

CHILD CARE

Helping Parents in Low-Wage Jobs Access Affordable Child Care: Opportunities Under the Reauthorized Child Care and Development Block Grant

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Over 23 million workers are employed in low-wage jobs (typically paying \$10.50 per hour or less), and two-thirds of these workers are women.¹ One in five working mothers of very young children (ages three and under) work in low-wage jobs.² Individuals in low-wage jobs not only struggle to make ends meet with limited incomes, but also often have unpredictable, irregular schedules over which they have little control and frequently must work at night, in the early morning, and/or on the weekend.³ In one study, approximately half of low-wage hourly workers reported working nonstandard schedules.⁴ These schedules can create tremendous stress for workers and make it extremely challenging for parents to balance work and family responsibilities. Difficult work schedules can pose problems for parents not only in obtaining stable child care but also in accessing child care assistance due to policies that are often structured for parents with standard work schedules.

A law enacted in November 2014 reauthorizing the Child Care and Development Block Grant (CCDBG)—the major federal child care program—provides an opportunity for states to better meet the needs of parents in low-wage jobs with nonstandard or irregular schedules. The new law aims to improve the health and safety of children in care, enhance the quality of care, and make it easier for low- and moderate-income families to access child care assistance that supports stable and continuous care. (A detailed discussion of the law and recommendations for states are provided in [Implementing the Child Care and Development Block Grant Reauthorization: A Guide for States](#).) The law includes a number of provisions that give states greater flexibility to adapt their policies for parents in low-wage jobs with difficult work schedules.

States should take full advantage of this opportunity to increase access to child care assistance and expand the availability of child care options for these parents and their families. States should also take care in implementing new requirements that they do not reduce access to options such as family, friend, and neighbor (FFN) care that might be the best (or only) option for parents with nonstandard schedules. Child care assistance policies and procedures tailored for parents working nonstandard schedules will help these parents have access to the stable child care they need to keep their jobs and that their children need for their healthy growth and development.

Increasing the Supply and Quality of Child Care for Parents with Difficult Work Schedules

What the law says

The new CCDBG law includes provisions designed to address the supply and quality of child care, and some of these provisions explicitly target care for parents with nonstandard work schedules.

- States must describe in their state plans how they will increase the supply and improve the quality of child care for a number of specific populations, including children who receive care during non-traditional hours.

- States are permitted to differentiate payment rates based on certain factors, including whether a provider offers care during non-traditional hours.

What states can do

- **Provide direct contracts or grants to providers willing to offer care during non-traditional hours.** This type of care is in short supply in many communities. Direct contracts or grants offer a predictable income stream to providers that may be otherwise reluctant to provide care during evening, overnight, early morning, or weekend hours. States may incorporate higher payment rates or bonuses into grants or contracts as additional incentives to providers to offer this care. States can also use contracts to extend the day or year of Head Start, Early Head Start, or state prekindergarten programs for parents who need care for their children beyond the hours of those programs.
- **Provide higher payment rates for care offered during evening, overnight, early morning, and weekend hours.** Most states' payment rates are currently below recommended levels. States should ensure that they both set adequate base rates for care during standard hours and establish a differential for nonstandard-hour care that is large enough to serve as an incentive to offer this care.
- **Develop innovative strategies to increase the supply and quality of care during non-traditional hours.** States may design and implement a variety of strategies, including technical assistance to providers on offering care during nonstandard hours; financial resources for providers offering care during non-traditional hours to help them improve their quality; and support for FFN caregivers, who often are the providers of care during nonstandard hours.

Expanding Access to Child Care Assistance for Parents with Difficult Work Schedules

What the law says

The new law includes several provisions designed to reduce administrative burdens for parents and make it easier for them to obtain and retain child care assistance, even when their work schedules and incomes fluctuate. Important provisions include:

- Once a child has been determined eligible for child care assistance, states must consider the child eligible for a minimum of 12 months regardless of temporary changes in a parent's work, education, or training activities, or family income, as long as income does not exceed 85 percent of state median income (SMI).
- States must describe how their redetermination procedures and policies do not require working parents, and in particular parents receiving Temporary Assistance to Needy Families (TANF), to disrupt employment in order to comply.
- States must demonstrate how they will take into account irregular fluctuations in parents' earnings when determining and redetermining eligibility.

What states can do

- **Eliminate or simplify interim reporting during the 12-month eligibility period.** While the law does not address interim reporting requirements (for example, to verify that the family's income remains below 85 percent of SMI throughout the 12-month period), the provision establishing the minimum 12-month eligibility clearly signals the importance of facilitating families' continuous access to child care assistance over an extended time. Eliminating or simplifying interim reporting is particularly important for parents in low-wage jobs, whose income and work hours often fluctuate.

- **Make the eligibility redetermination process simple and accessible for working parents.** In designing their processes for parents to renew their child care assistance at the end of the 12-month eligibility period without disrupting their employment, states should consider the particular needs of parents with nonstandard schedules. Parents in low-wage jobs with irregular hours may not be able to predict when they will be off from work and have time to go in person to renew their eligibility for child care assistance or take other steps to retain their assistance. States should adopt policies and processes that allow maximum flexibility for parents—for example, by allowing parents to renew their eligibility online or by phone, offering services during extended business hours, and giving parents a long timeframe during which they can renew eligibility.
- **Ensure that income variations do not impede parents' access to assistance.** In determining eligibility, or redetermining eligibility for a new 12-month period, states should average a parent's income over an extended period, request representative paychecks rather than the most recent paychecks, disregard temporary income, or take other steps so that parents are not deemed ineligible for assistance simply because their income rises for a week or a short period. Parents working irregular hours may have their income spike due to a brief increase in hours, but then drop when their hours are reduced; such variations in work hours and income should not prevent parents from initially qualifying for or renewing their child care assistance.

Improving Payment Practices for Providers that Accommodate the Needs of Parents with Difficult Work Schedules

What the law says

The new law recognizes that reducing a provider's payment whenever a child fails to attend can create a disincentive for child care providers to accept children whose parents have volatile work schedules, since the child's attendance and subsequent payment may be unpredictable. Under the law:

- States must implement (to the extent practicable) enrollment and eligibility policies that delink provider reimbursement rates from an eligible child's occasional absences.
- States must certify that payment practices for providers receiving CCDBG assistance reflect generally accepted payment practices for providers serving children who do not receive CCDBG assistance.

What states can do

- **Pay providers for absent days, or based on a child's enrollment rather than attendance.** States should be generous in their policies on reimbursing child care providers for days when children are absent from care or should pay based on an enrollment, rather than attendance, basis (reimbursing for a full month, for example, as long as children attend a minimum number of days). Such policies more closely resemble practices in the private sector and enable providers to have more predictable income, making it more likely that providers will agree to serve families receiving child care assistance. In particular, these policies can help increase providers' willingness to serve families with parents working nonstandard hours, since the providers will be assured of payment even if a child's attendance varies with his/her parent's work schedule. Paying for absent days or on an enrollment basis also makes it more likely that a provider will agree to hold a slot for a child, even if the parent works an erratic schedule, and therefore more likely the child will have stable care.
- **Pay providers using the time units employed by the provider.** For example, if a provider has a flat monthly fee for private-paying parents whose children are in care for a certain number of hours per month, the state can reimburse using a monthly rate, rather than reimbursing by hour, by day, or by week. This approach helps parents whose work hours—and the hours they need child care—vary from week to week or day to day.

Implementing New Requirements for Child Care Providers Without Limiting Options for Parents with Difficult Work Schedules

What the law says

A number of provisions in the reauthorization law are designed to protect the health and safety of children in child care. These provisions include new inspection, training, and background check requirements applicable to many license-exempt FFN providers on whom parents with irregular schedules often depend for child care. Specifically:

- States must conduct a pre-licensure inspection and an unannounced annual inspection for all regulated and licensed providers receiving CCDBG funds, and one annual inspection for license-exempt providers (except providers related to all children in their care) receiving CCDBG funds.
- States must ensure that providers (including license-exempt providers) receiving CCDBG funds complete minimum pre-service or orientation health and safety training as well as ongoing training. Training must be appropriate to the provider setting and address key health and safety areas identified in the law (including the prevention and control of infectious diseases, use of safe sleeping practices, emergency preparedness, and first aid and CPR).
- States must require all employees of child care providers—i.e., all licensed, regulated, and registered child care providers as well as all license-exempt providers receiving CCDBG funds, except for relative providers—to undergo comprehensive criminal background checks prior to employment and to maintain employment.

What states can do

- **Provide support for license-exempt providers through the annual inspection process.** States may find it challenging to meet the new inspection requirements, particularly for license-exempt providers, which few states are currently monitoring. Yet, given that many parents with nonstandard work hours rely on license-exempt providers, it is important that these providers have an opportunity to comply with the inspection requirements and are not discouraged from participating in the child care assistance program by the inspections. States should look at ways to use the inspections not as an enforcement mechanism, but as an opportunity to offer technical assistance and resources—such as fire extinguishers, child safety plugs, smoke detectors, first aid kits, and other supplies to help providers meet standards, as well as educational materials for children and providers—to improve the health, safety, and quality of care of these providers.
- **Make training easily accessible for all types of providers.** States should ensure that training opportunities are available to all providers—including license-exempt providers who may have unique barriers—so that they are able to meet these requirements. Training should be accessible for providers through many avenues (both online and community-based), should be affordable, and to the extent practicable, should be offered in multiple languages. In addition, given that the law allows the pre-service training requirement to be met during an orientation period, states should permit providers to complete the training shortly after they begin caring for children, rather than requiring providers to complete the training before caring for children. This flexibility allows providers to be available for parents with unpredictable work schedules who may have a sudden, immediate need for child care.
- **Ensure that the background check process does not unduly burden providers.** States should ensure that it is feasible for providers to comply with the requirement to undergo background checks and that the process is fair to providers. Under the law, states are permitted to charge providers a fee for costs associated with processing applications and administering a criminal background check but are prohibited from charging more than the actual cost to the state. In addition, states must complete a background check within 45 days of the request for the check and have policies and procedures in place for individuals to appeal the findings of the criminal background checks.

1 National Women's Law Center calculations based on Miriam King et al., Integrated Public Use Microdata Series, CPS: Version 3.0 (IPUMS-CPS), (University of Minnesota, 2010). Data are for 2013. All figures are for employed workers. Median hourly wages: Bureau of Labor Statistics (BLS), Occupational Employment Statistics (OES), May 2014 National Occupational Employment and Wage Estimates, http://www.bls.gov/oes/current/oes_nat.htm.

2 National Women's Law Center calculations based on Miriam King et al., Integrated Public Use Microdata Series, CPS: Version 3.0 (IPUMS-CPS), (University of Minnesota, 2010). Data are for 2013.

3 Liz Watson, Elizabeth Johnston, Katherine Gallagher Robbins, and Anne Morrison, *Collateral Damage: Scheduling Challenges for Workers in Low-Wage Jobs and Their Consequences*, NWLC, 2015, http://www.nwlc.org/sites/default/files/pdfs/collateral_damage_fact_sheet_june_2015.pdf.

4 Liz Watson and Jennifer E. Swanberg, *Flexible Workplace Solutions for Low-Wage Hourly Workers: A Framework for A National Conversation*, Workplace Flexibility 2010, 2011, <http://workplaceflexibility2010.org/images/uploads/whatsnew/Flexible%20Workplace%20Solutions%20for%20Low-Wage%20Hourly%20Workers.pdf>.