



## Child Care Provider Perspectives on the State's Child Care Payment Program

September 2016

### Background

On August 20th, 2016, the Mississippi Low-Income Child Care Initiative (MLICCI) hosted a meeting for more than 200 child care providers from across Mississippi. At the meeting, MLICCI updated providers on the new Child Care Payment Program policy manual, surveyed attendees and solicited their detailed input on the state's child care payment program. In this brief, we provide a summary of key learnings from this gathering.

### I. Provider Input

We asked attendees to answer two general questions: 1. What **IS** working about the state's Child Care Payment Program and 2. What **IS NOT** working about the state's Child Care Payment Program? Attendees discussed these questions in twenty-one groups of 10 - 12 and each group transcribed their collective responses. From this group input, we received hundreds of written comments and recommendations.

#### What IS Working?

**Online Services.** More than half of attendees cited the state's online services, including applications, E-ledgers and general notifications, as components of the state's system that are working well.

**Timely Payments.** More than half of attendees commented that the state's payments arrive on time.

**Stability for Parents, Children and Providers.** Another prevalent theme emerging from provider input was the role that child care certificates play in increasing family and community stability. Salient themes included:

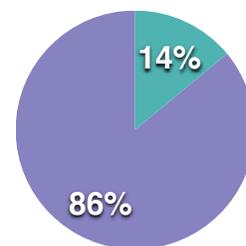
- Certificates help parents work
- Certificates provide children with stable child care settings
- Certificates help providers meet a community need and sustain their program

## What IS NOT Working?

***Severe Lack of Program Funding.*** The most prevalent themes emerging from this input were related to the limited availability of child care certificates given a large unmet need. Two-hundred child care providers emphasized 1 or more of these three themes.

- Inadequate funding to meet the need
- Waiting lists are too long
- Reimbursement rates are too low

**Percent of Providers Citing Inadequate CCPP Program Funding**



***Quality Rating System Failures.*** Another prevalent theme captured in provider input was the difficulty centers have in climbing up the state’s Quality Rating System. Some groups called for the elimination of QRS, while others framed the issue as a lack of funding for centers to achieve required “quality improvements,” which disproportionately affects providers serving low-income communities.

***Communication Problems Between MDHS and CCDF Providers.*** Providers also expressed dissatisfaction with various forms of communication. Some common themes included:

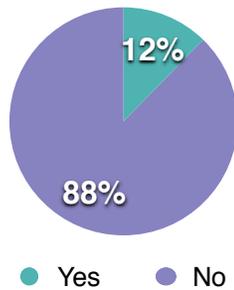
- Difficulty in obtaining technical assistance and support from the agency
- Lack of communication between the agency and the parent
- Inadequate notification about changes in policy and procedure
- Inadequate notification about changes in CCPP eligibility

## II. Provider Survey

At the meeting, MLICCI asked providers to respond to a series of survey questions administered through an online tool and providers responded using their mobile devices. 162 respondents answered these questions:

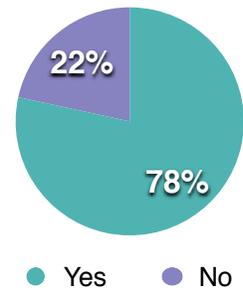
### *Inadequacy of Program Funding*

Does the certificate program give you enough money to stay open?



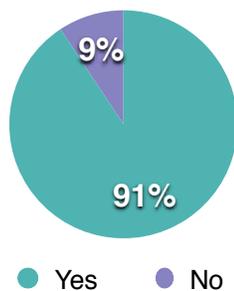
### *Eliminate QRS*

Should Mississippi Eliminate the Quality Rating System?



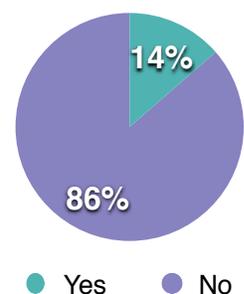
### *Child Support is a Deterrent*

Does the child support requirement keep parents from applying?



### *Climate of Distrust*

Do you think MDHS hears your voice and responds to your input?





### **III. Recommendations Based on Provider Feedback**

#### ***Increase Spending on Child Care***

Overwhelmingly, based on both detailed provider feedback and on our provider survey, a lack of funding for child care is chief among issues with Mississippi's CCPP. The certificate program currently does not meet its potential. More funding is needed both to serve more eligible children and to increase reimbursement rates so providers can continue to serve low-income communities.

Therefore, Mississippi should give priority in the CCDF program to addressing the large unmet need for services and find ways to meet new federal CCDF rules that take as little money as possible away from services to children. Our most recent data obtained from MDHS showed 19,700 children receiving certificates and 14,000 on the Pending Funding list (December 2015).

We recommend the state spend down its carryover TANF funds directly on child care for working parents as this would help serve more eligible children.

#### ***Eliminate the Quality Rating System***

Seventy-eight percent of providers said Mississippi should eliminate the Quality Rating System. New federal rules do NOT require a Quality Rating and Improvement System. A multi-year MLICCI study found the average cost of attaining higher rating levels under the state's current QRS was \$11,500 per classroom, far too expensive to be within reach of providers serving low-income communities.

The state currently spends more on quality than is required by law and more than what new rules will require all states to spend. With so many eligible children still unserved in Mississippi, the state must make tough choices. Right now, that choice should be spending only the required amount on quality and spending as much as possible on child care certificates.

#### ***Use CCDF Quality Improvement Funds for WAGES (child care worker stipends aimed at retaining workers who achieve higher levels of ECE)***

New federal CCDF rules outline 10 quality activities and states are required to spend quality funds on "...at least one of the 10 activities (CCDF 98.53)."





Given issues with the state’s QRS identified by providers and through MLICCI research, we recommend the state opt for another allowable quality improvement activity and eliminate the costly QRS. The state should use quality improvement funds to finance wage stipends for child care workers to remain in child care during and after obtaining higher levels of education.

Mississippi provides scholarships to help child care workers attain higher levels of education, but this strategy merely encourages workers to leave child care for higher paying jobs as centers serving low-income communities struggle to afford lifting wages. To stem the outflow of trained workers from early child care, the state should provide worker stipends (modeled after North Carolina’s WAGES program).

This strategy provides both an incentive to earn higher levels of education and wage supplements that centers cannot afford that will keep workers in child care where they are needed.

This quality improvement strategy would align with one of the allowable 10 activities under new CCDF rules:

98.53(1). Supporting the training, professional development, and postsecondary education of the child care workforce as part of a progression of professional development.

This strategy has already proven to be successful in North Carolina’s WAGES program.

### ***Eliminate the Child Support Requirement***

In addition to the need for more funding to expand the population served, complex and restrictive rules keep eligible people from applying for CCPP assistance.

Ninety-one percent of providers said the state’s requirement that single parents initiate child support actions against the other parent keeps eligible people from applying to the program. Neither Head Start nor public Pre-K in Mississippi has a child support requirement.

New CCDF rules make clear that a primary program goal is to increase the share of eligible parents and children participating in the state certificate program. New rules also make clear that aligning early childhood programs is key to improving the delivery and continuity of services for low-income families.

To better align with the goals of new CCDF rules, Mississippi should eliminate the child care requirement that deters eligible parents from applying. In addition to acting as a deterrent, the child support requirement causes misalignment of eligibility requirements between child care assistance programs. This



current state option contributes to the gap in people served vs. eligible and is particularly harmful to African American single mothers. The recent U.S. Commission on Civil Rights Mississippi State Advisory Committee report found that "...because the majority of single parents are women, this policy necessarily results in a disparate impact on the basis of sex."

### ***Improve Trust Between MDHS and Child Care Providers***

An overwhelming majority of providers do not feel their input is valued or their concerns are addressed. MDHS needs input on and feedback about the child care certificate program from providers who use and rely on certificates. MLICCI recommends organizing town hall meetings for providers on a recurring basis in different areas of the state. Providers using CCPP can keep MDHS abreast of how the program is working and issues they are encountering. MDHS can directly respond to provider issues.

For questions or comments, please contact MLICCI:

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