NATIONAL CENTER ON
Subsidy Innovation and Accountability

Top Ten Ways CCDF Can Support Early Head Start-Child Care Partnerships

Early Head Start (EHS) and the Child Care and Development Fund (CCDF) both serve low-income families and their children; however, there are some differences in policy, operations, and funding requirements. EHS-Child Care (EHS-CC) Partnerships will benefit from strategies to bridge these differences. These strategies might include aligning policies to encourage stability and continuity of care, streamlining administrative procedures, and identifying opportunities to support Partnerships and providers.

This document highlights 10 specific areas of CCDF policy that can support EHS-CC Partnership efforts. It has been updated to reflect changes that are required under the Child Care Development Block Grant (CCDBG) Act of 2014 and new regulations.

1) Align Eligibility—Lead Agencies can align policies so that more EHS families are eligible for subsidies
CCDF and EHS both serve families below the federal poverty level (FPL), though CCDF also can serve a broader range--up to 85% of State Median Income (SMI). Head Start programs can also serve some families over the poverty guidelines. While there can be differences between the two programs regarding which income is counted, families with incomes below poverty who apply for CCDF can be referred to EHS-CC Partnerships. Provisions in Head Start regulations allow for a percentage of enrolled families to be over the federal poverty level which could be a strategy for meeting enrollment goals in Partnership programs. States and Territories can also define parents' employment, education, and training requirements in a way that allows more CCDF families to be eligible for EHS, which does not have a work requirement. CCDF agencies also do not have to limit authorized hours of care to a parent's work schedule and can authorize care through EHS even if a parent works nights or a flexible schedule.

2) Serve Vulnerable Populations—Special eligibility considerations help neediest children receive care
States and Territories can allow special eligibility considerations for vulnerable populations. CCDF allows States to define types of children in need of Protective Services, and does not limit this to those formally involved with child protective services or the child welfare system. The definition may also include specific populations of vulnerable families as identified by the Lead Agency, such as families who may be experiencing homelessness or migrant workers. CCDF allows States to waive work and training requirements, and in some cases, the income requirement for such families. Children in the foster care system, and children experiencing homelessness are automatically eligible for EHS services, and the income requirements do not apply to these families.

3) Allow Job Search Eligibility—Job search eligibility assists parents and promotes continuity of care
States and Territories must allow a parent to continue eligibility after job loss. A new requirement under CCDBG reauthorization requires States to continue benefits for a period of at least three months (as long as the family's income is less than 85% of the State median income) if the State chooses to terminate assistance during the minimum 12-month eligibility period due to a non-temporary job loss or cessation in training or education activity. When families are able to retain eligibility during a job search, it helps to reduce stress, to assist parents returning to the workforce, and to support children's development.

4) Refer Eligible Families—States refer families to Partnerships via CCDF eligibility processes
The processes by which families enter into EHS-CC Partnerships vary in each state and community. If families below poverty come in for a subsidy and get turned away or wait-listed, the subsidy agency should refer them to an Early Head Start program, when available and if age-appropriate. Even when a family is able to access a subsidy, the agency can refer the family into a high-quality partnership program that utilizes layered funds. Given the role that child care eligibility can play in referring families, States can strive to make the eligibility process more family-friendly. This can be done through a variety of methods, such as extending office hours, setting up call centers, and allowing a variety of application submission methods. States can customize a way of identifying families and completing applications for

Partnerships, especially by using community partners. They can delegate eligibility determination to a contracted entity. CCDF Lead Agencies can also designate a parent liaison to assist families in the eligibility process for Partnerships.

5) Align Length of Eligibility—Families can be eligible for subsidy as long as they are enrolled in EHS
As part of the reauthorization of CCDBG, States are required to establish a minimum of a 12-month eligibility period regardless of income changes (as long as income remains below 85% of State median income) or temporary changes in work, education or training status. CCDF Agencies may also establish a different eligibility period for those participating in EHS-CC Partnerships to allow for continued eligibility throughout the child's enrollment in the Partnerships. Lead Agencies can further allow for continuity of care by aligning the beginning and ending dates of the eligibility period with EHS enrollment dates, and by easing requirements for reporting changes in circumstances, if they have such policies.

6) Waive Parent Fees—Copayments can be waived for families in EHS-CC Partnerships
Families receiving child care subsidies are generally responsible for a copayment based on a sliding fee scale. CCDBG reauthorization requires that States set co-payment scales that are not a barrier to families. States and Territories can waive the copayment requirement for some or all families enrolled in EHS-CCP, regardless of their incomes. Since EHS is provided at no cost to eligible families who cannot be required to pay any fees for EHS/HS services, waiving the copayment would be an important alignment of policies. Additionally, according to ACF-IM-HS-15-03, EHS-CCP programs must examine the impact of these state and local subsidy and parent fee policies as part of the process of developing their partner agreements and their corresponding budgets. EHS-CCP grantees and their partners may only charge co-payments in those circumstances where the state has not agreed to waive parent co-pays. Some partner agencies may have another revenue source that can cover families who cannot pay the co-pay. The majority of partner agencies, however, have business models that depend on receiving the co-pay from each family. On a case-by-case basis, EHS-CCP funds may be used to pay the cost of the parent co-payment only after it is determined that the parent is financially unable to make the required payment and all other potential funding sources have been explored. As mentioned previously, the EHS-CCP program should also set expectations for the parent to eventually resume the responsibility for required payments once their individual circumstances have improved.

7) Establish Grants or Contracts—Grants/Contracts help build supply and promote accountability
Using grants and contracts with child care providers in CCDF and EHS-CC Partnerships can be a powerful tool to build supply in underserved areas, provide stable funding, and ensure accountability. Grants/contracts for child care services normally include a scope of services and responsibilities, which may be negotiated to ensure high quality services for children.

8) Pay Rates Supporting Quality—High quality providers can receive higher rates via tiered reimbursement
Lead Agencies typically set payment rates by type of provider and age of the child. OCC requires Lead Agencies to establish base provider rates that adequately support quality care. CCDBG reauthorization requires States to take into account the cost of providing higher quality services when setting rates.

9) Sustainable Payment Practices—Sustainable payment practices encourage involvement in Partnerships
States can design provider payment practices to provide the stability necessary for working effectively with EHS-CC Partnerships. CCDBG reauthorization requires States to adopt payment practices that are timely, generally accepted, and to the extent practicable delink payment from a child's occasional absences. Stable, predictable payment strategies such as ensuring timely payments, pay based on enrollment, and aligning attendance policies with EHS will help providers with sustainable financing. Another way to help providers is to identify a provider liaison in the subsidy agency.

10) Layer Funding—Inherent in designing the financing of Partnerships is the idea of layering funds
States can layer EHS and CCDF funds for the same child as long as there is no duplication in payments for the exact same part of the service. This is an option that some states are already implementing, and the EHS-CC Partnerships offer an opportunity for further utilization of this funding strategy.