. The plan was developed by Monroe County NYUCCC, Children's Institute, Inc., members of the Greater Rochester Early Childhood Education Quality Council (ECEQC), and the Family Child Care Satellite Network (FCCSN). The project was originally funded from two and one half million dollars (\$2.5 million) appropriated in the 2004-2005 New York State budget to pay for the costs of the child care subsidies and project administration.

Childcare Dollars was proposed as a demonstration project to expand access to child care subsidies for working parents with children between the ages of birth to 12, who reside in Monroe County. To be eligible to receive child care subsidies through the demonstration project, parents must be employed with incomes up to 275% of the Federal poverty guidelines. There is no restriction on family size. The primary goal of the project was to improve families' access to child care assistance through a process that is user-friendly and efficient for working families with moderate income.

In 2005, Monroe County had 9,916 children living in households with incomes of 150-199%, and 16,927 children were living in households with incomes between 200-274% (*Access to Subsidized Quality Care in Monroe County*, Center for Governmental Research, 2007). Therefore, it can be estimated that in 2006 when applications were first accepted, 26,843 children may have been eligible to receive subsidies. Between 2006 - 2008, 925 families applied for assistance through Childcare Dollars in Monroe County; 282 of those families were determined eligible by the county, and 447 children were served. This indicates that there is an overwhelming need for child care assistance for families who previously were not eligible for child care subsidies due to income guideline restrictions.

Please note that since the project was first funded, Monroe County has changed their income-eligibility guidelines three times. They went from 140% to 150% to 165% to 125% currently. This has a direct impact on Childcare Dollars' eligibility guidelines in the fact that they start where the county's stop (e.g. a family that did qualify for Childcare Dollars upon initial application in 2006 then became eligible for a county subsidy in 2007 is now again eligible for Childcare Dollars).

What are the project goals, objectives, and proposed outcomes?

The primary goals and objectives of the Monroe County Child Care Facilitated Enrollment Demonstration Project that were set forth in the Childcare Dollars contract with OCFS are to:

- Improve working families' access to child care assistance through a process that is more user-friendly and efficient.
- Extend access for subsidized care to families earning up to 275% of the Federal poverty guidelines, particularly moderate-income families earning between 150% and 275%, serving 400-500 children.

The evaluation focused on three other goals related to outcomes: improving stability in applicants' work status, supporting the pursuit of higher education, and increasing the number of children in regulated care. Also of interest were the factors that parents considered when searching for child care and obstacles that prevented them from accessing child care subsidies.

What are the outcomes?

Childcare Dollars received 933 applications for the period from September 2006 through August 2008. Families who applied represent all 43 ZIP Codes in Monroe County, however most applications came from families residing in the city of Rochester. Currently, 282 families are receiving subsidies for 447 children. Approximately 73% of families (207) are led by single parents. Of these families, seven are led by single fathers. Families come from a variety of ethnic and cultural backgrounds, but predominantly are of African-American (including African and Caribbean) and European-American (non-Hispanic) descent.

Evaluation Design

All Childcare Dollars applicants were surveyed on employment, education, and child care status (please see the attached survey). The following figures reflect the responses from two rounds of survey completion. Time 1 data were collected with the initial application and Time 2 data were collected at the time of recertification, at least one year later. While some applicants have already submitted their second recertification surveys, there were not enough surveys returned to generate useful data for the inclusion of a Time 3. The following results are based on the responses of 89 applicants for whom both Time 1 and Time 2 information was available.

The graphs and analysis that follow show the effect of receiving a subsidy on employment, education, and child care provider selection. Overall, the changes for families are positive. These findings support the continuation of funding and possible expansion of this project.

EFFECT ON EMPLOYMENT

Figures 1 and 2. Employment Status at time of application and recertification

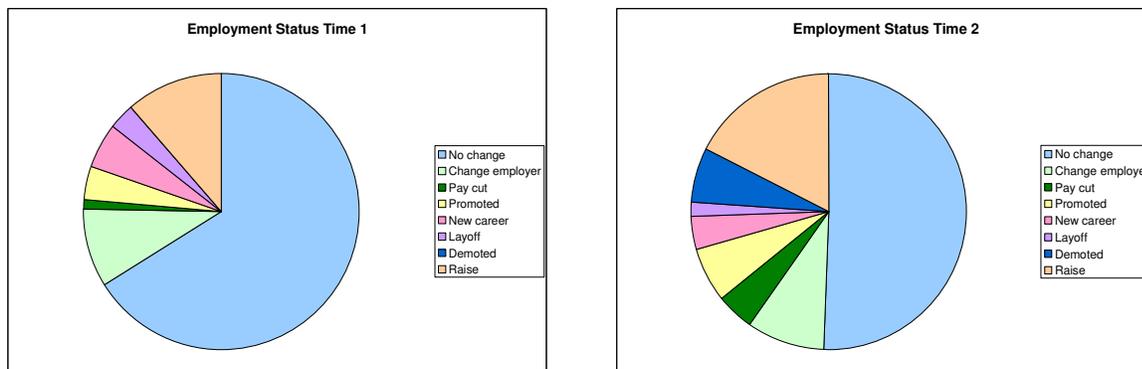


Figure 1 shows the employment status of applicants when they submitted initial applications. When families applied, 73% had no changes in employment over the previous six months. Ten percent had found new employers and 13% had received raises. A handful of applicants had received pay cuts or promotions, had been promoted, changed careers, or were laid off.

Figure 2 presents the employment status at recertification. Ten percent more families had changes in status at the time of recertification. This could be for positive reasons: The reported rates of promotions and pay raises increased (3% and 9% respectively). Or, it could be for adverse reasons: The rates of pay cuts and demotions increased (5% and 8% respectively). Also, it could have been because of a reason that is not clearly positive or negative – more applicants changed careers.

Union membership increased for applicants, from 12% to 15% of responding applicants.

Figure 3. Attendance compared to six months ago

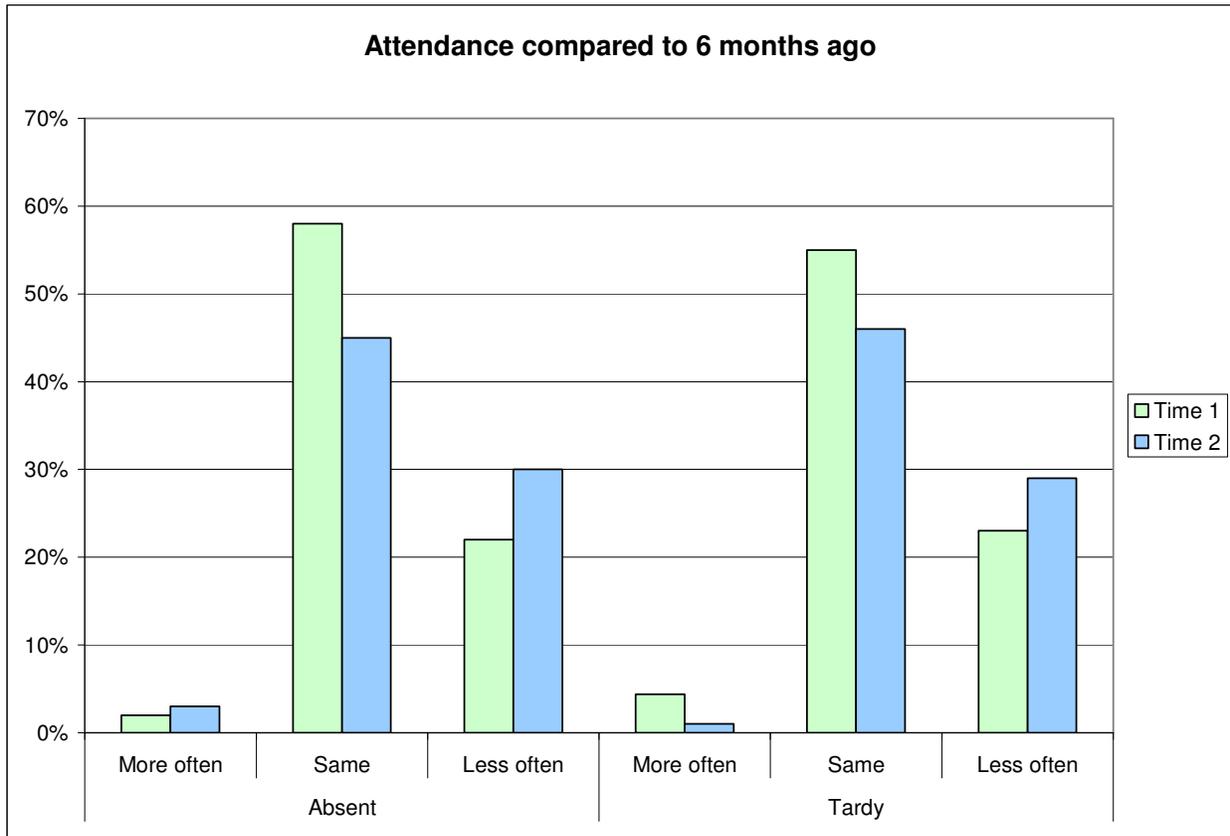


Figure 3 shows parents' responses regarding their attendance at work. More parents felt that they were absent and tardy less often at the time of recertification. If this result is accurate, it could indicate an increase in worker productivity for employers. Parents whose children are safe and secure in quality care may have fewer problems with absences and tardiness.

Although not shown in this table, the number of hours worked per week remained essentially constant at 37.7 at Time 1 and 38.14 at Time 2.

EFFECT ON EDUCATION

Figure 4. Highest degree completed

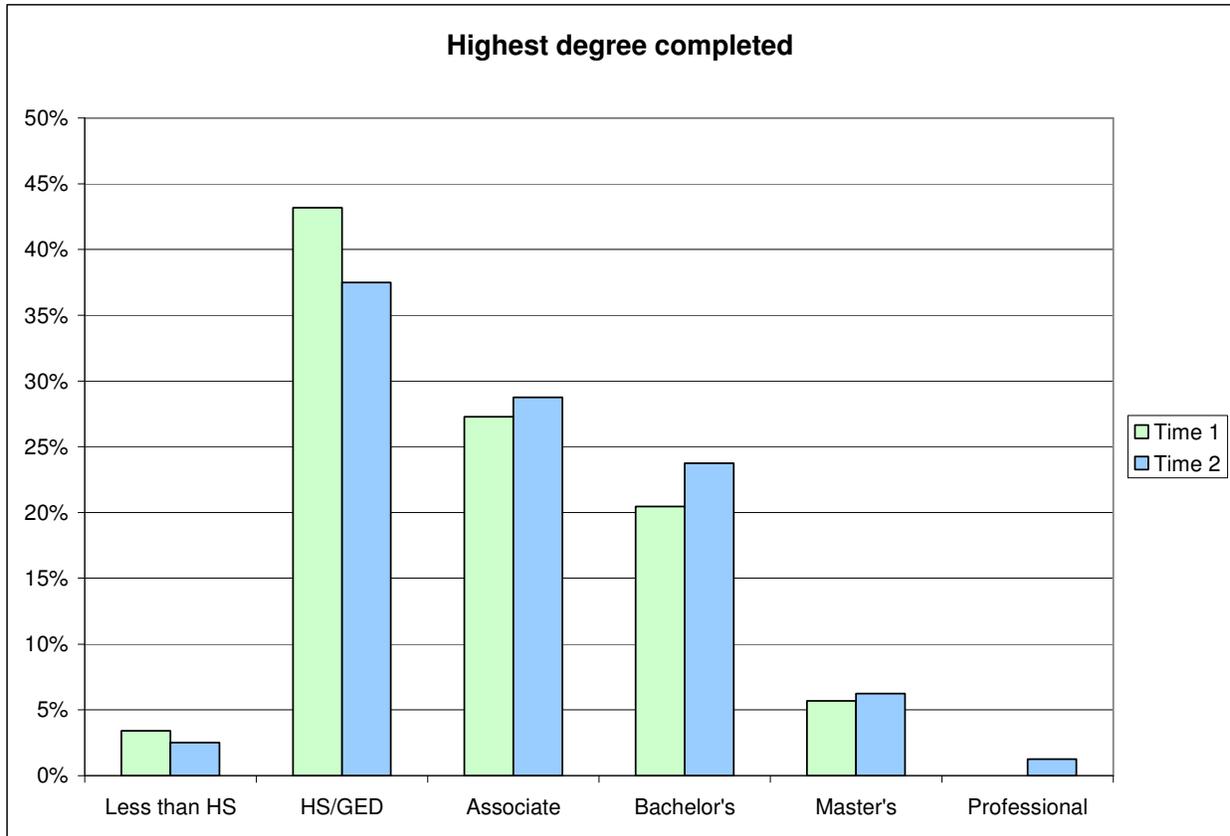


Figure 4 indicates that having the support of a Childcare Dollars subsidy supports the pursuit of higher education (however, please see the recommendations section for further discussion). At the time of second survey submission, fewer responding applicants had less than high school, high school or GED, while more applicants had Associate's degrees, Bachelor's, Master's, and professional degrees.

In the 6 months prior to completion of the recertification survey, there was an increase of 9% of respondents taking classes (24%) and an increase of 6% of respondents who attended professional development training (19%). At both points of data collections, 6% of respondents had joined professional organizations.

EFFECT ON CHILD CARE

Figure 5. Type of child care provider

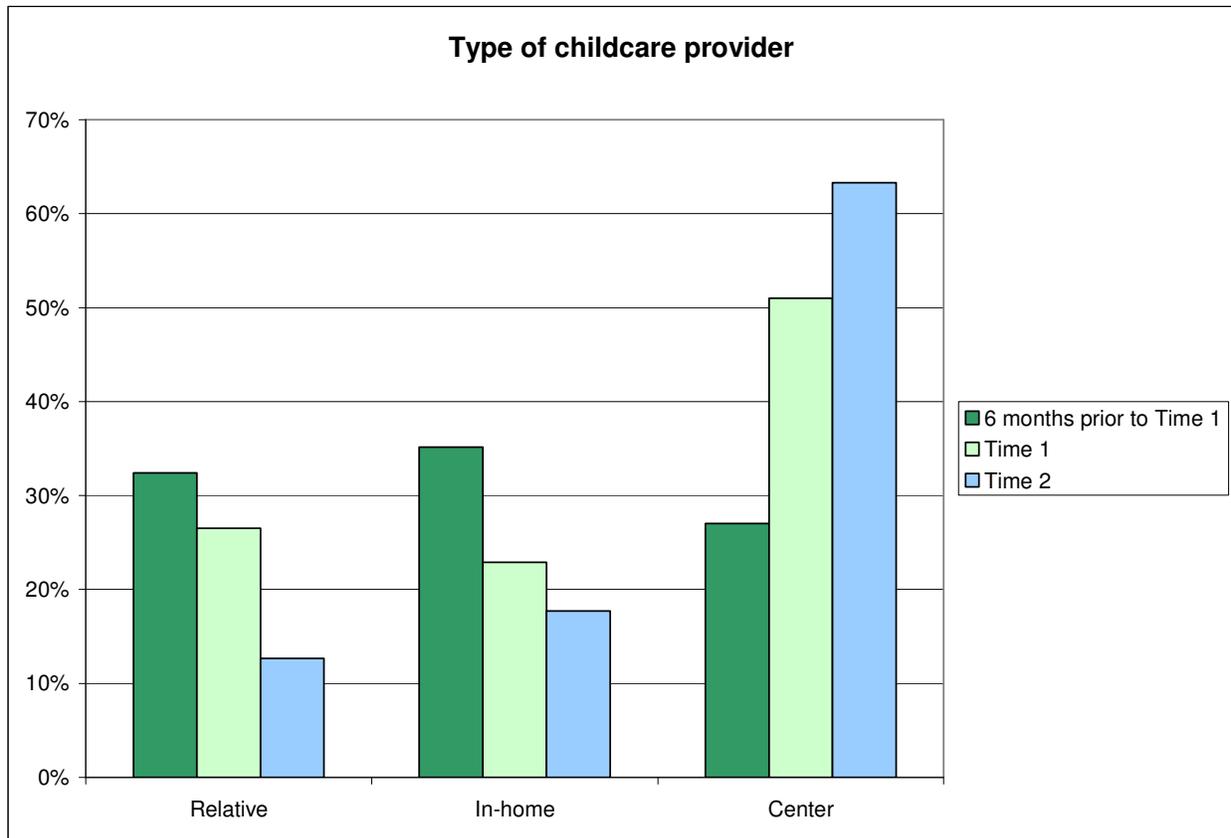


Figure 5 reveals that families reconsidered the type of care for their children when they applied for and then received a child care subsidy. It should be noted that families had to submit a child care provider statement at the time of application for their choice of care for their children, which would support the evident changes from the six months previous to the time of application. The number of families who had their children cared for by relatives dropped 19% from six months before they applied to the time that they recertified. In-home care dropped 17% in that timeframe. Center care increased 36% from six months prior to application to time of recertification. The biggest single change was an increase in families who selected center care at the time of application, jumping from 27% to 51%.

As of August 2008, Monroe County Department of Human Services reported that 240 (86%) families have their children in regulated care and 39 (14%) are in legally-exempt care.

Factors that parents considered when searching for child care

When surveyed, parents were asked to choose their top reasons for selecting child care. An overwhelming 616 parents listed quality as an important factor in their selection followed by “convenience” (569), “safety” (235), “cost” (219), and “the only provider who could meet my child(ren)’s needs” (125). The lowest category was “other,” with 98 parents whose reasons for child care selection included: family (e.g. “It’s my mother”), work-related (e.g. “I work at the center”), school-related (e.g. “at university I attend”), and based on recommendations (e.g. “highly recommended”). These results are from all surveys submitted, including all three points of collection, to give as complete an answer as possible.

Factors that prevented families’ access to child care assistance prior to enrollment

Family income was the primary factor that prevented access prior to the initiation of Childcare Dollars. These families’ earnings were too high to qualify them for income-eligible day care subsidies from Monroe County’s Department of Human Services, but were not enough for families to make ends meet. Additional barriers that continue to bar access to enrollment include the court-ordered child support requirements, the education requirements, the citizenship requirement, and the identification requirement of a birth certificate and social security card.

Another barrier that persists is the state’s formula to calculate family contributions. This formula was designed for lower-income families. The formula disadvantages families who are above approximately 215% by either denying them because the calculation implies that they can afford to pay an amount that is higher than the actual cost of care or by calculating a high co-payment that borders on the cost of care. Many applicants chose not to accept an awarded subsidy because the \$2 or \$4 weekly subsidy offered to them was not worth the effort to keep their paperwork current.

STUDY LIMITATIONS

The sample size for this study (n=89) is substantially smaller than the total number of surveys (n=940), since only the surveys of participants who received subsidies and completed Time 1 and Time 2 data were able to be considered. Because the evaluation sample is a largely self-selected subset of the entire Childcare Dollars participant group, it is possible that findings based upon the sample used for the evaluation are not representative of the outcomes for the overall group.

An additional limitation is based on the wording of the survey. All questions are framed with the following: “In the last six months have you...?” This wording was selected because at the time the project started, applicants were required to recertify after six months. However, before one Childcare Dollars applicant was eligible for recertification, Monroe County adjusted the time period to a one-year recertification cycle. The limitation comes from the fact that changes that occurred outside of that six-month period are not reflected in the data.

The most significant study limitation is the lack of a control group. When first designed, the project evaluation was intended to compare a group of families who were awarded subsidies with a similar group of applicants who, for any number of reasons, were not awarded subsidies. Clearly delineating those two groups of families was not possible for several reasons, including 1) several families were initially denied a subsidy, but upon reapplication were approved; 2) families who were receiving subsidies became ineligible due to pay raises or other circumstances; 3) the changes in Monroe County’s income guidelines resulted in families being moved from Childcare Dollars to income eligible subsidies. As a result, the sample groups for those receiving and not receiving Childcare Dollars subsidies were too fluid to make meaningful comparisons.

FINDINGS

Many working families in Monroe County who previously had not qualified for child care assistance are receiving Childcare Dollars subsidies, particularly those headed by single parents. Data indicate a positive directional improvement in the lives of the responding families who have participated in the Childcare Dollars pilot project. Applicants report that they are missing less time from work. Importantly, there are significantly more children in regulated care. Childcare Dollars families have higher academic aspirations than state regulations allow for subsidy coverage, but they are not letting that stop them from furthering their education.

RECOMMENDATIONS

Based on the aforementioned findings, we recommend the continuation of funding for this facilitated enrollment project. Working families benefited from application assistance provided by trained volunteers in a structure that is unique to this project. Over 90 volunteer enrollment facilitators were trained and, along with the coordinators working on this project, were able to guide families through the application process, while informing them about child care services and options available in the community.

Additionally, this project developed some mechanisms to streamline the application process that could be greatly beneficial for other enrollment projects. All application materials were uploaded to the Children's Institute website for any interested parents to download. We accepted faxed documents. We used email to communicate with parents. And, although not in use currently, we partnered with Monroe County's Department of Human Services to develop a two-page joint application for both child care subsidy programs in Monroe County so that eligible families would not have to fill out two applications if they initially applied to the wrong program based on their income.

In order to increase the effectiveness of future pilot projects like Childcare Dollars, some of the eligibility criteria need to be reevaluated and restructured. Although this problem is not specific to facilitated enrollment, the requirement regarding court-ordered child support must be addressed. This is especially relevant to this project given that 73% of families currently receiving Childcare Dollars subsidies are single-parent-headed households. Families that applied under this project had absent parents who were incarcerated, not working, not paying, or not earning enough to make any significant contribution to the income of the parent applying for the subsidy, yet the applicants were required to pursue court-ordered child support to secure a subsidy. The process of applying for court-ordered child support places additional stress in the form of loss of work time and income on an already strained parental income. Based on anecdotal data, we suspect that many families chose not to apply because of this requirement.

Another requirement that must be addressed is the pursuit of higher education. The current state legislation regarding education only allows subsidy coverage of time spent at school if applicants are involved in associate's programs that are not liberal arts, and vocational or technical job training that upon completion lead to direct job placement. With the current educational requirements in place, some families in our target group that qualified could not be served, or were served on a limited basis. Recognizing the higher income requirements of the facilitated enrollment projects, we found that these families also have higher academic aspirations. They should be supported in their pursuit of increased economic stability and better quality of life.

Lastly, the state co-payment formula used to determine the parent's ability to pay should be restructured to ensure equity and affordability. More families could benefit. We have developed a number of suggestions for facilitated enrollment co-payment calculations, which include a second step of calculation, capping co-payments at 10% of parents' weekly income, or of

changing the state percentage in the formula to mirror the bottom income guideline, (e.g. 150% instead of 100%). Another possibility is that the county could reduce their multiplier contributed to the formula.

