

Wait List vs. Enrollment Freeze

When the demand for child care assistance is greater than available funds, the State may need to manage enrollment in the child care subsidy program. State strategies include creating a wait list of eligible participants or freezing the eligibility or enrollment process. A wait list presumes the family has completed an application process or eligibility screening, and can be served as slots open on the list. Frozen enrollment closes the application process to families altogether, thus avoiding the use of wait lists.

According to the National Women’s Law Center, 20 States had either a wait list or “frozen intake” in 2016.

- Four States (Georgia, Illinois, Oklahoma, Texas) froze enrollment for certain families or areas.
- Nineteen States had wait lists, of these six (California, Colorado, Florida, New York, Pennsylvania, Texas, and Virginia) delegated the need and operation of wait list to the local county agency level.

Using Wait Lists to Manage Subsidy Demand

In theory, implementing a wait list can ensure a fair and effective method by which a State can control the size of the population being served. In practice, States vary in their design and implementation – as well as their precision and success – of wait lists.

Manageable wait lists include several important factors States should consider:

- *Wait list policies should allow the State to move families into the program in a controlled manner.* Under ideal circumstances, the State should be able to pull a family off the list and add them to the served population as soon as another family’s case closes.
- *Wait list policies should include clearly defined priority groups.* The use of priority groups allows the State to serve those children and families it defines as most in need of subsidy services. All States that have designated priority groups include families receiving TANF assistance as exempt from wait lists. Section 98.46 of the Child Care and Development Fund Final Rules requires states to prioritize child care for certain populations. Exempting the child from a wait list is one way to prioritize children of families with very low income, children with special needs, and children experiencing homelessness. Additional exempt priority groups may include children in foster care or protective services and teen parents.
- *States should expect an increase in applications once public notice is given that some priority categories will be closed or reopened.* Wait lists can avoid some of the application surge problems associated with enrollment freezes, but applications will increase once the list is reopened. Child care centers often contribute to the application surge by encouraging large numbers of families to apply.
- *A wait list is less valuable if it takes significant staff resources to maintain.* Workload management efficiencies a State may want to consider include:

- Performing abbreviated eligibility reviews for families that do not qualify for an open priority category. Applications could be denied or placed onto the wait list based solely on the information submitted with the application or declared by the parent.
- Avoid changing the priority category of a wait list family, unless the parent reports a qualifying change.
- Issuing periodic notices to wait list families, asking them to confirm interest in remaining on the list.
- Requiring families to report address changes in order to maintain wait list eligibility. Exceptions may include families that receive other public assistance benefits where the address change is already known to the agency.
- Establishing program rules that address administrative hearing rights for waitlisted families.
- *Wait lists should remain small for the process to work optimally.* The State should establish authority to open and close the wait list to any or all priority groups. This gives the State the ability to stop adding families when the list becomes too large. For example, States may close the wait list for higher income brackets if the list already contains a large number of low income working families. Some stakeholders may want the program to keep adding families to the list, as a larger list suggests a need for services and therefore a need for more subsidy funding. However, the size of the wait list is not an accurate measure of need for services, since the longer a family remains on the list the less likely they are to need subsidy funding.

Using Enrollment Freezes to Manage Subsidy Demand

Fewer States use enrollment freeze policies to control costs or limit subsidy applications. There are several important factors States should consider when freezing enrollment:

- *Enrollment freezes work best when the State has authority to open and close the subsidy program for defined priority groups.* Most States have priority groups, with active TANF recipients being the highest priority.
- *Problems with enrollment freezes may occur whenever the program closes and reopens.*
 - Agencies must give public notice of program closures and re-openings. Surges in the application volume generally occur when notice of a closing or reopening occurs.
 - States may need to close the program following a reopening if the application volume is too high. To address this surge, States may keep the program closed for a longer period than is necessary. As a result, caseloads and expenditures could fall below acceptable levels.
 - Generally, more priority groups are better than fewer. Having eligible families spread over a wide range of priority groups can limit the application volume. Large groups may not match the funding available for subsidy creating difficult decisions on who to serve.

- This type of policy may not acknowledge the families that have been waiting the longest to receive care.

What Factors Should Lead Agencies Consider?

The decision to freeze intake or establish a wait list should not only be based on the need to conserve funds, but also on what has the least impact on parents and child care providers. Parents that cannot work due to lack of child care may need to rely on TANF and other financial assistance. Therefore, the primary objective is to select the method that maximizes the use of available funding to serve the greatest number of families.

Lead Agencies should consider a number of factors when developing a strategy for limiting intake:

1. What method maximizes the number of families and children that can be served?
2. How long will the program stop accepting new enrollments? Waiting lists become less effective the longer the program remains closed.
3. Does the Lead Agency have authority to close the wait list if it becomes too large to maintain?
4. Does the program have an information system or IT application in place to track and issue notices to waitlisted families?
5. What method is better supported by current regulations and policy?
6. When the program re-opens, is the application volume predictable and does the program have enough resources to process the influx of applications timely?
7. How close to the end of the fiscal year does the program closure occur?
8. What method provides the Lead Agency the greatest control over expenditures and the ability to meet CCDF Mandatory and Matching expenditure levels?
9. Is the Lead Agency able to handle the increased call volume from parents, providers and advocates?