



## **WSA Calls on Senate to Pass Child Care Subsidy Reform Child Care Subsidy System Broken Passage of 3141 Urged**

**Kent, Washington// February 26, 2010//**

Joel Ryan, Executive Director of the Washington State Association of Head Start & ECEAP (WSA), called on the Washington State Senate to fix the broken child care subsidy system and pass House bill 3141.

The House passed legislation two weeks ago that would address some of the major problems with the current child care subsidy system. The legislation, sponsored by Representative Ruth Kagi (D-Shoreline), extends the redetermination eligibility process for child care subsidies for families with children enrolled in Head Start, Early Head Start, and ECEAP to 12 months. Current law allows families to maintain their subsidies for up to 6 months, the actual average is closer to three and a half months. The bill was heard in the Senate Human Services and Corrections Committee last week and will be heard in the Senate Ways and Means Committee on Monday. Governor Gregoire has expressed her support for this policy change.

### **Joel Ryan, Executive Director of WSA, said the following:**

"The child care subsidy system needs to be both funded and fixed. The current system simply does not work efficiently for children, parents, providers, or the taxpayer. Right now families receiving child care subsidies (some of whom are the most vulnerable children and families in our state) are often tied up in a tangle of red tape, must go through frequent interruptions in services, and face needless administrative hassles for no apparent reason. I am hopeful that with the passage of House bill 3141— which will extend the redetermination process for the most vulnerable children and families receiving working connections child care for 12 months— the system will be vastly improved, save taxpayers money, and be more child-focused."

### **Bianca Bailey, Ellensburg, Head Start Parent in Ellensburg, WA, said the following**

"I am a mother of 3 in a 2 parent household and have had many struggles with the childcare subsidy program. My husband had surgery in March; we planned this and got everything lined up to make this a smooth transition, including calling Working Connections Child Care. After his surgery, in the middle of our eligibility period, we got a letter stating that our subsidy is being terminated. When I called them it began a long drawn out process of paperwork and our doctor sitting on hold for over 45 minutes to be told that her statement and letter weren't good enough. We wound up having to borrow money to pay the provider for the care of our children. 9 ½ weeks later I was calling in for an update and found out that we should have been covered all along. They did eventually back pay the provider and we did get reimbursed by our provider, but by this time we were up for review again and had to begin this process all over again. There seems to be no set rule on why or what the eligibility period is. I've had a subsidy for 6 months, 3 months, 6 weeks, and 8 weeks...all while working the same job, which means

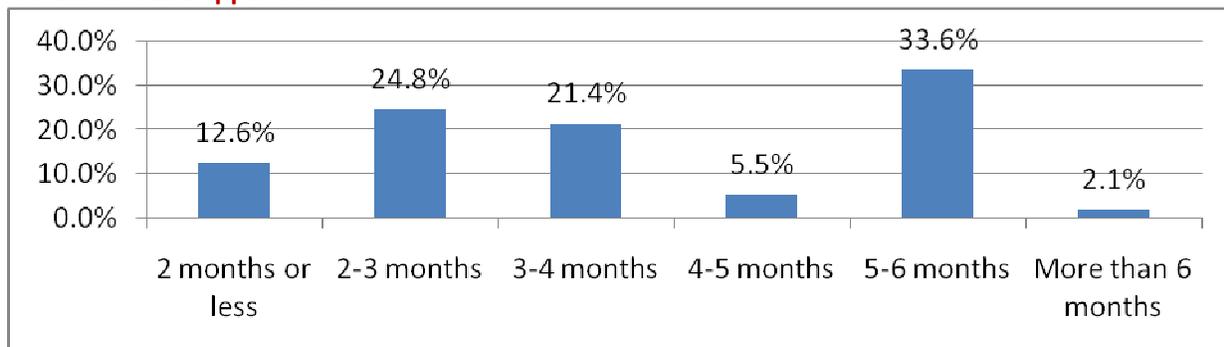
that my children's lives are disrupted at these same intervals. That's why I am asking the Senate to support House bill 3141."

### Summary of Survey Results

In 2009, in cooperation with WAEYC, SEIU, AFT, Children's Alliance and School's Out Washington we conducted a web survey of providers throughout Washington in order to get a sense of what experience providers of all types had in working with the subsidy system. We received 466 responses in this voluntary survey.

Although the current system allows a maximum of 6 months approval before redetermination, that has not been the experience of providers and parents. Here are the results from the survey question directly related to the length of subsidy redetermination. If you would like the full survey report, contact Katy Warren ([katy@wsaheadstarteceap.com](mailto:katy@wsaheadstarteceap.com), 206-291-2021).

### On average, how long are approved families eligible before they are asked to renew their eligibility documents and application?



**More than a third (37.4%) report that their families' average renewal period is less than three months.**

### Quotes from provider respondents:

- More and more are being dropped with no notice to the center and the only way we know is when the invoice comes in and they're not on it! Collection of these funds is next to impossible.
- This is difficult to answer. Upon receiving an initial authorization there are frequent changes, updates, cancellations, etc. Ensuring a child is currently authorized is very time consuming to track and keeping track of the many changes is near impossible.
- The renewal process seems to be the biggest issue because papers are sent after they are due for return or the same day and then subsidy is denied and process is started all over again. Horrendous paperwork for the families every 3 months and for myself. Just when they get approved it's time to go through it all again, and the workers are never pleasant about it.
- They renewed a few of the families for three months this time. These parents have had the same job for awhile so, not sure why that would be. It makes for a lot more paperwork.

### Continuity of Care

Research from the Center on Law and Social Policy (CLASP) has found that children benefit developmentally from strong, sustained relationships with caregivers, and are harmed by frequent disruptions in care. According to CLASP, children with higher numbers of changes in their center or child care providers has been shown to lead to less outgoing and more aggressive behaviors when they get older.

[http://www.clasp.org/admin/site/babies/make\\_the\\_case/files/cp\\_rationale3.pdf](http://www.clasp.org/admin/site/babies/make_the_case/files/cp_rationale3.pdf)

## Potential Administrative Savings

Some have suggested that allowing families to maintain their subsidies for 12 months would be costly. But reviews of other states that have made a similar change have not found that to be the case. Extending redetermination periods for subsidy eligibility is likely a cost-neutral policy change.

- Oregon recently moved to a 12 month redetermination process for child care subsidies and has reported no additional costs.
- A 2008 Colorado State Auditor report found that 6-month redetermination and family reporting requirements were costly to administer and overly burdensome on participants in the subsidy system.<sup>i</sup> Changing to a 12 month period could generate administrative savings to be used to offset any technology or other costs of implementing the new policy. Evidence does not suggest that the significant costs being incurred by more frequent redeterminations are warranted, as paperwork is being generated for families who continue to be eligible. **A Colorado State Auditor report found that only 3 percent of families seeking redetermination at six months were ineligible for CCAP during a time period from 2003 to 2007; yet, counties estimated that caseworkers spend between 25 and 63 percent of their time on activities related to redetermination of eligibility.**<sup>ii</sup> This constitutes a significant expenditure of time and resources.
- **Other states have found cost savings in extending redetermination periods.** A 12 month re-determination period was adopted in Michigan in response to staff shortages because the state found that a longer eligibility period reduced staff burden associated with processing paperwork.<sup>iii</sup>
- Massachusetts, for example, switched to a 12-month period of eligibility when an evaluation concluded that 86 percent of families were still eligible for subsidies at the time of their required 6-month determination and therefore a shorter eligibility period was not cost effective.<sup>iv</sup>

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## About WSA

The Washington State Association of Head Start/ECEAP is a statewide organization composed of representatives from ECEAP, Head Start, Early Head Start, Migrant/Seasonal Head Start, and Native American Head Start. The association has been in existence since the late 1960's, and was incorporated as a non-profit organization in 1986. The organization advocates for Head Start and for ECEAP in Olympia and in Washington DC. You can visit our web site at [www.wsaheadstarteceap.com](http://www.wsaheadstarteceap.com).

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<sup>i</sup>State of Colorado, *Report of the State Auditor, Colorado Child Care Assistance Program Performance Audit*, 2008, [http://www.leg.state.co.us/OSA/coauditor1.nsf/All/8B87ED8F4A51F63687257516007C98D8/\\$FILE/1909%20CCAP%20Perf%20Nov%202008.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/8B87ED8F4A51F63687257516007C98D8/$FILE/1909%20CCAP%20Perf%20Nov%202008.pdf).

<sup>ii</sup>State of Colorado, *Report of the State Auditor, Colorado Child Care Assistance Program Performance Audit*, 2008, [http://www.leg.state.co.us/OSA/coauditor1.nsf/All/8B87ED8F4A51F63687257516007C98D8/\\$FILE/1909%20CCAP%20Perf%20Nov%202008.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/8B87ED8F4A51F63687257516007C98D8/$FILE/1909%20CCAP%20Perf%20Nov%202008.pdf).

<sup>iii</sup> Kathleen Snyder, Patti Banghart, and Gina Adams, *Strategies to Support Child Care Subsidy Access and Retention: Ideas from Seven Midwestern States*, Urban Institute, 2006, [http://www.urban.org/UploadedPDF/411377\\_subsidy\\_access.pdf](http://www.urban.org/UploadedPDF/411377_subsidy_access.pdf).

<sup>iv</sup> Gina Adams, Kathleen Snyder, Patti Banghart, *Designing Subsidy Systems to Meet the Needs of Families: An Overview of Policy Research Findings*, Urban Institute, 2008, 39, [http://www.urban.org/UploadedPDF/411611\\_subsidy\\_system.pdf#page=39](http://www.urban.org/UploadedPDF/411611_subsidy_system.pdf#page=39)