

**The Rhode Island  
Child Care Policy  
Research Partnership**

is a collaboration among the Rhode Island Department of Human Services (DHS), researchers from the Wellesley College Child Care Research Partnership, and Rhode Island KIDS COUNT. The Partnership facilitates research and data collection that are critical to supporting Rhode Island's child care system and to improving access to high-quality affordable child care for Rhode Island families.

**The Rhode Island  
Child Care Policy  
Research Partnership**

is a State Child Care Data and Research Capacity Project funded by the Federal Child Care Bureau in the Administration for Children and Families, in the US Department of Health and Human Services.

**Child Care Snapshots**

is a series of publications produced by Rhode Island KIDS COUNT that highlights major issues related to child care policy.

**Snapshot Number Four**

is based on a November 2005 research study conducted by Dr. Ann Dryden Witte, Ph.D. and Magaly Queralt, Ph.D. from the Wellesley College Child Care Research partnership: *An Examination of the Duration of Child Care Subsidies in Rhode Island: Impacts of Policy Changes and Cross State Comparisons.*

# CHILD CARE SNAPSHOTS

# 4

November 2006

Number Four

## Understanding the Duration of Child Care Subsidy Use in Rhode Island

*Research facilitated by the Rhode Island Child Care Research Partnership and conducted by Ann D. Witte, Ph.D. and Magaly Queralt, Ph.D., of Wellesley College explores several key questions about the duration of child care subsidy use by low-income families enrolled in Rhode Island's Child Care Assistance Program (CCAP):*

*How long are families enrolled in the child care subsidy program?*

*Are there differences in length of enrollment between families receiving cash assistance and other low-income working families?*

*Do families lose their child care subsidy and re-enroll at a later time?*

*What are the policy and program implications of this information?*

The findings from the 2005 duration study are based on three cohorts of families that entered the child care subsidy program between June and November in 1996, 1997 and 2000. The families use of child care subsidies was tracked through 2003.

### Rhode Island Context

In Rhode Island, eligibility for the Child Care Assistance Program is determined based on family income (including the income of all parents in the household and the income of any spouse of a parent), the number of hours of paid work by the parent(s) and any spouse, and the hours of employment aligning with the hours of child care. Families receiving cash assistance through the Family Independence Program (FIP) are

eligible for a child care subsidy if they are working or if they are engaged in approved training or education. Teen parents without a high school diploma are eligible if they are attending school or employed for a minimum of 20 hours per week. All income-eligible families who meet the other program requirements are legally entitled to the child care subsidy so there are no waiting lists.

# Key Findings from the 2005 Subsidy Duration Study

## Duration of Subsidy Use

Families in Rhode Island typically use a child care subsidy for 9 to 10 continuous months at a time before discontinuing subsidy use for two or more months. (This is defined as a “subsidy period”). Many families re-enroll in the subsidy program at a later time so the total number of months (duration) is greater than the length of any one “subsidy period.”

Families receiving cash assistance through the Family Independence Program tended to use subsidies for shorter lengths of time than families who had never been on cash assistance.

The median subsidy duration for families enrolled in FIP was 9 months. Also, 25% of cash assistance families had durations greater than 17 months. In contrast, the median subsidy duration for low-income families never enrolled in FIP was 12 months and 25% of these families used subsidies for greater than 28 months.

The dynamics of child care subsidy use vary by income with higher income families using subsidies for longer periods of time. The median length of time enrolled in child care subsidies for families with incomes above 125% of the federal poverty guidelines (but below the 225% eligibility ceiling) was 11 months while the median length of time enrolled in child care subsidies for families

with incomes below 125% of the federal poverty guidelines was only 9 months.

Subsidy use also varied by family composition. Families with children under age 6 received subsidies for longer periods of time (10 month median duration) than families with children age 6 and over (6 month median duration). No difference in duration was found for families with children under age 3 versus children ages 3 through 5.

The researchers also anticipated finding differences in subsidy duration based on the number of children in a family in subsidized care. They found that there was some variation, but it was not substantial. The median duration for families with one child in subsidized care was 9 months, those with two children was 10 months, and those with 3 or more children was 9 months.

## Exits at the Time of Recertification

The study showed a high probability of exit from the child care subsidy system during the month after the family is required to recertify eligibility with the Rhode Island Department of Human Services. Further information is needed to better understand if these exits are due to administrative barriers to timely recertification or due to changes in the family’s circumstances or need for child care.

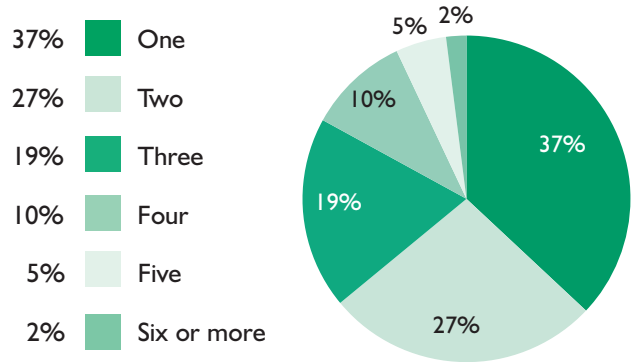
Most child care subsidy recipients are required to recertify their eligibility every 6 months by submitting paperwork. Families participating in the Family Independence Program may have certification periods from 3 months to 12 months in length. FIP families are required to comply with their approved Family Independence Plan.

# Cycling On and Off Subsidies

Over time, researchers found “a great deal of cycling on and off of child care subsidies.” Almost two-thirds of families using a child care subsidy in 1996 had one or two periods of subsidy use during the 7 year study; with 7% of families experiencing five or more discrete periods of subsidy use during this time.

The researchers point out a strong seasonal pattern of subsidy use with “many families using child care subsidies seasonally rather than year round.” Witte and Queralt suggest that the patterns observed are likely related to seasonal employment patterns and/or the seasonal needs for child care. For example, school age child care tended to be of either nine months duration (implying use during the school year but not the summer) or three months duration (implying the need for care during the summer but not during the school year).

## Number of Child Care Subsidy Periods



## Why Might Families Exit and Re-Enter the Subsidy System?

The administrative data used in the Witte and Queralt research and in other duration studies do not indicate why a family who was using the child care subsidy is no longer using it or why a family re-enters the subsidy system. Researchers and others have proposed several potential reasons for the subsidy cycling:

Some low-income families have episodic, seasonal, or temporary employment and thus at recertification time a parent or spouse may be unemployed, making the family ineligible for a child care subsidy.<sup>1</sup>

The birth of a new sibling may be a factor for many families with young children since a mother who takes more than 21 days of maternity leave would be ineligible to continue the child care subsidy.

Some families may be able to arrange for free

or bartered care during part of the year and may not require a year-round subsidy for paid care.

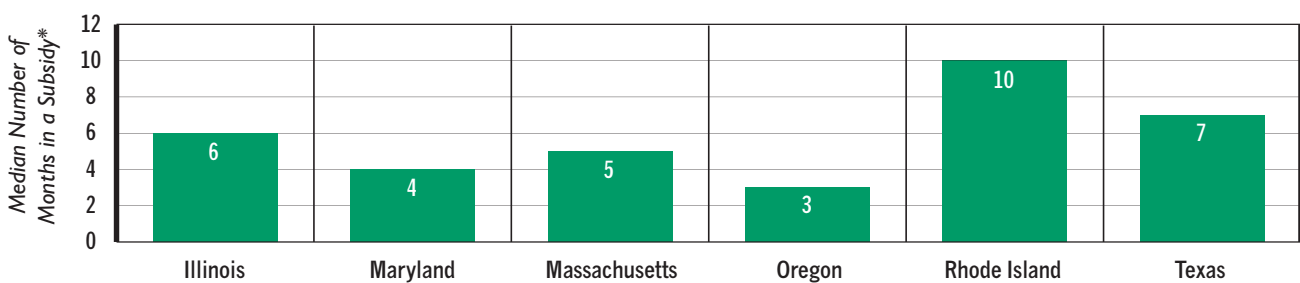
Some families may believe their school-age child is old enough to stay at home alone after school and only needs a subsidy during the summer to help cover the cost of a full-day program.

The paperwork required to recertify eligibility may be too burdensome for some families.<sup>2</sup> (Four weeks of recent pay stubs and documentation of current work hours are required in Rhode Island.)

Nationally, researchers have found a low level of family continuity in state child care subsidy programs with many families experiencing several exit and re-entry episodes.<sup>3</sup> This “churning” is of concern to policymakers because it is unlikely that families are leaving the subsidy system because they have achieved economic self-sufficiency. It may mean that children are experiencing substantial turnover in their child care arrangements.

It is difficult to compare subsidy patterns across states because of different measurement techniques and variable populations and policies.<sup>4</sup> However, the Witte and Queralt research indicates that Rhode Island is on the higher end of the range for subsidy duration.

### Cross State Comparison of Duration of Child Care Subsidy\*



\*Note: This represents one subsidy period not cumulative subsidy enrollment over time

In Rhode Island, families are enrolled in the child care subsidy program for a median of 10 months at a time, the highest of the six states studied. This is a positive outcome as it indicates that families are more able to access stable care that helps them to maintain employment while providing child development and education for their children. Access to affordable, high quality child care is one of the key goals of Rhode Island’s child care assistance program.

#### Source:

Source: Witte, A.D. & Queralt, M. (2005). *An examination of the duration of child care subsidies in Rhode Island: Impacts of policy changes and cross state comparisons*. Wellesley, MA: Wellesley Child Care Research Partnership.

#### References:

1,2,3,4 Meyers, M.K., Peck, L.R., Davis, E.E., Collins, A., Kreader, J.L., Georges, A., Weber, R., Schexnayder, D.T., Schroeder, D.G., & Olson, J.A. (2002). *The dynamics of child care subsidy use: A collaborative study of five states*. New York: National Center for Children in Poverty.



Wellesley Child Care Research Partnership

This series was made possible through the collaboration of the Rhode Island Department of Human Services, the Wellesley Child Care Research Partnership, and Rhode Island KIDS COUNT with funding from the federal Child Care Bureau.

For more information on the Child Care Snapshots or the Child Care Policy Research Partnership visit [www.dhs.ri.gov](http://www.dhs.ri.gov) and [www.rikidscount.org](http://www.rikidscount.org)