



Child Care Voucher Project Phase II

What we found in 2005

Among the 30 centers in the study, there were a total of 1,571 new vouchers issued in one year, and 2,051 renewals. Based on 3,295 vouchers for children in care at 30 centers

- 32% of vouchers were issued for 6 months or longer
- 21% of vouchers were issued for 3 months but less than 6 months
- 36% of vouchers were issued for one month but less than three months
- 11% were less than one month.

The average length of a given voucher was 114 days – ranging from 3 days to 371 days – the vouchers issued for less than one month seem to be either because of documentation problems or to finish out a child's time before they graduated or aged out. The real challenge appears to be the 57% of vouchers issued for more than one, but less than six, months.

In 2005, **The Bessie Tartt Wilson Children's Foundation** conducted a research study to explore the workings and outcomes of the Massachusetts Child Care Voucher System. One of the findings of that study was that, due to the prevalence of short-term vouchers, issued for less than 6 months at a time, many children were subjected to discontinuous unstable care. Many families experienced the system as burdensome, confusing, and penalizing, further complicating their difficult and complex lives. From a financial and management perspective, centers stated that short term vouchers increased their administrative burden and subjected them to lost revenue as they were unable to fill slots of children who had been terminated; some centers did not accept these vouchers, further restricting parent choice of child care arrangements.

One of the recommendations of the study was to lengthen the certification period of vouchers from 6 months to 1 year. The state issued new regulations to do just this, effective November 2006. The most recent Department of Early Care and Education (EEC) financial assistance policies require that a family's eligibility be reassessed at 12 months for families receiving income eligible vouchers, teen parent vouchers, and certain Department of Transitional Assistance (DTA) vouchers. Parents/guardians whose eligible activity - such as

enrollment in school, job search or maternity leave - is scheduled to end prior to the 12 month reassessment date must also submit evidence of continued eligibility before the end of their eligible activity. However, EEC provisions for Continuity of Care allow families that lose eligibility to continue to receive EEC financial assistance if they meet EEC income and activity requirements.

This report is a follow-up study of 15 of the original 30 centers, to examine the effects of these new policies.

Methods

In 2005, EEC provided the study with a comprehensive list of centers serving infants, toddlers or preschoolers with vouchers. From this list, we identified 272 centers that were located in cities and towns within 12 miles of Boston, including Boston. This included cities and towns in EEC Regions 3 (Northeast Massachusetts), 4 (Metro West) and 6 (Metro Boston). We then drew a random sample of 30 centers that was proportional to the voucher market share of each center – the probability that a specific center would be selected into the sample was proportional to the number of children they had who were receiving vouchers. By drawing a sample proportional to the number of vouchers, we ensured that we would include more of the larger voucher providers, while still

drawing a sample that included smaller centers.

In 2007, we randomly selected for follow-up 15 of the 30 centers that participated in the original study. We visited these centers in January-March 2008, and reviewed their records on vouchers issued between June 1, 2007 and November 30, 2007, to children enrolled in their centers. We chose the six month period from June-November 2007 because it provided time for the regulations to be fully implemented; the six-month period provided a larger pool of vouchers than a shorter time period would. When centers did not have records for the full six-month period, we collected data on the available weeks, and then adjusted that data to estimate the numbers of vouchers for six months.

Findings for 2007

1. Among the 15 centers in the follow-up study, there were a total of 193 new vouchers issued in six months. Compared to 2005, we found a decline of 24% in the number of new vouchers per month at these 15 centers.
2. The vouchers that are issued to these centers are, on average, 25 days longer – vouchers in 2007 averaged almost 20 weeks (139 days), compared to 16 weeks in 2005. In fact, 14% of the vouchers issued in 2007 were for at least 9 months – these longer vouchers are one of the main reasons for the longer average length of vouchers in 2007.
3. About half of the center directors (46%) reported that the number of vouchers issued for one year at their center has improved over the past six months. This is reflected in improvements in the continuity of care – more than one-third of programs (38%) reported that the gap between the end of one voucher and the renewal of that voucher had improved. In addition, 42% of programs reported that vouchers are now more likely to help families achieve stable employment or schooling.
4. There were as many vouchers issued for less than one month (10%) as in 2005, reflecting the continuing need for shorter vouchers under specific circumstances. There were actually a greater proportion of vouchers issued for one to three months (43%), and a slightly smaller proportion issued for 6



months or longer (26%). Why are so many vouchers issued for shorter time periods? EEC policy limits the 12-month vouchers to parents/guardians who are eligible for income-eligible or teen parent vouchers; our data could not distinguish among DTA, income eligible and teen parent vouchers, so our estimates of the average length of vouchers includes the shorter DTA vouchers. In addition, EEC restricts these longer vouchers to parents/guardians whose eligibility is not likely to change in that 12-month period; parents/guardians in school, in job search, newly employed or on maternity/paternity leave must document their continuing eligibility at the end of each semester, after 8 weeks of job search or a new job, or after 12 weeks of maternity/paternity leave.

5. The rate of renewal of vouchers was stable from 2005 to 2007; 59% of all vouchers were renewals of existing vouchers in 2005, compared to a 52% renewal rate in 2007.
6. We saw a dramatic drop in the termination/interruption rate – on average, 30% of all vouchers at a center were interrupted or terminated in 2005, compared to only 13% in 2007. Even though the new reassessment policies do not apply to most DTA vouchers, we found that the combination of longer reassessment periods for income eligible and teen parent vouchers, and the EEC Continuity of Care policy, has meant longer vouchers, on average, and fewer interruptions in, or terminations of, voucher-supported care.
7. About one-third of directors reported improvements in voucher administration, including how quickly they are able to fill vacancies when a voucher ends, and how well they are able to track each child's voucher termination dates.
8. Almost one-quarter of child care center directors (23%) reported that the affordability of parental co-payments has worsened in the past six months, and 17% reported that the time families spend on the voucher waitlist has worsened.

Discussion

The results reported here indicate that the new extension of the voucher certification period is having its intended impact for children, families and providers of early education programs. Initial findings are that voucher certification periods are indeed longer, thereby promoting continuity of care for the 53,104 children who received child care vouchers in 2007. However, as 24,000 children remain on the waiting list for vouchers in Massachusetts, we continue to recommend that Massachusetts develop a vision of universal early education and care that provides equal access to all, financed by a mix of private pay, contracts, vouchers, Head Start, and other means.



References

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