

Underutilization of the Child Care Assistance Program: A Case Study of Affordability Challenges

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Introduction

The Child Care Assistance Program (CCAP) is a federally funded program that subsidizes child care for low-income families while parents are either working or attending school. While this program assists many families in Louisiana, a persistent underutilization problem has been identified reflecting families who apply for the program, are deemed eligible, but do not utilize the funds that have been set aside for their use. Seeking to improve utilization among those applying for the program, the Louisiana Department of Education (LDOE) sought to explore potential barriers for those accepted into the program, but not utilizing the available funds. To better understand underutilization of the CCAP program, LDOE engaged the Kathleen Blanco Public Policy Center at UL and LSU Economics & Policy Research Group.

The first phase of the research was a broad-based survey with those identified by LDOE as underutilizing the program. The survey identified a number of reasons for CCAP underutilization, with the most common reason cited as the household no longer needed it, often due to the eligible child reaching schooling age, or availability of other care. However, multiple families noted affordability as a common concern.

In order to develop better understanding of affordability concerns expressed in the initial interview, six of the CCAP clients were called for follow-up in-depth interviews. Clients were asked several questions related to the expected costs of childcare, how those compared to actual costs, affordability of quality childcare learning centers, household budgeting, and expenses not accounted for when determining eligibility for the CCAP.

Overall, there seemed to be three prevailing themes indicated by the clients who were interviewed: concerns about the difference between the financial support received from CCAP and the actual cost of childcare, preference for childcare learning centers promoting education as opposed to taking more of a babysitting approach and how those differences correlate with cost, and concerns about expenses not considered when determining eligibility for the CCAP and how these factors can have negative effects in other areas of clients' lives.

Financial Support Provided by the CCAP

Among our follow-up sample (6) of the CCAP clients who expressed concerns about affordability of the program, the current going rate for child care learning centers was reported as between \$135 and \$200 per week, per child. This range was similar to the cost that clients stated they would expect to pay without help from CCAP, which was between \$120 and \$200 a week, per child. While expectations of how much assistance would be provided varied, clients utilizing CCAP reported paying between \$18 and \$60 per child, per week for childcare.

Most of the clients (4) were appreciative of the funds that the CCAP provided for their child(ren)'s care. When considering the typical price of childcare and the support provided by the CCAP program, one client said, *"It [childcare] could have been a lot more than what it was. So appreciative for what I got."* In several cases (4), the CCAP covered more than half of the cost of childcare, which clients found to be beneficial, especially when juggling single parenthood, work and/or higher education.

However, there were clients (2) who were not completely satisfied with the support that they were receiving from the CCAP. While one client simply reported that, *"honestly, just \$10*

more a week towards it would significantly make a difference,” another opted out of utilizing childcare learning centers completely because of the cost and would have liked \$100-200 more a month in assistance. The former was very appreciative of the program, but expressed that she was still struggling to make ends meet. The latter complaint seemed more to stem from the type of childcare she was seeking, after school care as opposed to full-time child care, where the time her children would have spent at the childcare learning center (about 1.5 hours a day) did not seem to be worth the cost.

“I know 4- something a month for 2 kids. You know, the bus at 4 o’clock and then me going pick them up at the day care at 5:30, staying at the day care for an hour and 30 minutes and 4 hundred-something dollars a month – that was ridiculous.”

Affordability of Quality Childcare Learning Centers

While affordability was a stated concern in the initial underutilization survey, the cost of child care is likely to be strongly correlated with the quality of facilities and programming so clients were asked follow-up questions about quality to determine if comments about affordability may have been more a signal of concerns about quality. When asking clients about quality, prioritizing education and having an inclusive environment were primary concerns, even though clients recognized that there were variations in what different people might perceive as high quality.

“Everyone kind of affiliates with something differently. I, personally, would not dream of sending my daughter anywhere else, but where she goes. Like I said, it’s very personal.

It's very well-respected. Very different variety of people that are there, children and teachers, you know?"

When talking about a current childcare provider, one client said, *"...they've been in business for over 30 years and their track record with education was great,"* and that, *"I think that for me, myself, that where I was, was good for me."*

Another client also spoke highly of the childcare learning facility that she was currently utilizing,

"Well, I've just dealt with this one and this has been, I mean, they're great. They treat my kids like they're their own. I mean, I wouldn't want them to go anywhere else."

Even with the range of pricing for childcare learning centers in different areas, clients perceived the centers more focused on education to be the most expensive. When asked about utilizing the more convenient childcare learning centers near her home, one client expressed a concern about the quality. *"Yeah, the quality. Education. Some daycares are more babysitting versus a learning center."* The centers making education a priority were also perceived as higher quality facilities. Clients were impressed with the more recent educational expectations encouraged by the state. When discussing her ability to find a quality childcare learning facility in her area, one client commented,

"Everywhere that I have looked at for childcare was specifically in Kenner, and me going through it with my son versus now, with my daughter. The one that she is at, I think is a very well run facility. The staff, the learning ability that the children have while they're there, you know. The different – you know, because with the program, with the state

and everything, all the teachers are certified, etc. etc. So, I think they're at a pretty good – one of the best ones in Kenner, you know?"

Another client said,

"Their overall ratings were high, and I also had my oldest daughter attend Jackson's pre-school a couple years ago and I can definitely vouch for them. It's very clean. The staff there, you know, is very loving and caring. You can call anytime to check on your child, or they'll call you, you know? It was very hands on with the daycare."

Expenses Considered When Determining Eligibility

Clients who reported concerns about affordability of the program also mentioned several expenses they felt were not considered, or at least not fully accounted for, when determining eligibility for CCAP. The additional expenses reported included: car-related costs (4), groceries (3), cost of living in different areas (1), and water (1). When expressing some of these seemingly overlooked financial obligations, one client said,

"Bills. They don't account for car insurance. They do not account for having 3 people in a house and what kind of food is bought. They don't account for living wages, rent in New Orleans. They say that they do, but they don't because last time when I went to reevaluate, they – I'm sorry, they don't."

Another client, more generally, stated,

“It doesn’t account for, like – you guys take the gross income and that’s horrible because we all know that the gross income is what we get paid, you know – it’s taken before we can even. We can’t do anything with that, that’s on there but it’s taken. I think that they should start taking the net income, what people actually take home and it’ll be a little bit better for people.”

She went on to say,

“Yeah, it sucks because the people that actually work, we receive the less help so that’s sucky because even if, you know, even while, you know, applying for those things because you work, you don’t have access to those things and it’s a little unfortunate because my tax dollars pays for these programs.”

Transportation-related costs included car notes, car insurance, and any public transportation that might be necessary on a regular basis. One client expressed that transportation was vital to their utilization of the CCAP program and being able to transport themselves to work and their children to childcare learning facilities.

“...on any governmental assistance program, you all would like for people to get a job, but transportation hinders a lot of those jobs. So just – even if it was public transportation, account for that. People are out here catching the bus in inclement weather, so, you know. It needs to account for all of those things because in order to get to a job, I have to get there some kind of way and, you know?”

Another client expressed,

“You need a vehicle to get to and from work, to drop children off and have, be able to pick them up and I don’t think that the insurance was considered part of the expenses. And in reality, car insurance is just as much a need as your light bill is..., I have to be 30 minutes away from my daughter’s daycare. Where I work, I have to be here at 7 in the morning. Their daycare opens up at 6:30. There’s no way, physically, if I didn’t have a vehicle, thank the Lord, knock on wood, that I could literally drop her off at daycare for 6:30 and still make it to my job for 7.”

Even though clients reported concerns that vehicle expenses were not fully accounted for when determining eligibility, clients perceived it as an inevitable cost of living that should be considered because of the family’s dependency on their personal vehicle. It would be difficult for clients to transport their children and maintain stable jobs without consistent transportation, and even if a client had no car note, insurance is a legally-required monthly expense that clients feel was not accounted for appropriately.

Additionally, when asked about different expenses that might occur more unexpectedly, car trouble was mentioned by two clients. Clients expressed that sudden car trouble could have negative consequences on their overall budgeting and financial planning, especially for those maintaining single-parent homes. One client stated,

“I mean, it’s usually – it can go from something happening with your vehicle, something breaking down and that extra cost of money that you do, when somebody like me who lives check to check, with 2 young children. \$100 bill on a car repair is enough to throw everything out of whack.”

Some clients also mentioned that groceries were not considered when determining eligibility for the CCAP, and how financially supporting an entire family, especially as a single parent might be difficult. This concern was further discussed when clients were asked whether they think they would benefit from resource recommendations from the CCAP. SNAP benefits were most often mentioned. Only two clients indicated being eligible for SNAP benefits and the CCAP, even though some clients felt they should receive a little more support to assist them in becoming financially independent, long-term.

“Yeah, so it sucks that, you know when we need them – I’m grateful that it’s there for someone else to use, like, you know. I have to pay full price for my child’s schooling, for food and everything when I’m working and it’s just myself. And I have all these other bills, and it’s just like, you know.”

Clients who were not eligible for SNAP benefits felt that it was unfair for them to not receive needed assistance while they were working and trying to improve their situations. This was especially frustrating because the cost of groceries was not overtly considered when determining eligibility for the CCAP in the first place. One client commented that,

“Just that they need to make sure that they actually think about the people that they are, that are applying to be – to the program. And really think of them and look at their job history and just kind of help out the people who are working to still live, you know, in society. So, you know?”

The client continued by saying,

“I think that they really need to consider those things, people that’s trying to stay afloat and not trying to, you know, just live off of the system or anything like that. I think that they really need to consider those people because you have a lot of single mothers. You have – you have a lot of, you know, you got a lot of people that are doing things independently and I think that they need to be a little bit more considerate.”

Summary:

- For most clients, the difference between the regular cost of childcare reported (\$120-200 per week, per child) and the amount they paid after becoming eligible for CCAP (\$18 – 60 per week, per child) was substantial and beneficial.
- They felt that centers prioritizing education were higher quality, but may come at a higher cost.
- Clients expressed concerns about how well the program accounts for family expenses when determining eligibility for the CCAP program (e.g. transportation-related expenses and grocery costs). Groceries not explicitly accounted for as a regular expense was frustrating for some, particularly because only two of the six clients interviewed were eligible for SNAP benefits.

Appendix

CCAP Questions:

Script:

Hello, my name is _____, and I am calling from the University of Louisiana at Lafayette. You recently completed a survey about the childcare assistance program conducted by the department of education, and they have asked us to conduct follow up research to get more information about some of your concerns to improve the program. While the call will be recorded, any information provided in this call will remain anonymous. We expect this questionnaire to take about 10-15 minutes to complete and is voluntary, so you may choose to stop participating at any time. If you have questions about the questionnaire, you may contact Stephen Barnes at 337-482-5014 or the IRB at irb@louisiana.edu. Can you verify that you are at least 18 years of age before we begin?

Theme 2: Affordability

1. Is (Are) your child(ren) currently enrolled in a childcare learning center or family home?
 - a. Part time (e.g. before or after care)
 - b. Full time
2. How much do you typically pay for childcare per day/week?
3. After becoming authorized to use CCAP, how much did you expect to pay for childcare per day/week?
 - a. Is there a difference between what you expected to pay and what you were charged?
 - b. Did this difference have any impact on your ability to enroll/attend a childcare learning center? How so?
4. Thinking about your overall budget, can you explain how you plan for your childcare expenses and what circumstances make this difficult to fit into your budget (are there unexpected things that pop up or just too many necessities like food and utilities to fit childcare as well)?
5. How much of your income could you spend on quality childcare per day/week? (capture percent of total income, or dollar amount of childcare, or both)
6. Is the amount that CCAP pays for childcare enough to bridge the gap between what you can afford for childcare and how much you are charged for childcare?
 - a. If not, how much more support would be needed from CCAP? (10%, 25%, etc.)
7. Tell us more about the different locations you considered for childcare. Are there some locations that you could afford but quality was an issue? (be sure to clarify if quality relates to instruction, or health and safety)
8. If given more, would you have utilized the program more?
9. How would you describe the perceived care provided at CCAP funded programs?
10. What is the going rate for childcare learning centers where you would like to enroll your child(ren)?
11. If you don't mind me asking, do you utilize any other government-funded resources?

- a. Which ones?
 - b. How might you benefit from resource recommendations from the CCAP program about other public benefits that you might be eligible for?
12. What are some expenses you feel the program does not account for when determining eligibility?