

Using Child Care Subsidies to Support Special Populations

The focus of the Child Care and Development Fund (CCDF) is two-fold: to improve the economic stability of low-income families and to support children’s healthy development. Lead Agencies must prioritize child care subsidies for certain populations — specifically “vulnerable” and “underserved” — and encourage identification of other special populations of children and families. States, territories, and tribes have a great deal of flexibility regarding the provision of subsidy services to special populations of children and families. This brief highlights mechanisms for identifying special populations and strategies Lead Agencies can use to support access to child care.

Overview of CCDF Regulations

CCDF regulations require Lead Agencies to use subsidy funding to serve children who:

- Reside with families whose income does not exceed 85% of state median income (SMI).
- Reside with a parent or parents working or attending job training or education programs.
- Are receiving, or need to receive, protective services, which may include specific populations of vulnerable children identified by the Lead Agency.

Children who are eligible for subsidy funding under the protective services category do not need to be formally involved in the child welfare system. Instead, Lead Agencies may define the populations of vulnerable children who need protection. For example, Lead Agencies may identify children of teen parents as needing protective services and therefore eligible for child care assistance without regard to income or work requirements.

CCDF also requires priority for services be given to children from families with very low incomes; children with special needs, including any vulnerable populations as defined by the Lead Agency; and children experiencing homelessness. Further, Lead Agencies are required to prioritize increasing access to high-quality child care and development services for families in areas with significant concentrations of poverty and unemployment that do not have enough of such programs.

Beyond the populations defined in the CCDF Final Rule, Lead Agencies have the flexibility to include additional vulnerable populations for priority child care assistance. Priority groups may include children:

- Of teen parents.
- Being raised by grandparents.
- With parents who are veterans or activity duty military.
- In families affected by a natural disaster.
- With parents in treatment programs for substance use disorders.

In their CCDF Plans, Lead Agencies are required to include a description of how they prioritize services to all the special populations they have defined.

The CCDF Final Rule lays out several strategies for using child care subsidies to support special populations. Lead Agencies have the option to waive copayments. They may also waive income eligibility requirements, on a case by case basis, for children receiving, or needing to receive protective services, and for children in foster care.

Identifying Special Populations

The first step Lead Agencies often take in identifying special populations is conducting or reviewing needs assessments. A Lead Agency may conduct a needs assessment of child care needs within their state or territory or review needs assessments conducted by collaborative partners. Within a state, needs assessments from other related programs (e.g., Head Start, Preschool Development Grants, or home visiting programs) often already exist. These resources may provide the Lead Agency with valuable information about the needs of children and families in their state (e.g., identifying high-need zip codes, areas of racial disparities, and populations with special needs unknown to the Lead Agency).

In planning a needs assessment at any level, stakeholder engagement is critical. Typical stakeholders include state and local leadership, state early learning advisory councils, early care and education professional and policy organizations, and community organizations and families representing children with disabilities, experiencing homelessness, in foster care, etc. To identify the most vulnerable children, it is important for states to consider typically under-represented groups in their needs assessments (e.g., children of migrant workers, new immigrants, or children in homes where parents are in treatment for substance use or mental health disorders).

Additionally, data systems play a crucial role in identifying and tracking the use and effectiveness of targeted supports for special populations. Lead Agencies should look closely at how they are currently serving vulnerable populations required by CCDF regulations as well as how other special populations are identified. Some population needs may be statewide whereas others may be limited to specific regional areas. In some states, counties have the option to define special populations based on local need.

Regular review of data helps Lead Agencies identify populations that need special assistance. Needs assessments, administrative data, and family and provider surveys from the Lead Agency or partner organizations may help identify populations that need specialized supports. Regularly reviewing these data allows Lead Agencies to understand how the populations they are serving may be changing and where to target special assistance for maximum benefit.

Strategies for Supporting Access to Subsidies for Special Populations

Lead Agencies use various strategies designed to increase access and meet the specific needs of special populations. Mechanisms used to support special populations include grants and contracts, collaborative partnerships, differential payment rates, and incentives.

Contracts

CCDF child care subsidies are used to serve eligible families through two mechanisms: vouchers/certificates (referred to as vouchers) or grants/contracts (referred to as contracts). Vouchers are issued to families to subsidize the cost of child care at the provider they choose. Contracts pay providers directly. Providers agree to meet certain requirements and fill a specified number of slots with children eligible for subsidies. Seventeen Lead Agencies reported in their FY 2019-21 CCDF Plan that they would use grants and contracts with providers to serve some families. Vouchers and contracts can both be used to serve special populations, but contracts can be more easily targeted and provide a framework for increasing the supply of quality child care for special populations.

Building Supply for Infants and Toddlers

Several Lead Agencies conducted pilots and launched initiatives to build the supply and quality of infant and toddler care. For example, contracts for slots are provided to local providers that agree to work with Infant-Toddler Specialists to improve the quality of their programs. Funding is also provided to purchase needed resources for infant and toddler environments.

Contracts work by purchasing spaces or slots from providers for subsidy-eligible families. States may choose to use contracts to assist any family receiving a child care subsidy, or they may choose to target contracts to support special populations, including children from families who are experiencing homelessness and children with special needs. Contracts may be used to help increase the supply of care in underserved areas or geographic areas, such as those with high concentrations of low-income families or English-language learners, or in rural communities. Purchasing a specific number of slots increases access to care appropriate for families and children in special circumstances, which can often be difficult to find with a

voucher. By providing consistent enrollment and funding levels over prolonged periods, child care businesses are more stable and more likely to be successful businesses and continue to provide care for the community. This model also allows Lead Agencies to establish higher performance standards and extend comprehensive services that benefit special populations of children and families. For example, contracted slots for children in protective services or in foster care might include access to mental health consultation services (a comprehensive service) as well as require child care provider staff to complete trauma-informed care training (an increased performance standard requirement).

Collaborative Partnerships

In FY 2016, CCDF funds served only 15% of children eligible under federal parameters nationwide.¹ To leverage limited resources, Lead Agencies may partner with other government agencies or private

¹ "Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2016." <https://aspe.hhs.gov/system/files/pdf/262926/CY2016-Child-Care-Subsidy-Eligibility.pdf>.

organizations, and these partnerships can be particularly valuable for serving special populations. Child welfare, early intervention, health/mental health, family support, and other state and local organizations often serve many of the families served with CCDF funds, and collaborations can maximize the impact of services. These collaborations may include agreements for layered funding, comprehensive services, administrative supports, and training and technical assistance opportunities to support providers and extend services to additional families.

Partnerships to Support Refugees

Some Lead Agencies partner with their Offices of Refugee Services and other organizations to increase access to quality child care for refugees and to train and support refugees interested in becoming licensed child care providers.

Differential Payment Rates

Serving special populations can require providers to meet additional training, quality, and performance standards, and differential payment rates may serve as an incentive. Children in vulnerable families may have greater developmental needs, and specialized training, special equipment, additional staff, intensive family

engagement and support, and/or other services may be important components of their care. Lead Agencies should take these needs into consideration when determining payment rates.

Supports for Children with Special Needs

Many Lead Agencies provide higher rates for providers that have completed specialized training and serve children with special needs.

Differential payment rates for services to special populations increase the likelihood that providers will be willing to serve special populations and families will be able to access quality services. Increased payment rates are often used by Lead Agencies to increase availability of services for children with special needs or children needing care during nontraditional hours.

Incentives

Incentives may be used to expand availability of care in specific geographical areas, increase access for specific groups of children and families, or support increased qualifications to meet the unique needs of special populations. Incentives can take many forms. Lead Agencies can provide access to administrative supports, consultation and mentoring services, curriculum resources, professional development scholarships, and equipment and supplies.

Incentives to Serve Children in Low-Income Areas

High need areas are often targeted for child care subsidy supports and Title 1 public school catchment areas (where at least 40% of enrolled children are low income) are one way to identify high need areas. Lead Agencies may use incentives (e.g., equipment/supply grants, consultation) with child care programs in the area in agreement for providing child care subsidy services.

Special Considerations During Emergencies

Lead Agencies are required to adopt a Child Care Disaster Plan that ensures safe child care before, during, and after a state of emergency is declared or a major disaster or emergency occurs. The plan must include guidelines for the continuation of child care subsidies and services (which may include provisions for emergency and temporary child care) and coordination of post-disaster recovery of child care services. Lead Agencies must establish requirements for emergency procedures for providers receiving CCDF and other providers, as determined appropriate by the Lead Agency. They also must plan accommodations for infants and toddlers, children with disabilities, and children with chronic medical conditions.

Lead Agencies may want to consider the following strategies for special populations and incorporate them in the Disaster Plan:

- Establish conditions and parameters for identifying special populations during emergencies.
- Incorporate provisions for outreach to special populations during emergencies.
- Create policies for the temporary use of in-home care during emergencies for special populations.
- Develop policies for temporary child care to assist special populations during emergencies.

Conclusion

CCDF require states, territories, and tribes to prioritize services to certain populations. Lead Agencies have the flexibility to go beyond the federally-mandated list and prioritize additional populations of vulnerable children and families. Lead Agencies can best meet the array of needs by regular review of data, careful attention to identifying special populations in the CCDF Plan, and consideration of a variety of service strategies.

The National Center on Subsidy Innovation and Accountability helps states, territories, and tribes streamline the delivery of their child care subsidy services and is funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care.

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