



CHILD CARE & EARLY LEARNING

HELPING PARENTS IN LOW-WAGE JOBS ACCESS AFFORDABLE CHILD CARE: OPPORTUNITIES UNDER THE REAUTHORIZED CHILD CARE AND DEVELOPMENT BLOCK GRANT

Millions of people—mostly women, and disproportionately women of color—are employed in low-wage jobs, including one in five working mothers of very young children (ages three and under).¹ Parents in low-wage jobs not only struggle to make ends meet with limited incomes, but also often have unpredictable, unstable work schedules over which they have little control and frequently must work at night, in the early morning, and/or on the weekend.² These schedules can make it extremely challenging for workers to meet their responsibilities to their families and their jobs, creating tremendous stress for parents and children alike—which can undermine young children's well-being.³ High-quality child care can help provide stability for families and support children's healthy development, but difficult work schedules can pose problems for parents not only in obtaining stable child care but also in accessing child care assistance due to policies that are often structured for parents with standard work schedules.⁴

A law enacted in November 2014 reauthorizing the Child Care and Development Block Grant (CCDBG)⁵—the major federal child care program—provides an opportunity for states to better meet the needs of parents in low-wage jobs with nonstandard or irregular work schedules. The reauthorization law aims to improve the health and safety of children in care, enhance the quality of care, and make it easier for low- and moderate-income families to access child care assistance that supports stable and continuous care. (A detailed discussion of the law—and of the final regulations issued in September 2016 to implement the law⁶—as well as recommendations for states are provided in [Implementing the Child Care and Development Block Grant Reauthorization: A Guide for States](#).) The law includes a number of provisions that give states greater flexibility to adapt their policies for parents in low-wage jobs with difficult work schedules.

States have struggled with implementing the reauthorization law because it was not initially accompanied by significant new resources with which to meet its new requirements. But CCDBG received a substantial boost in funding for FY 2018—an increase of \$2.37 billion, bringing total federal funding to \$8.14 billion. States should take full advantage of the opportunity offered by the law and the new funding to increase access to child care assistance and expand the availability of child care options for parents in low-wage jobs and their families. States should also take care in implementing new requirements that they do not reduce access to options such as family, friend, and neighbor (FFN) care that might be the best (or only) option for parents with nonstandard schedules. Child care assistance policies and procedures tailored for parents working nonstandard schedules will help these parents have access to the stable child care they need to keep their jobs and that their children need for their healthy growth and development. A number of states have already adopted at least some policies that will benefit parents in low-wage jobs and their families, but all states need to take further action to help these families access child care.



Increasing the Supply and Quality of Child Care for Parents with Difficult Work Schedules

What the law and regulations say

The CCDBG reauthorization law and regulations include provisions designed to address the supply and quality of child care, and some of these provisions explicitly target care for parents with nonstandard work schedules.

- States must describe in their state plans how they will increase the supply and improve the quality of child care for a number of specific populations, including children who receive care during nontraditional hours. The final rule specifies that states must identify shortages in the supply of high-quality child care providers, list the data sources used to identify supply shortages, and describe the method of tracking progress to support equal access and parental choice; states are encouraged to consider the supply of different categories of care (such as nontraditional-hour care) in this analysis.
- States are permitted to differentiate payment rates based on certain factors, including whether a provider offers care during nontraditional hours. The preamble to the final rule encourages states to consider offering differential rates for nontraditional-hour care.
- The congressional report accompanying the FY 2018 final appropriations measure identifies meeting the needs of families with nontraditional work hours as a key purpose of the additional CCDBG funds.⁷

What states can do

- » **Provide direct contracts or grants to providers willing to offer care during nontraditional hours.** This type of care is in short supply in many communities. Direct contracts or grants offer a predictable income stream to providers that may be otherwise reluctant to provide care during evening, overnight, early morning, or weekend hours. States may incorporate higher payment rates or bonuses into grants or contracts as additional incentives to providers to offer this care. States can also use contracts to extend the day or year of Head Start, Early Head Start, or state prekindergarten programs for parents who need care for their children beyond the hours of those programs.
- » **Provide higher payment rates for care offered during evening, overnight, early morning, and weekend hours.** Most states' payment rates are currently below recommended levels. States should ensure that they both set adequate base rates for care during standard hours and establish a differential for nonstandard-hour care that is large enough to serve as an incentive to offer this care.
- » **Develop innovative strategies to increase the supply and quality of care during nontraditional hours.** States may design and implement a variety of strategies, including technical assistance to providers on offering care during nonstandard hours; financial resources for providers offering care during nontraditional hours to help them improve their quality; funding for family child care networks that offer resources and support to those providers caring for children during nontraditional hours; and support for FFN caregivers, who often are the providers of care during nonstandard hours.

What states are doing

- Thirteen states paid differential rates for care during nontraditional hours in 2017 (Arkansas, California, District of Columbia, Kentucky, Maine, Maryland, Missouri, New Mexico, New York, Ohio, Texas, Washington, and West Virginia).⁸ For example:
 - Maine paid a differential rate that was 35 percent above the base rate for care provided between 6 pm and 6 am on weekdays and during all weekend hours.⁹
 - New York began requiring local districts to pay a differential rate that is 5 percent to 15 percent above the base rate for all providers caring for children during nontraditional hours as of March 2017; previously, differential rates for nontraditional-hour care, up to 15 percent above the base rate, were optional for local districts.¹⁰
 - Washington paid licensed and certified providers an additional \$75 dollars per child per month (above the base rate) for providing at least 40 hours per month of care during nontraditional hours.¹¹



Expanding Access to Child Care Assistance for Parents with Difficult Work Schedules

What the law and regulations say

The reauthorization law and regulations include several provisions designed to reduce administrative burdens for parents and make it easier for them to obtain and retain child care assistance, even when their work schedules and incomes fluctuate.

Important provisions include:

- Once a child has been determined eligible for child care assistance, states must consider the child eligible for a minimum of 12 months regardless of temporary changes in a parent’s work, education, or training activities, or family income, as long as income does not exceed 85 percent of state median income (SMI). The final rule defines “temporary changes” to include: any time-limited absence from work; any interruption in work for a seasonal worker; any student holiday or break for student parents; any reduction in work, training, or education hours; and any cessation of work or attendance at a training or education program that does not exceed a minimum of three months.
- During the 12-month eligibility period, states may only require families to report information that affects their eligibility during the 12-month period and may only act on other changes that benefit the family.
- States must describe how their redetermination procedures and policies do not require working parents, and in particular parents receiving Temporary Assistance for Needy Families (TANF), to disrupt employment in order to comply.
- States must demonstrate how they will take into account irregular fluctuations in parents’ earnings when determining and redetermining eligibility.
- At redetermination, states must have policies in place to continue child care assistance at the beginning of the new eligibility period for parents who are working or attending job training or education and whose income exceeds the state’s income eligibility limit to qualify for assistance but is below 85 percent of SMI. The rule clarifies that states with initial income eligibility limits set below 85 percent of SMI must have two-tier income eligibility, with the upper tier (exit eligibility) set at 85 percent of SMI, or at a level between the initial eligibility limit and 85 percent of SMI.
- States must take into consideration children’s development and learning and promote continuity of care when authorizing child care services.

What states can do

- » **Eliminate or simplify interim reporting during the 12-month eligibility period.** The reauthorization law’s provision establishing the minimum 12-month eligibility, and the final rule’s limit on interim reporting requirements, clearly signal the importance of facilitating families’ continuous access to child care assistance over an extended time. Eliminating or simplifying interim reporting is particularly important for parents in low-wage jobs, whose income and work hours often fluctuate. The final rule requires states to limit reporting requirements to only those instances where the family’s income exceeds 85 percent of SMI; the family experiences a non-temporary loss of work, training, or education (for states choosing to end assistance in those circumstances); or there is a change that affects a state’s ability to communicate with parents or providers (such as a change of address). If a state chooses to require reporting for non-temporary changes in circumstances during the eligibility period, the state plan must describe how the state will ensure that these reporting requirements will not place a burden on eligible families or lead to terminating assistance prior to the end of the eligibility term for families who still meet the eligibility criteria. States also must not require in-person visits to report changes and must offer a range of options for notifying agencies of changes (such as phone, email, online forms, and extended submission hours).
- » **Make the eligibility redetermination process simple and accessible for working parents.** In designing their processes for parents to renew their child care assistance at the end of the 12-month eligibility period without disrupting their employment, states should consider the particular needs of parents with nonstandard schedules. Parents in low-wage jobs with irregular hours may not be able to predict when they will be off from work and have time to go in person to renew their eligibility for child care assistance or take other steps to retain their assistance. States should adopt policies



and processes that allow maximum flexibility for parents—for example, by allowing parents to renew their eligibility online or by phone, offering services during extended business hours, and giving parents a long timeframe during which they can renew eligibility.

- » **Ensure that income variations do not impede parents' access to assistance.** Parents working irregular hours may have their income spike due to a brief increase in hours, but then drop when their hours are reduced; such variations in work hours and income should not prevent parents from initially qualifying for or renewing their child care assistance. The final rule offers states examples of how they can take into account irregular fluctuations in income in determining eligibility or redetermining eligibility for a new 12-month period. Some suggested approaches include taking an average of a family's earnings over a long period of time (such as 12 months); requesting the earnings statement that is most representative of the family's income, instead of the most recent statement; or deducting temporary increases in wages from the family's standard income level.

What states are doing

- Forty-one states allowed all families to continue receiving child care assistance for 12 months before having to recertify their eligibility as of June 2017. Seventeen of these states had increased their eligibility period to 12 months for all families in 2015 or 2016, following the passage of the CCDBG reauthorization law.¹²
- Ten states (Arizona, Colorado, Connecticut, Florida, Minnesota, Missouri, Rhode Island, Texas, Vermont, and Wisconsin) reduced their interim reporting requirements for families receiving child care assistance in 2015 or 2016 by decreasing the frequency of required reporting, limiting the types of changes required to be reported, or taking other steps that lessened the burden for families. Four additional states (Alaska, California, Massachusetts, and New Hampshire) planned to reduce or eliminate interim reporting requirements in 2017.¹³
- Three states (Georgia, Kentucky, and Vermont) reported that, as of 2016, they stopped taking adverse actions—such as ending families' child care assistance or reducing their benefits—in response to interim changes reported by families, unless the family's income exceeded 85 percent of SMI.¹⁴
- Four states (Arkansas, Mississippi, Ohio, and Rhode Island) did not require interim reporting as of June 2017. The remaining 47 states required interim reporting in at least some circumstances, although a number of these states required families to report changes only in the case of a limited set of circumstances, such as when the family's income exceeds 85 percent of SMI or when the parent has a permanent change in employment.¹⁵

Improving Payment Practices for Providers that Accommodate the Needs of Parents with Difficult Work Schedules

What the law and regulations say

The reauthorization law and regulations recognize that reducing a provider's payment whenever a child fails to attend can create a disincentive for child care providers to accept children whose parents have volatile work schedules, since the child's attendance and subsequent payment may be unpredictable. According to the law and regulations:

- States must implement (to the extent practicable) enrollment and eligibility policies that delink provider payment rates from an eligible child's occasional absences. The regulations indicate that states can meet this requirement by: paying based on a child's enrollment rather than attendance; providing full payment if a child attends at least 85 percent of the authorized time; providing full payment if a child is absent for five or fewer days in a month; or an alternative approach that the state justifies in its plan.
- States must certify that payment practices for providers receiving CCDBG assistance reflect generally accepted payment practices for providers serving children who do not receive CCDBG assistance. To meet this requirement, states must adopt the following provider payment practices outlined in the regulations:
 - Pay on a part-time or full-time basis rather than paying for hours of service or smaller increments of time (unless the state provides evidence that the practice of paying on a part- or full-time basis is not generally accepted in the state or service area).



- Pay for reasonable mandatory registration fees that the provider charges to private-paying parents (unless the state provides evidence that such practices are not generally accepted in the state or service area).
- Ensure child care providers receive payment for any services in accordance with a written payment agreement or authorization for services that includes, at a minimum, information regarding provider payment policies, including rates, schedules, any fees charged to providers, and the dispute resolution process.
- Ensure child care providers receive prompt notice of changes to a family’s eligibility status that may affect payment, and that the notice is sent to providers no later than the day the state becomes aware that the change will occur.
- Include timely appeal and resolution processes for any payment inaccuracies and disputes.

What states can do

- » **Pay providers for absent days, or based on a child’s enrollment rather than attendance.** States should be generous in their policies on reimbursing child care providers for days when children are absent from care or should pay based on an enrollment, rather than attendance, basis (reimbursing for a full month, for example, as long as children attend a minimum number of days). Such policies more closely resemble practices in the private sector and enable providers to have more predictable income, making it more likely that providers will agree to serve families receiving child care assistance. In particular, these policies can help increase providers’ willingness to serve families with parents working nonstandard hours, since the providers will be assured of payment even if a child’s attendance varies with his/her parent’s work schedule. Paying for absent days or on an enrollment basis also makes it more likely that a provider will agree to hold a slot for a child, even if the parent works an erratic schedule, and therefore more likely that the child will have stable care.
- » **Pay providers using the time units employed by the provider.** For example, if a provider has a flat monthly fee for private-paying parents whose children are in care for a certain number of hours per month, the state can pay using a monthly rate, rather than paying by hour, by day, or by week. This approach helps parents whose work hours—and the hours they need child care—vary from week to week or day to day.

What states are doing

- As of June 2017, 32 states had policies on paying for absent days that were largely consistent with (or more generous than) the reauthorization law’s provisions on following generally accepted practices in the private market or with the options specified in the regulations for meeting this requirement. These states either paid based on a child’s enrollment, provided full payment even when the child was absent for 15 percent of his or her authorized time, provided full payment even when the child was absent for five days per month, or paid for absent days in accordance with the provider’s policy for private-paying parents.¹⁶
 - These 32 states include eight states (California, Hawaii, Kansas, Nebraska, Nevada, New Mexico, Texas, and Utah) that paid on a prospective or enrollment basis, paying for all days that children were scheduled to attend, even if absent.¹⁷

Implementing New Requirements for Child Care Providers Without Limiting Options for Parents with Difficult Work Schedules

What the law and regulations say

A number of provisions in the reauthorization law and regulations are designed to protect the health and safety of children in child care. These provisions include new inspection, training, and background check requirements applicable to many license-exempt FFN providers on whom parents with irregular schedules often depend for child care. Specifically:

- States must conduct a pre-licensure inspection and an unannounced annual inspection for all regulated and licensed providers receiving CCDBG funds, and one annual inspection—which does not need to be unannounced—for license-exempt providers (except providers related to all children in their care) receiving CCDBG funds.
- States must ensure that providers (including license-exempt providers) receiving CCDBG funds complete minimum pre-service or orientation health and safety training as well as ongoing training. Training must be appropriate to the provider setting and address key health and safety areas identified in the law (including the prevention and control of infectious diseases, use of safe sleeping practices, emergency preparedness, and first aid and CPR).



- States must require all employees of child care providers—i.e., all licensed, regulated, and registered child care providers as well as all license-exempt providers receiving CCDBG funds, except for relative providers—to undergo comprehensive criminal background checks prior to employment and to maintain employment.

What states can do

- » **Provide support for license-exempt providers through the annual inspection process.** States may find it challenging to meet the new inspection requirements, particularly for license-exempt providers, which few states had been monitoring prior to the CCDBG reauthorization. Yet, given that many parents with nonstandard work hours rely on license-exempt providers, it is important that these providers have an opportunity to comply with the inspection requirements and are not discouraged from participating in the child care assistance program by the inspections. States should look at ways to use the inspections not as an enforcement mechanism, but as an opportunity to offer technical assistance and resources—such as fire extinguishers, child safety plugs, smoke detectors, first aid kits, and other supplies to help providers meet standards, as well as educational materials for children and providers—to improve the health, safety, and quality of care of these providers. States should also ensure that they have a sufficient number of licensing staff to carry out the monitoring visits and reach all providers—including license-exempt providers—participating, or seeking to participate, in the CCDBG program.
- » **Make training easily accessible for all types of providers.** States should ensure that training opportunities are available to all providers—including license-exempt providers who may have unique barriers—so that they are able to meet these requirements. Training should be accessible for providers through many avenues (both online and community-based), should be affordable, and to the extent practicable, should be offered in multiple languages. The final rule allows providers to complete the pre-service or orientation training within three months of caring for children, but providers must be supervised until they complete certain fundamental trainings critical to children’s health and safety—pediatric first aid and CPR, safe sleep practices, prevention of communicable disease, poison prevention, and prevention of shaken baby syndrome and abusive head trauma—are complete. Since such supervision is typically unavailable to license-exempt and family child care providers, and therefore they cannot take advantage of this additional time, states should consider how they help these providers complete the required health and safety training as promptly as possible.
- » **Ensure that the background check process does not unduly burden providers.** States should ensure that it is feasible for providers to comply with the requirement to undergo background checks and that the process is fair to providers. Under the law, states are permitted to charge providers a fee for costs associated with processing applications and administering a criminal background check but are prohibited from charging more than the actual cost to the state. In addition, states must complete a background check within 45 days of the request for the check. States are permitted to allow providers to care for children while background checks are being completed (as long as either an FBI or state criminal records check has been completed using a fingerprint search), but the providers must be supervised during this time, so this provision does not benefit home-based providers who are caring for children on their own. States can consider strategies such as establishing a pool of supervisors who have completed background checks and who could be available for home-based providers while checks are being completed. States also must have policies and procedures in place for individuals to appeal the findings of the criminal background checks. The final rule includes important protections for providers, including a requirement that disqualifying results be shared with individuals along with information on the appeals process; if an appeal is filed, states must attempt to verify the accuracy of the information challenged and locate any missing disposition information.

What states are doing

- Twenty-one states (Alabama, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Kentucky, Louisiana, Michigan, Nevada, New Hampshire, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Virginia, and Washington) hired additional licensing staff that will help them comply with the inspection and other licensing requirements between the start of 2015 and June 2017.¹⁸
 - These 21 states hired a total of 242.5 full-time equivalent (FTE) staff, which represented a 13 percent increase in staff in these states.¹⁹



- 1 NWLC calculations based on U.S. Census Bureau, 2016 American Community Survey using Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek, Integrated Public Use Microdata Series: Version 7.0 [dataset]. Minneapolis: University of Minnesota, 2017, www.ipums.org. For purposes of this analysis, “low-wage jobs” are defined as those with median hourly wages of \$11.50 or less in 2017. Median hourly wages for occupations were determined using U.S. Department of Labor, Bureau of Labor Statistics, May 2017 National Occupational Employment and Wage Estimates, https://www.bls.gov/oes/current/oes_nat.htm.
- 2 Julie Vogtman and Karen Schulman, Set Up To Fail: *When Low-Wage Work Jeopardizes Parents’ and Children’s Success*, NWLC, 2016, 6-8, <https://nwlc.org/wp-content/uploads/2016/01/FINAL-Set-Up-To-Fail-When-Low-Wage-Work-Jeopardizes-Parents%e2%80%99-and-Children%e2%80%99s-Success.pdf>.
- 3 Vogtman and Schulman, 14-15.
- 4 Vogtman and Schulman, 17-21.
- 5 Child Care and Development Block Grant Act of 2014, Pub. L. 113-186, 128 Stat. 1971 (2014).
- 6 Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 190 (September 30, 2016), <https://www.federalregister.gov/documents/2016/09/30/2016-22986/child-care-and-development-fund-program>.
- 7 Congressional Record (March 22, 2018), H2704, <https://www.congress.gov/crec/2018/03/22/CREC-2018-03-22-bk3.pdf>.
- 8 Karen Schulman, *The Child Care and Development Block Grant Act of 2014: Uneven State Implementation of Key Policies*, NWLC, 2017, 31-32, <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2017/09/NWLC-report-on-state-implementation-of-CCDBG-reauthorization.pdf>. The District of Columbia is counted as a state in this report.
- 9 Schulman, 33.
- 10 Schulman, 34.
- 11 Schulman, 34.
- 12 Schulman, 4.
- 13 Schulman, 6.
- 14 Schulman, 6.
- 15 Schulman, 6.
- 16 Schulman, 9.
- 17 Schulman, 9.
- 18 Schulman, 3.
- 19 Schulman, 3.

