



Minnesota Child Care Choices: Families' Participation in the Child Care Assistance Program

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Introduction to the Minnesota Child Care Choices Research Brief Series

The purpose of this Research Brief Series is to summarize key findings and implications from the Minnesota Child Care Choices study, a three-year longitudinal survey of a sample of parents with low incomes who have at least one child age six or younger, have applied to receive financial assistance through Minnesota's welfare or child care subsidy programs, and lived in one of seven participating counties at the time of the baseline survey. Telephone surveys are conducted by Wilder Research every 5-6 months, starting in August 2009, and include questions about families' characteristics, parents' child care preferences, the processes

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OVERVIEW

The Minnesota Child Care Choices study offers a unique opportunity to merge data from a parent survey with administrative data from Minnesota's Child Care Assistance Program (CCAP) in order to better understand parents' decisions about child care. Survey participants were recruited when they applied for either the Minnesota Family Investment Program (MFIP; Minnesota's TANF program) or CCAP. With their permission, information was tracked on their CCAP participation, using data from the Minnesota Department of Human Services automated child care system (Minnesota Electronic Child Care—MEC²—system). This Research Brief describes findings based on the combined administrative and survey data.

Details on how CCAP is structured in Minnesota are provided in the text box on page 3 for background information.

Administrative records were obtained on nearly all (98%) of the 323 families who completed the baseline phone survey. A small number of surveyed families never appeared in the database.¹ It is likely that these families never completed the application process. For example, they may have been told that there was a waiting list for CCAP (the Basic Sliding Fee [BSF] program has a waiting list in some counties), and the caseworker did not enter their information. In most cases, even if the family is not eligible, information is entered into the administrative database during the application process.

For each of the survey participants, administrative data from October 5, 2009 through April 4, 2010 were extracted. Data in MEC² are recorded in two-week intervals, and for each two-week period, information was obtained on participation in CCAP. If the parent was approved for a child care subsidy, the data obtained from MEC² include payments to the provider, type of provider, hours of care, and the age-group of the child.

Findings for the First Six Months of the Minnesota Child Care Choices Study

How many families participated in CCAP and for how long?

Of the 323 families in the study, 165 (51%) never used CCAP during the six-month period of observation. The remainder (49%) did use CCAP during at least one two-week period. Of the

¹The seven families who were not matched in the administrative data are counted as not receiving child care assistance during the time period.

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parents use to make child care decisions, parents' familiarity with and use of Parent Aware, Minnesota's pilot Quality Rating and Improvement System (QRIS), parents' perceptions of the quality of their child care, child care-related work disruptions, parental employment, and use of public assistance programs.

For each family, one child is designated as the focal child and detailed information is collected about the child care arrangements used for this child. In addition to the survey data, this study uses administrative data from the Minnesota child care subsidy program to track participants' use of subsidies and the type of subsidized care arrangements they use over time.

The Minnesota Child Care Choices Research Briefs are designed to answer questions of interest to state child care administrators, county agency staff and other early childhood stakeholders. The questions they have include: How do parents make decisions about child care arrangements? What factors affect whether a family uses child care subsidies? How will Minnesota's QRIS affect families with low incomes, particularly those eligible to receive a child care subsidy? What family, community, and child care characteristics affect child care stability and reliability, and parents' employment outcomes?

This brief is based on data from the baseline survey of the Minnesota Child Care Choices study. Readers who want additional details about the study design and the sample of parents who participated in the baseline survey are referred to the Study and Sample Description Brief. The entire series of baseline briefs is available online at: www.mdmnresearchpartnership.com.

families who did receive CCAP during the six months, about one-quarter received CCAP for the entire six-month period. Another nearly one-third received CCAP for between nine and thirteen two-week periods, and about one-quarter received for only one to four two-week periods during the six-month window. Table 1 provides further details.

TABLE 1: Duration of CCAP participation within the six month observation period

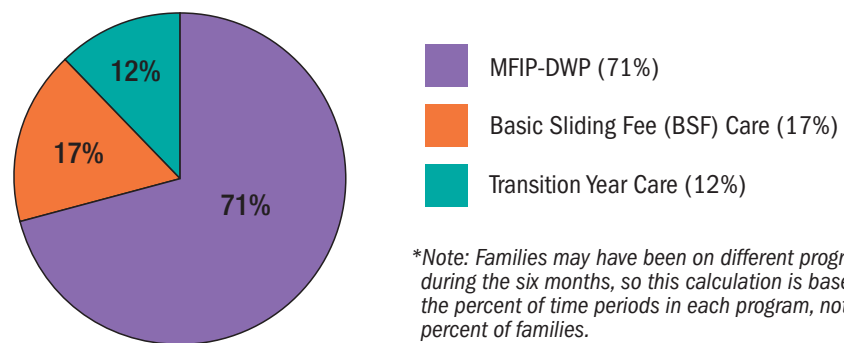
Number of two-week time periods observed receiving CCAP	Number of families	Percent of families ever receiving CCAP	Percent of all families
None	165	n/a	51%
1 to 4	35	22%	11%
5 to 8	32	20%	10%
9 to 13	49	31%	15%
All 13 time periods	42	27%	13%
TOTAL	323	100%	100%

SOURCE: MEC² data extracted for Minnesota Child Care Choices Wave 1 survey respondents

Which of CCAP's programs do families participate in?

Most of the families (71%) accessed CCAP through MFIP-DWP, the TANF-related portion of the program. Another 12% were in the transition-year program, while 17% were in the basic sliding fee program for low-income families not on TANF (see Figure 1).

FIGURE 1: Family participation in CCAP programs



SOURCE: MEC² data extracted for Minnesota Child Care Choices Wave 1 survey respondents

In six months, how many spells of CCAP participation do families have?

A spell of CCAP participation was defined as a consecutive string of (two-week) periods in which a child in the family received care paid for by CCAP without a break. A break was defined as a two-week period without subsidized child care for the family. Participation is defined according to the period during which the subsidized care was received, rather than when payment was made.

In the first six months, most families in the study who had any CCAP use had only one spell. Of the 158 families who used CCAP, 137 (87%) had one spell, 19 (12%) had two spells, and two families (1%) had three spells.

Minnesota's Child Care Assistance Program (CCAP)

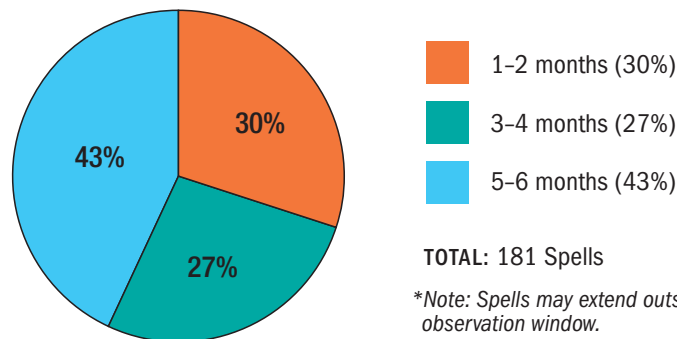
The Child Care Assistance Program (CCAP) is Minnesota's child care subsidy program funded by the Child Care and Development Fund (CCDF), a combination of federal, state and local government resources. Counties administer the program. Families are eligible for CCAP if their income is below 175 percent of the federal poverty level, adjusted for family size. Families remain eligible for CCAP until their income reaches 250 percent of the federal poverty level, or when their co-payment for child care has exceeded the cost of care. Three types of child care assistance are available.

- 1. Minnesota Family Investment Program (MFIP) – Diversionary Work Program (DWP) Child Care.** This assistance covers child care expenses associated with approved work activities that are authorized in a family's Employment Services Plan.
- 2. Transition Year Child Care.** This assistance covers child care expenses during work hours (a minimum of 20 hours per week), or time-limited job search, for up to 12 months after the MFIP/DWP case has closed.
- 3. Basic Sliding Fee (BSF) Child Care.** This assistance may be available to families who meet the income eligibility guidelines, have a parent working at least 20 hours per week or participating in approved education or in time-limited job search, and who are not receiving MFIP/DWP or Transition Year child care. Priority groups for these limited funds include basic education students, families moving off Transition Year Care, families receiving subsidy in one county and moving to another Minnesota county, and families in which at least one parent is a veteran.

During state fiscal year 2009, Minnesota served an average of 17,693 families per month, at a cost of approximately \$200 million federal, state and county dollars.

Thus, these 158 families had 181 spells of CCAP participation. Over 40% of the spells observed in the six-month period lasted at least five to six months, while a third lasted only one to two months (see Figure 2). Based on the short observation window of six months, it is not possible to reliably measure an average or median spell length. It is highly likely that many spells of continuous subsidy receipt began before the six-month window or extended after and as such, were longer than could be observed in the relatively short six-month observation window.

FIGURE 2: Spells of CCAP participation



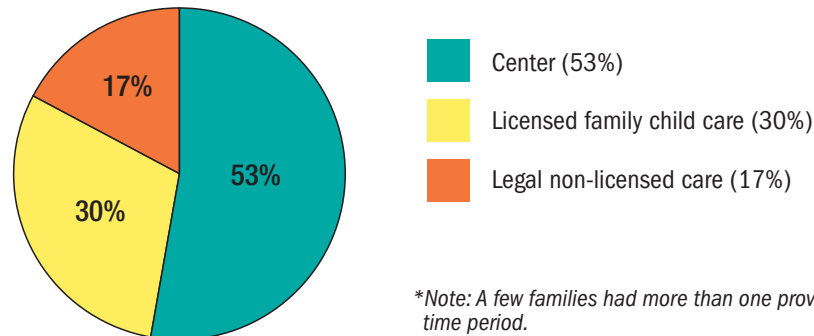
SOURCE: MEC² data extracted for Minnesota Child Care Choices Wave 1 survey respondents

What kind of care do families use while receiving CCAP?

When a family was receiving CCAP, during the majority of subsidized 2-week time periods (53%) the child was at a child care center, as reported in the administrative data. About one-third of the periods using CCAP were accounted

for by licensed family child care providers, with only 17% using legal non-licensed providers in this six-month window of observation (see Figure 3).

FIGURE 3: Type of care paid for by CCAP²



SOURCE: MEC² data extracted for Minnesota Child Care Choices Wave 1 survey respondents

How many child care providers do families use through CCAP?

Most of the sample families (88%) had only one provider reported in the administrative database during any one spell of CCAP participation. (Note that parents may be using other providers who are not paid through CCAP.) When they had more than one provider during a spell of CCAP participation, some used multiple providers concurrently, and a few switched providers during the spell. However, these changes were relatively uncommon during the six months. Overall, few families (15%) had more than one provider reported in the six months including all spells of CCAP participation.

Characteristics of Families Using CCAP

One of the goals of this Brief is to explore the differences between families who are using CCAP and those who are not. For the purposes of this Brief, a CCAP user is defined as a family in which the focal child received care paid for (in part or full) by CCAP at any point during the six month time frame. Records from MEC² were used to determine whether the focal child received care paid for through CCAP.³ This information was linked with the parent survey data to allow for comparisons of the two groups. As noted above, roughly half (51%) of the sample received CCAP while the remainder of the sample (49%) did not in the six-month period.

Do families who received CCAP differ from those who did not?

In the survey sample, the families using CCAP were quite similar to families not using CCAP. However, the two groups differ on a few key characteristics, including household structure and employment status. Respondents who received CCAP were less likely to have a spouse or partner who lives with them (27% versus 45% of families not using CCAP). Respondents using CCAP were more likely to work for pay (47% versus 35%) and less likely to stay at home full-time with their children at the time of the survey (4% versus 19%). There were no significant differences between these two groups on a range of other characteristics including respondent age, household income, and educational attainment.

Families using CCAP were much more likely to have toddlers and preschool-aged children compared to other families. Infants and school-aged children were less likely to receive subsidies; only 37% of infants and 29% of

²This figure is based on administrative records.

³Parent reports of CCAP participation in the survey differ from the administrative data for a number of reasons. Parents may misunderstand the question, or may choose not to report receiving CCAP for privacy reasons. In addition, even if the parent accurately reported CCAP participation at the time of the survey, CCAP participation for this brief was based on a six-month time period.

school-aged children received CCAP. In contrast, toddlers and preschool-aged children were more likely to receive subsidies; just over half of each of these age groups (57% and 56%, respectively) used care that was paid for with a subsidy.

Do families who received CCAP report differences in the child care decision-making process?

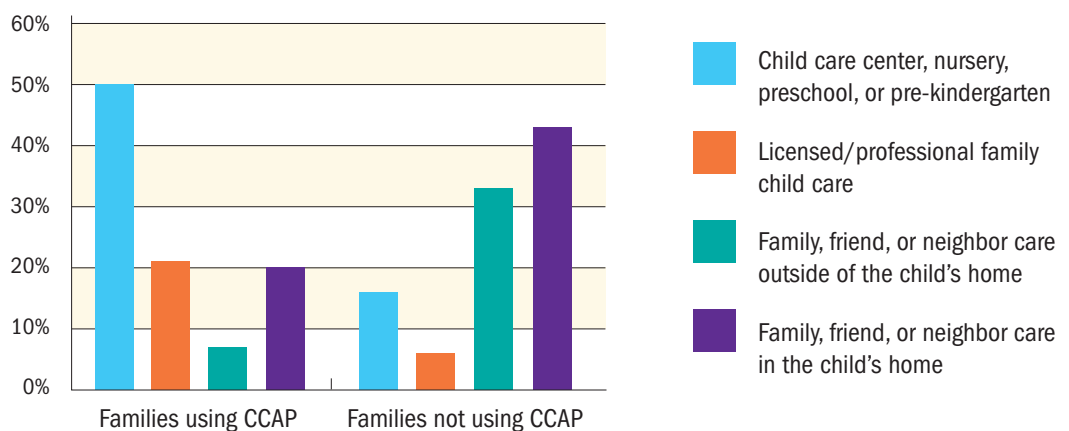
A major focus of the parent survey was to explore the decision-making process around child care, and CCAP users differed significantly from others on some aspects of this process. Parents using CCAP were more likely to seriously consider other providers or programs when trying to decide which provider to use (52% versus 34%). However, when asked whether the availability of a subsidy influenced their decision to select their most often used arrangement, parents did not answer differently based on their subsidy receipt status. (About 20% of each group reported that the availability of a subsidy influenced their choice.) Families not using CCAP were significantly more likely to report having family or friends available; 70% had this type of support in contrast with 38% of families receiving CCAP. Therefore, it is possible that parents who have these sources of support choose not to take up a subsidy and do not need to consider multiple options because they have family or friends available to watch their children.

Parents were asked how they first learned about their primary care arrangement, and the majority of families not receiving CCAP (68%) learned about this arrangement from a relative. Families receiving a subsidy used relatives to learn about child care at a much lower rate; only 28% of these families first heard of their primary arrangement from a relative. In addition to relatives, families receiving CCAP learned about their primary arrangement from friends and co-workers (21%), on their own (13%; most of these found the arrangement by walking or driving by), or from a social service worker (10%). The main reason that parents chose their primary care arrangement also varied by CCAP status. Families using CCAP reported basing their decisions on quality (30%), knowing or feeling comfortable with the provider (17%), and convenience (16%) while families not using subsidies based their decisions on knowing or feeling comfortable with the provider (38%), quality (16%), and convenience (16%).

Do families receiving CCAP use different types of child care?

Families receiving CCAP used different types of care than families who did not receive CCAP. Half of families using CCAP had their children in center-based care as their primary care arrangement. In contrast, the majority of children in families who do not receive CCAP were in family, friend, or neighbor care inside of the child's home (43%; see Figure 4).⁴

FIGURE 4: Type of primary care arrangement by subsidy receipt



SOURCE: Minnesota Child Care Choices Wave 1 survey data; MEC² data extracted for Minnesota Child Care Choices Wave 1 survey respondents

⁴Figure 4 shows the type of care that families report to be their primary care arrangement in the survey, while Figure 3 presents the type of care paid for through CCAP. The percentages of each type of care differ both because of the timing of the survey compared to the CCAP administrative data, and because families were able to report multiple care arrangements in the survey. It also is not possible to compare the percentages directly because the type of care categories in the administrative data differ from those in the survey, in part because parents are generally not reliable reporters of the license status of the provider.

Does the quality of child care differ for families receiving CCAP compared to those who do not receive CCAP in the six months?

Reflecting at least in part the differences in type of care between the two groups of families, the quality of child care also differed by subsidy status. Families using CCAP were much more likely to be using programs rated by Parent Aware, Minnesota's pilot quality rating and improvement system. Only 3% of families who did not use CCAP were in Parent Aware-rated programs, in comparison to 30% of families using CCAP.

Parental perceptions of quality also differed depending on whether the parents are using a subsidy or not. Parents using CCAP were more likely to report their provider uses a curriculum or planning tool for teaching, the staff have training and education to work with young children, the staff are warm and friendly with their children, and that the program enrolls children from different backgrounds.

A Note about the Minnesota Child Care Choices Study

While this Brief focuses on CCAP participation, the 323 families in this study are not representative of all families in the Child Care Assistance Program. These families were selected for the study based on their intention to apply for either MFIP or CCAP at the county office, whether or not they were actually eligible or ended up participating in either program. Thus, it is not surprising that only about half in fact used CCAP during the six months, and most of those were in the MFIP-related child care program. Most received CCAP for one unbroken spell of participation, though the full length of the spell was often not observed, as it either began before, or may have continued after the observation window. The six-month time period is too short to draw conclusions about the continuity of their CCAP participation, or the stability of their child care arrangements.

The six months of administrative data provide just a brief look at CCAP participation among the study families. As the study continues, there will be additional time to observe the families and to continue to track whether or not they participate in CCAP. For those who are in CCAP, it will be possible to analyze the continuity of their participation (e.g., how long they participate and whether they return for additional spells) and the stability of the child care arrangements (e.g., number of providers used while receiving CCAP). Merging the administrative data with the responses from the longitudinal surveys will yield a rich set of data to explore more deeply parents' decisions about the type of child care they use and whether to participate in CCAP.

Implications and Next Steps

This Brief provides a first look at CCAP participation among the families in the Minnesota Child Care Choices Study.

- Only about half of the families participated in the Child Care Assistance Program in the first six months of the study. While these families were similar to those who did not receive CCAP, some important differences were observed in family characteristics and in child care decisions. Families using CCAP were more likely to have only one adult in the household, to be employed, and to not have relatives or friends available to provide child care. Families using CCAP also more often used child care centers rather than family, friend and neighbor care, and were more often using Parent Aware-rated programs. These findings suggest that families may be more likely to use CCAP if they do not have other options for child care or if they prefer to use center-based programs. These relationships will be explored further when the full longitudinal data are available.
- The cost of child care and the availability of financial assistance to help pay for that care influence parents' choices about child care. In this study, the majority of families receiving CCAP use center-based care (50%) as their primary arrangement. This proportion is closely aligned with findings from the 2009 Minnesota Statewide Household Child Care Survey,⁵ which show that 46% of families using child care subsidies use center-based care, compared to 22 percent of families with low incomes who are not using subsidies, and 33% of families with higher incomes. The contrast between families with low incomes and subsidies compared to families with low incomes without subsidies is even starker in the current study, with only 16% of

⁵Chase, R. & Valorose, J. (2010). *Child Care Use in Minnesota: Report of the 2009 Statewide Household Child Care Survey*. Wilder Research: St. Paul, MN.

families with low incomes and no subsidies using center-based care (as reported in the baseline survey for this study).⁶ It is clear that child care subsidies support families' use of center-based care. In the 2009 survey,⁷ families with low incomes using subsidies also rated the quality of their care more highly than did families with low incomes and no subsidies. It will be helpful to track these patterns over the longer study period (3 years), to learn more about the factors driving this linkage between subsidies and the use of center-based care.

The next steps for the study are to track families' CCAP participation and child care usage for a longer period of time to address questions related to stability and continuity of care. Administrative data have been extracted for the next six month time period, from April through September 2010. Results covering the full year will be reported in a subsequent brief. Linking the longitudinal survey and administrative data will provide a rich set of information for analyzing parents' child care decisions.

⁶For more information on families' child care use, see: Forry, N., Blasberg, A., Tout, K., Isner, T., Carlin, C., & Davis, E. (2011). *Minnesota Child Care Choices: Child Care Decision-Making and Perceptions of Quality*. Minneapolis, MN: Child Trends & University of Minnesota.

⁷Chase, R. & Valorose, J. (2010). *Child Care Use in Minnesota: Report of the 2009 Statewide Household Child Care Survey*. Wilder Research: St. Paul, MN.