U.S. Department of Health and Human Services
Assistant Secretary for Planning and Evaluation

An Evaluability Assessment of Child Care Options for Work-Welfare Programs

April 1988

Office of the Assistant Secretary for Planning and Evaluation

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This report was prepared under contract #HHS-100-85-0004 between HHS's Office of Social Services Policy (now the Office of Disability, Aging and Long-Term Care Policy) and MAXIMUS, Inc. For additional information about this subject, you can visit the ASPE home page at http://aspe.hhs.gov. The Project Officer was Sharon McGroder.

AN EVALUABILITY ASSESSMENT OF CHILD CARE OPTIONS FOR WORK-WELFARE PROGRAMS

MAXIMUS, Inc.

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Prepared for
Office of the Assistant Secretary for Planning and Evaluation
U.S. Department of Health and Human Services
Contract #HHS-100-85-0004

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ACKNOWLEDGEMENTS

MAXIMUS wishes to acknowledge the assistance and support of Mr. William Prosser and Ms. Sharon McGroder of the Office of Social Services Policy, Office of the Assistant Secretary for Planning and Evaluation, in the development and implementation of this project. Mr. Prosser and Ms. McGroder were instrumental in providing direction and guidance in this project's information gathering and synthesis tasks. In addition, we thank the members of the Interagency Work Group for their assistance during the project.

We could not have completed this evaluability assessment without the cooperation of the staff in the selected states and the Head Start grantees, who provided descriptions of current and planned activities in the areas of work-welfare programs, child care approaches, and Head Start linkages to child care and work-welfare.

We also wish to acknowledge the assistance of other federal staff, Congressional staff, and advocates from leading child care organizations who shared their time and expertise in our identification of states and grantees, and definition of the issues to be addressed. These individuals contributed to this effort with their knowledge of welfare reform and child care legislative proposals, work-welfare activities in the various states, and innovative Head Start approaches.

EXECUTIVE SUMMARY

This report presents the results of an evaluability assessment of child care options for work-welfare programs. The project examined current work-welfare programs in selected states across the country and explored the evaluative issues regarding the role of child care in these programs.

This exploratory study was funded by the Office of Social Services Policy, Assistant Secretary for Planning and Evaluation (ASPE) under a task order contract to:

- identify the relationship of child care practices, issues, and barriers to welfare reform and work-welfare programs in selected states; and
- explore the linkages between Head Start programs and child care to supplement services to low income and AFDC families.

A review of current legislative proposals, discussions with federal and Congressional staff knowledgeable about work-welfare programs and welfare reform activities across the country, advocates for improved child care services, and examinations of child care support in several states, helped us identify the best practices, issues, and barriers in the states regarding the role of child care in work-welfare programs. Additionally, we talked with a number of Head Start grantees to determine the extent that Head Start could supplement child care services for work-welfare participants. Finally, we attempted to identify issues and directions for further study. The resulting topics may provide additional insight into the policy responses that may be required at state and federal levels regarding child care and welfare reform.

The study was grounded in the growing concern of federal and state staff, and advocates that the provision of adequate child care has become a critical factor in the states' and local jurisdictions' abilities to implement education, training, and employment programs for parents of low income families receiving public assistance. While, in general, mothers receiving AFDC have been exempt from participating in work-welfare programs if they have children under the age of six, these exemptions may not continue.

The federal government and many of the states have begun to take a look at lowering the minimum age for mandatory participation in work-welfare programs. This short-term evaluation attempted to obtain descriptive information on approaches employed by a select number of states to provide child care services for work-welfare participants, as well as looking briefly at the operations and funding configurations of innovative Head Start programs as one option to supplement child care services for low income parents.

A. Examination of Selected States with Work-Welfare Programs

To address the first objective of this study, current child care practices of selected states with work-welfare programs were examined. We looked specifically at the requirements of the programs in terms of participation and exemptions, support services available, and funding and other regulations associated with child care within the work-welfare environment. We also looked at states' perceptions concerning the potential impact of the federal legislative proposals on their current practices and resources needed to meet any new requirements.

In the first part of the information gathering tasks discussions were held with staff from nineteen states having some level of work-welfare activity, whether state supported work programs, WIN Demonstrations, or other federally supported work programs. The following states were included.

- Arizona
- Arkansas
- California
- Colorado
- Florida
- Georgia
- Illinois
- Iowa
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Nebraska
- New Jersey
- New York
- Oklahoma
- Oregon
- Texas
- Washington

Eight state among these nineteen states have federal waivers to mandate participation of mothers with children under the age of six.

The nineteen states in this study provided a broad range of work-welfare programs, including comprehensive state programs, WIN Demonstrations, and basic WIN, CWEP and JTPA work programs. Within this broad work-welfare environment, the states also presented a wide variety of examples of child care approaches and options to support participants.

Half of the states have initiated special child care programs for work-welfare participants that are operated and funded separately from the general child care programs. Characteristic of these programs was the flexibility of participants to chose from a wide range of child care approaches: licensed/regulated or non-regulated care, center-based, family day care homes, or in-home care. Child care by relatives was a frequent arrangement note.

The remaining states provided child care for work-welfare participants through the general child care program primarily funded through a combination of state, SSBG, and other federal funding sources. In many states, child care is restricted to licensed/ regulated facilities and child care by relatives is non-reimbursable. However, several of these states either had exemptions to licensed care or utilized funds not restricted to licensed care as a way of providing more flexible child care arrangements to work-welfare participants.

Transition assistance was considered by most states as a service critical to successfully moving welfare recipients into unsubsidized employment. All but one state currently provides transition assistance; however the benefits and periods of assistance vary greatly.

In examining the states' perceptions of the potential impact of the child care requirements contained in the federal legislative proposals under consideration, we were not surprised by the responses, particularly in the areas of mandated participation of mothers with children three and under, and regulated care. All agreed that any federally mandated changes would require significant fiscal and programmatic modifications to current child care components. These modifications translated into the need for additional funding and staff resources to develop new child care providers and to monitor for compliance.

B. Head Start as a Supplement to Child Care

The second part of the information gathering activity focused on discussions with 21 Head Start grantees operating full-day programs, which supplement the child care services required by low-income working parents participating in the program. These grantees offered a wide range of methods to meet the child care needs of low income families, including:

- providing full-day services to children and their families through center-based care, family day care homes, or a combination of center-based and family day care homes, and
- brokering or coordinating full-day services for clients within the community.

The grantees also employed a number of funding approaches to support the full-day services:

- funding wholly by Head Start,
- Title XX or State only funding, and
- a combination of Head Start and Title XX/State funds.

Three of the grantees have participated in the planning of work-welfare programs in their counties. Their experience offers insight into issues concerning the provision of child care services to participants.

C. Directions for Further Investigation

The results of this evaluability assessment suggest that several areas require further investigation. The short-term nature of this study did not allow for extensive exploration of all the issues, nor have states had sufficient experience with certain services or approaches to provide definitive results. Examples of possible topics for further research include the following.

- Investigation of the involvement of the child care community in planning for work-welfare implementation and the effect on resource availability and development.
- Exploration of the impact of transition assistance on participants' abilities to successfully move into unsubsidized employment and off public assistance.
- Investigation of the maximum rates for various types of care allowable by states compared with the rate ceilings established in the federal legislative proposals.
- Investigation of an expanded sample of Head Start programs to determine the effort required to extend programs to serve work-welfare participants.

Volume II of this report provides summaries of the discussions with the states and grantees participating in the study.

I. INTRODUCTION AND STUDY APPROACH

This report presents the results of **An Evaluability Assessment of Child Care Options for Work-Welfare Programs**. The project examined current work-welfare programs in selected states across the country and explored the evaluative issues regarding the role of child care in these programs.

The purpose of the study, which was performed under a task order contract to MAXIMUS from the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, was two-fold:

- to identify the relationship of child care practices, issues, and barriers to welfare reform and work-welfare programs in selected states; and
- to explore the linkages between Head Start programs and child care to supplement services to low income and AFDC families.

In the following sections of this chapter we provide background information and a discussion of the approach used to access information related to both study objectives.

A. Background to the Study

While the ongoing policy debates about welfare reform and recent legislative and advocacy activity regarding child care contributed to the framework for this study, the project focused very specifically on child care as a support service to work-welfare programs. We did not, in the course of this project, address the broader issues of welfare reform. These have been the topic of numerous research and demonstration studies and reports; however, a review of much of that material was necessary to place the evaluability assessment in the proper context.

The provision of adequate child care is becoming a prominent national issue. With more than 65 percent of the workforce in this country composed of working mothers, the availability of adequate and affordable child care is of concern to parents, employers, advocates, and federal, state and local governments. This is particularly true for working mothers with children under the age of six.

As more parents in low income families receive public assistance are required to participate in education, training, or employment programs, the availability of child care becomes more critical. In the past, mothers receiving Aid to Families with Dependent Children (AFDC), have been exempt from participating in work-welfare programs if they have children under the age of six; however, these exemptions may not continue.

During the past five to six years, the states and the federal government have begun to take a new look at linking welfare to work, paying particular attention to the participation of mothers with young children. Several states have inaugurated work-welfare programs that encourage voluntary participation of mothers with young children. other states, through federal waivers to the AFDC regulations, have actually lowered the age for exemption. Eight states have received federal waivers to require mothers with children under the age of six to register with WIN, thus making them mandatory work program participants. These states are:

- Arizona,
- Arkansas,
- Colorado,
- Florida,
- Michigan,
- Nebraska,
- Oklahoma, and
- Oregon.

Three of these states lowered the age for exemption to three years; another state reduced the age to two years. Three other states lowered the age for exemption to six months. One state requires participation of mothers beginning at birth of a child. While these states lowered the age of exemption, insufficient funds and supply of child care proved to be a barrier to the participation of some clients to whom these waivers were targeted.

1. Federal Legislative Proposals

With the introduction of recent federal welfare reform legislation, it is expected that more states may decide to require AFDC mothers of young children to participate in education, training, or employment programs. In this past year, three legislative proposals were sponsored in Congress, each of which lowered the age of exemption to three years or below.

- The Family Welfare Reform Act (H.R. 1720),
- H.R. 3200, and
- The Family Security Act (S. 1511).

These proposals also included requirements for the provision of child care with specific references to standards for child care, funding options, and transition services. Exhibit I-1 provides a comparison of the key child care features of these three proposals and the age of child for mandatory participation by parents in work-welfare programs.

The two major House and Senate welfare reform proposals, the Family Welfare Reform Act (H.R. 1720) passed by the House in December 1987 and the Family Security Act (S. 1511) currently under consideration by the Senate, target parents with children age three for mandatory participation. H.R. 3200, the House Republicans' proposal, reduced the age minimum to six months. Given the proposed reduced minimum age requirements, the availability of child care becomes a critical factor for parents who must participate in work-welfare programs.

In terms of paying for child care, S. 1511 and H.R. 3200 proposed no changes from the current policy of a maximum of $160 per child per month. The Family Welfare Reform Act (H.R. 1720) includes not only an increase in the maximum monthly rate of $175 per child (over age two), but also a special maximum rate of $200 per month for children under the age of two.

Transitional child care services are key features in each of the proposals, although the transition period varies. H.R. 1720 requires states to provide at least 12 months of child care assistance to parents obtaining unsubsidized employment, provided the family income is below 150% of the federal poverty level. H.R. 3200 included transitional services for families with incomes less than 150% of the federal poverty level and, S. 1511 provides for nine months of transitional service. All three proposals included family co-payment through the establishment of sliding fee scales.

EXHIBIT I-1. Comparison of Welfare Reform Proposals: Key Feature of Child Care Options

Features	H.R. 1720	S. 1511	H.R. 3200
Age of child for mandatory participation in work-welfare program	3 years	3 years	6 months
Child care standards	Child care services for more than 2 children meet health and safety standards set by state	Meet applicable standards of state and local law	State agency to take steps to insure that child care meets acceptable standards of health and safety
Transition child care services	12 months on sliding scale for families with incomes less than 150% of federal poverty level	9 months on sliding scale	Sliding scale for families with income less than 150% of federal poverty level
Funding of child care	• $175/month maximum per child age 2 or more • $200/month maximum per child under age 2 • Use of vouchers, contract, reimbursement	• $160/month maximum per child • Use of vouchers, contract, reimbursements or cash	• $160/month maximum per child • Reimbursement at state rate of reimbursement in employment and training program

At issue in all three proposals is setting standards for care. Under current policy, parents are given a wide range of child care options from which to choose. All three of the above proposals are more restrictive in that some level of regulated care is required for reimbursement. H.R. 3200 requires that states take steps to insure that child care services meet acceptable standards of health and safety. S. 1511 is more specific in that it restricts reimbursement for child care on y if the care meets applicable standards of state and local law. H.R. 1720, while requiring compliance with applicable state and local standards, also requires child care for more than two children to meet standards set by the state that ensure basic health and safety protection. This bill also prohibits states from reducing the current level of child care standards.

2. Child Care Legislative Proposals

At the same time that standards for subsidized care in work-welfare are being considered, broader issues of "quality care", licensed care, and federally subsidized child care exist. Child care is a major initiative in Congress. Four child care bills were introduced in 1987:

- H.R. 3660, The Act for better Child Care Services of 1987 (ABC Bill),
- S. 1885 (companion bill of H.R. 2660)
- H.R. 1572, The Child Care Act of 1987, and
- S. 1678, The Child Care Services Improvement Act of 1987.

All of these bills require more stringent state and/or federal licensing standards, and provide for major federal appropriations to implement the various features of the bills. Noting the existence of this broader child care initiative is important in this discussion to acknowledge potential conflict between the current proposals for work-welfare programs and the proposed child care reforms. The child care proposals are far more costly to implement in comparison to the resources set aside for child care in the welfare reform proposals. However, this is a separate issue from this evaluability assessment, a topic perhaps for future study.

It is generally recognized that there will be changes in the current work-welfare proposals. If either is to be passed by Congress, it is also understood that any changes in current policy regarding the participation in work-welfare programs of mothers with children under the age of six can be expected to have major impact on the child care community. The impact of the policy changes will be readily seen in the availability of adequate and affordable care. More low income mothers will need care for their young children now. Given the proposed legislation, the need will be for more full-time and part-time care in regulated situations, rather than a few hours which may have been provided by informal arrangements.

To address the objectives of this study, current practices of selected states with work-welfare programs were examined. We looked specifically at the requirements of the programs in terms of participation and exemptions, the support services available, and the funding and regulations associated with these services. We also looked at perceptions of the states regarding the potential impact of the proposed legislation on their current practices in meeting the new requirements.

To supplement this information, the study also looked at a select number of Head Start programs to explore full-day care offered by Head Start grantees, which may supplement local child care offerings for low income families.

In the following the section, we provide a brief description of the approach used to address these objectives.

B. Approach

The exploration of the issues associated with the objectives of this project was undertaken in two phases. First, the project staff focused on identification of data sources and discussions with knowledgeable individuals at the national level about the design of current child care projects for low-income families, including Head Start programs, and the issues relating to child care and work-welfare. The second phase focused on information gathering from selected states and programs, including telephone discussions with key staff from the states, and a review of pertinent documents supplied by the states.

1. Phase I: Key Informant Discussions

In the first phase, project staff held discussions with individuals in the Washington area who are knowledgeable about welfare reform including demonstration and/or innovative programs, proposed legislation, and general concerns and issues. The informants included staff of advocacy and public interest organizations, federal agencies, and staff of Congressional subcommittees representing such agencies and organizations as:

- Administration for Children, Youth and Families (ACYF) - with information on Head Start and child care;
- Family Support Administration (FSA)- with information on AFDC, WIN, waiver projects, and work-welfare;
- ASPE staff - information on policy and proposed legislative issues regarding welfare reform and child care;
- advocate and public interest groups, including
  - Children's Defense Fund,
  - Child Welfare League of America,
  - National Association of Counties, and
  - American Public Welfare Association.
- Select Committee on Children, Youth and Families - information on proposed legislation and testimony on welfare reform and child care.

These discussions resulted in a list of specific states and local jurisdictions with work-welfare programs or demonstration projects and Head Start grantees with innovative programs. In addition, project staff gained a much clearer perspective of the historical development of the welfare reform movement; the legislative proposals on welfare reform; and the issues, concerns and perceptions of advocate and public interest groups, as well as the federal agencies, regarding the role of child care in welfare reform.

Given the current pressures on the child care community to meet the growing demand for support to working parents, most informants expressed concerns about the adequacy and availability of child care for AFDC parents entering work-welfare programs. A particular issue concerning adequacy was the question of "quality" child care, and whether or not adequate resources (specifically funding) would be available to ensure that participants with young children would have access to appropriate types of care. While this project did not attempt to address the definition or the issue of "quality" child care, it does mention the level of licensing requirements and child care standards included in the states' work-welfare child care components.

2. Phase II: Agency-Specific Information Gathering

The second phase of the project's information gathering task took the form of indepth, unstructured telephone discussions with work-welfare and child care staff in selected states and local jurisdictions and Head Start programs to gather agency-specific information on current practices and issues.

Discussion guides, developed to assist project staff in formulating questions, were used to obtain specific information. A copy of the discussion guides are included in the appendix of this report.

Questions about work-related child care issues focused on the following.

- **Background and Experience with Work-Welfare Programs**. Descriptions of current or planned work-welfare programs and the dimensions of these programs were sought. This included experimental/demonstration status of programs, related policy and legislation, and participation requirements.
- **Child Care Components**. The types of care, adequacy of current resources, flexibility of care available, and applicable standards or requirements were addressed. Mechanisms for funding, payments, and arranging for child care were also discussed.
- **General Child Care Program**. A discussion of the general child care program was included to determine the relationship between that program and the work-welfare child care needs. This discussion addressed such questions as priorities/requirements for care, services available and types of children served, funding, licensing requirements, and other descriptive information.
- **Impact of Proposed Legislation**. The perceptions of the impact of proposed federal legislation were sought regarding the states' reaction to mandated participation of mothers with children under six years of age, the impact of "regulated" child care in terms of the availability and affordability for program participants, and funding alternatives.

The framework for discussion about full day-care offered by Head Start programs for low income and AFDC families included the following.

- **Description of Program**. General descriptions of the Head Start programs were requested to help identify ways in which the programs serve working mothers. Included in this discussion was information on the number of families served, selection criteria for children served, ages of children served, and siblings in the family.
- **Funding Sources**. Head Start staff were asked to identify funding sources for the program, some history regarding joint funding and the co-mingling of funds. We were particularly interested in problems experienced by grantees related to eligibility, families served, audit, and costs.
- **Issues with Program Operation**. Project staff probed to gain a perspective of the concerns of Head Start programs regarding full-day operations, criteria used to select families, funding alternatives, and issues related to serving working parents.
- **Coordination with AFDC**. Of particular relevance to this project is the identification of Head Start's coordination/cooperation with AFDC programs related to supplementing child care needs of working parents and work-welfare participants.
- **Expansion**. Program expansion plans were sought to determine program innovations, and programs receptivity and interest in serving the working parents.

In the following two chapters, we present case studies of the states and Head Start programs in this study. We include a synthesis of the findings and issues that resulted from this evaluability assessment.

II. SYNTHESIS OF CHILD CARE OPTIONS FOR WORK-WELFARE PROGRAMS

In this chapter, we present a synthesis of the information obtained from discussions with public agency work-welfare and child care staff in selected states. From those discussions we gathered information concerning:

- the work-welfare programs in the states;
- the child care options supporting those programs;
- the general child care programs operating if different from options supporting the programs; and
- implications of the federal legislative proposals on the states.

We attempted to identify the special work-welfare/child care initiatives, current practices, issues and barriers. Concurrently, we were interested in concerns or ideas that would initiate further study.

A. Selected States

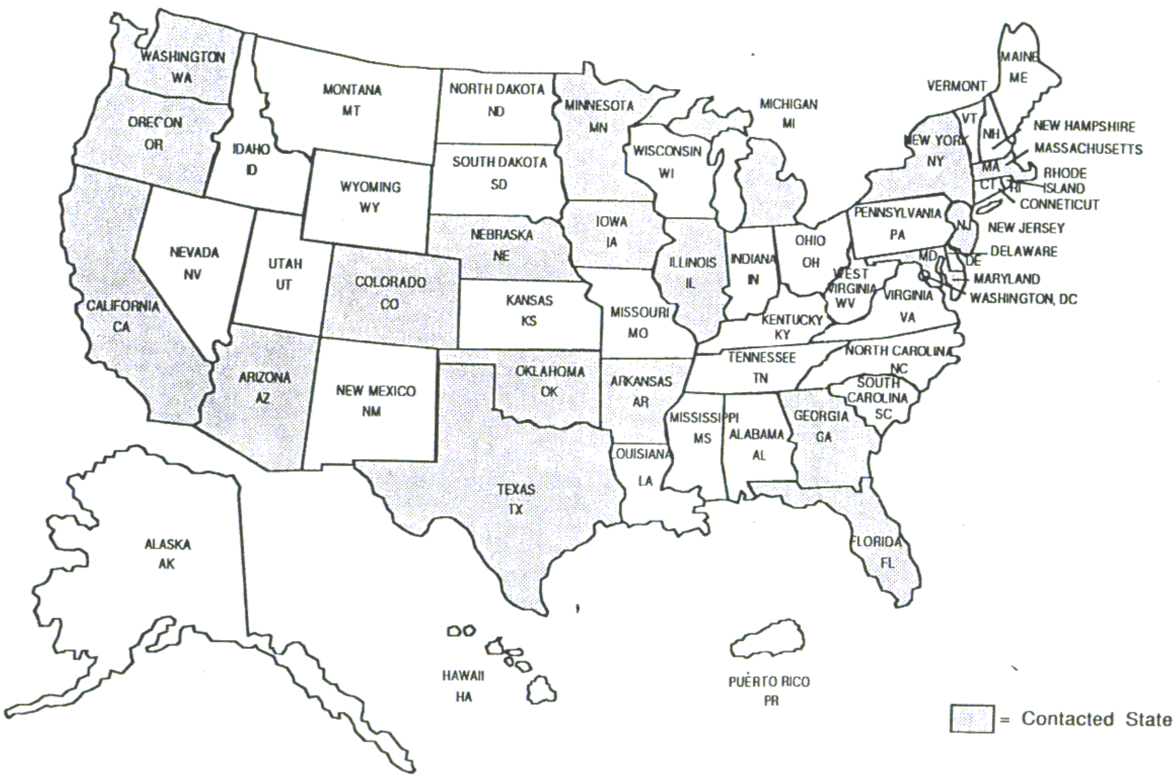
Discussions were held with representatives from nineteen states having some level of work-welfare activity. These states were selected from a list generated from the earlier discussions with key informants and federal staff. In an attempt to obtain a representative sample, we selected a range of states from different geographic areas of the country, with fairly equal mix of rural-urban populations, and having established or comprehensive work-welfare programs or some combination of work programs.

Exhibit II-1 graphically illustrates the geographic distribution of the nineteen states listed below which were selected for this study.

- Arizona
- Arkansas
- California
- Colorado
- Florida
- Georgia
- Illinois
- Iowa
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Nebraska
- New Jersey
- New York
- Oklahoma
- Oregon
- Texas
- Washington

Also included in this selection are the eight states with federal waivers to operate a WIN demonstration or work-welfare program with mandated participation of AFDC recipients with children less than six years of age. Five of the eight states mandated participation of mothers with children three years and older - Arizona, Arkansas, Florida, Nebraska, and Oregon. Two states, Colorado (Weld County) and Michigan, reduced the mandatory participation age to six months. The other state, Oklahoma requires work-welfare participation as soon as the child is born.

Exhibit II-1
STATES CONTACTED



B. Summary of Key Features

As noted in Chapter I, an informal discussion guide was used to frame the questions to the state contacts. Questions were categorized under program features or components which we believed were important for this evaluability assessment and would provide a broad understanding of the work-welfare practices, supporting services, and issues in the selected states.

Detailed information was provided on current/planned work-welfare programs, participation, child care services (including special components and provision under general child care programs), funding, impact of proposed federal legislation, and coordination activities with Head Start. This last area was added to the framework to ascertain if there were existing relationships between Head Start and state/local work-welfare programs.

EXHIBIT II-2. Overview of Key Program Characteristics

State	Work Welfare Program Characteristics	Participation		Child Care Program	
		Mandatory Minimum Age	Voluntary	Special Component	General Program
Arizona*	ARIZONA WORKS • WIN Demo – Placement Orientation – Intensive Services for AFDC Long Term and Teen Parents	Age 2+ for 2 Waiver Counties	Rest of State		X
Arkansas*	PROJECT SUCCESS • State Work Program – IVA Job Search	Age 3+	Under age 3		X
California	GAIN • Comprehensive State Program – Job Search – Education – Training • 22 Counties Currently in Operations	Age 6+	Under age 6	X	
Colorado* (Weld County Only)	WELD COUNTY (Waiver) • Grant Diversion Program	Infants (6+ months)			X
Florida*	PROJECT INDEPENDENCE • Modified WIN Demo – Education – Training – Job Search	Age 3+	Under age 3	X	
Georgia	PEACH • Comprehensive Work Program – Assessment – Orientation – Job Search – Work Experience – Job Placement – Education and Training • 20 Counties Currently in Operation	Age 6+	Under age 6	X	
Illinois	PROJECT CHANCE • Comprehensive State Program – Job Training – Literacy Training – Basic Education – Vocational Training – Work Experience – Support Services	Age 6+	Under age 6	X	
Iowa	EMPLOYMENT AND TRAINING PROGRAM • Work Programs – Classroom Training – WIN Demo – JTPA	Age 6+ for • WIN Demo • Job Club • Work Experience	Under age 6 for • Classroom Training	X	

EXHIBIT II-2 (*continued*)					
State	**Work Welfare Program Characteristics**	**Participation**		**Child Care Program**	
		Mandatory Minimum Age	**Voluntary**	**Special Component**	**General Program**
Maryland	COMBINATION OF WORK PROGRAMS AND STATE PROGRAMS • WIN Demo • Grant Diversion • Investment in Job Opportunities (IJO) • Project Independence	Age 6+	Under age 6	X	
Massachusetts	ET CHOICES • Comprehensive State Program – Employment – Skills Training – Education – Support Services	Age 6+	Under age 6	X	
Michigan*	MOST • Umbrella Work Program – WIN Demo – IV-A Work Program – Food Stamp Employment and Training – GA Work Program	Infants (6+ months)			X
Minnesota	PATHS • Comprehensive State Program – Case Management – Employment – Training – Child Care – Health Care – AFDC Self Employment	No	All AFDC Recipients	X	
Nebraska*	JOB SUPPORT PROGRAM • Work Programs – WIN Demo – IV A Job Search – CWEP	Infant (6+ months)			X
New Jersey	REACH • Comprehensive State Program – Training – Education – Support Services	Age 2+	Under age 2	X	
New York	WIN DEMO CEOSC • State Program – Case Management – "One Stop" Shopping for Services • 8 Projects Currently Operating	Age 6+	Under age 6 (Focus on Parents with Children Under 6)		X

EXHIBIT II-2 (*continued*)					
State	**Work Welfare Program Characteristics**	**Participation**		**Child Care Program**	
		Mandatory Minimum Age	**Voluntary**	**Special Component**	**General Program**
Oklahoma*	DIVERSIFIED EMPLOYMENT AND TRAINING PROGRAM • Comprehensive Work – WIN Demo – CWEP – Job Search – Education – GED – Grant Diversion	Birth			X
Oregon*	NEW JOBS • Work Programs – Work Search – Voc Education – Work Site Training – Supported Work – Business Development – Assessment – Basic Skills	Age 3+	Under age 3		X
Texas	REACH • Comprehensive State Program – WIN – Food Stamp Employment and Training	Age 6+	Under age 6		X
Washington	FIP • New Comprehensive Program – Assessment – Education – GED – Training – Employment	Age 3+ (6 months and for single parent on public assistance 3+ years)	Under age 6	X	
* Waiver States					

The states in this study provided a broad range of work-welfare programs, including comprehensive state programs; WIN Demonstrations; and basic WIN, CWEP, and JTPA work programs. Within this broad work-welfare environment, the states also presented a wide variety of examples of child care approaches and options to support participants in work-welfare programs. Exhibit II-2 presents an overview and a quick look at participation requirements and child care support in each state.

Within the different work-welfare environments, states vary in minimum age limits of children for mandated participation and support for child care services. Half of the states included in this project have initiated special child care programs, accompanied by substantial commitments of funds. It is in these states where support for welfare reform is most evident through state legislation and special initiatives of the Governor and agency heads.

Equally interesting are the states that rely on the resources of the general child care program to support work-welfare participants. Many of these states have been creative in the use of exemptions and funding sources to provide flexibility in child care resources to meet the needs of the participants.

In the following sections we present highlights of the findings and general perceptions from our discussions with state staff.

1. Work-Welfare Program Participation

Mandated participation of parents with children under the age of six is one of the key current issues in welfare reform. For this reason we included the eight states with federal waivers to operate programs mandating participation of parents with children younger than six years. Of the eight states, five lowered the mandatory participation to parents with children three years and older, two states reduced the age to six months, and one state, Oklahoma, to birth.

In the other states, we noticed voluntary lowering of the age minimum for participation of parents with younger children. New Jersey's REACH program requires that parents with the youngest child two years or over must participate in education, job training, or employment programs. Washington State's new FIP program, while voluntary for the first two years of operation, will implement mandatory participation for parents with children age three and over, as well as single parents with children six months and older who have been on public assistance for at least two years.

Of the remaining states which follow the six year old limit, there is a heavy emphasis on encouraging parents with younger children to participate voluntarily. Massachusetts has experienced a significant increase in the number of mothers with young children voluntarily participating.

Minnesota, Illinois, and New Jersey specifically target young parents (under the age of 21) through special projects. One of the priority groups for Minnesota's PATHS is the caretaker (parents) under the age of 21. In addition, Minnesota recently revised its statute regarding provision of social services to minor parents and their infants. This law specifies that a report be sent to the county social services agency by the hospital where a birth has occurred to a teenage parents. Social Services agencies are required to respond to the "72 Hour Report of a Birth to a Minor" by contacting that minor mother, determining whether the minor mother has a plan for herself and her infant covering specified areas in the legislation, developing a plan if there is not one, or taking appropriate steps if the minor mother refuses to plan or does not follow through on an agreed upon plan.

Illinois and New Jersey have demonstration projects which target education, training, employment, and support services to pregnant teens and teenage parents who are AFDC recipients. Florida is seeking an additional waiver that would require a teenaged mother to remain in school in order to continue receiving an AFDC check.

Other states acknowledged the establishment of informal priorities on young parents because of the degree of success associated with that group.

2. Care Available

Exhibit II-3 shows the types of child care available to work-welfare participants and the use of regulated and non-regulated care. In all of the states, participants are offered center-based and family day care. In several, in-home and relative care is allowed, particularly in those states which do not require regulated care.

Only about half of the states actually require licensed/regulated care for reimbursement. It is interesting to note that about 75 percent of the states with special components or funding for child care (noted in Exhibit II-2) allow the use of unregulated care.

In states that rely upon the general child care program, the issue of licensed/regulated care was much more pronounced. All but one of these states reported that reimbursement for child care was restricted to licensed/regulated providers only. However, at least two of these states use Title IV-A to pay for child care for work-welfare participants and as a way of by-passing the licensing restrictions.

Of the states with special child care components, two require licensed/regulated care for reimbursement. However, each of these has some exemption which allows the use of unregulated care, whether it is relative or family day care. Minnesota's licensing laws exempt family day care homes with children in care from only one additional family. Massachusetts Voucher Program includes Independent Family Day Care homes which are not part of larger Family Day Care Systems managed by Vendor Management Agencies. These providers, which are usually relatives or friends, are developed in response to a special need or lack of care, particularly in rural areas. They must only register with the Vendor Management Agencies to receive payment. New Jersey will pay 50 percent of the approved rate for unregulated relative care.
Some difficulty is anticipated for participants using relative care who move into unsubsidized employment and into general child care programs. There are at least four states in our study that will not allow the use of relatives for reimbursed care.

Lack of available and accessible licensed/regulated care is the major reason most states agree to exemption for lack of child care. Nine states make provisions for this exemption, many states frequently use it. Only California and Colorado (Weld County) reported that no exemptions had been requested because of lack of child care. Nebraska and Oregon specifically exclude lack of child care as an exemption, although they allow other WIN exemptions.

EXHIBIT II-3. Types of Care Available and Requirements for Licensed/Regulated Care						
State	**Types of Care Available**			**Licensing Requirements**		**Allow Relative Care**
	Center	**Family Day Care**	**In Home**	**Regulated Care Required**	**Unregulated Care Allowed**	
Arizona	X	X	?	Yes	No	No
Arkansas	X	X	?	Yes	No	?
California	X	X	X		Yes	Yes
Colorado	X	X	X	Yes	Yes	Yes
Florida	X	X	X		Yes	Yes
Georgia	X	X	X		Yes	Yes
Illinois	X	X	X		Yes	Yes
Iowa	X	X	X		Yes	Yes
Maryland	NO INFORMATION AVAILABLE					
Massachusetts	X	X		Yes	Exception - Registered Independent Family Day Care Home	Exceptions
Michigan	X	X	X	Yes	Exceptions for IV-A	Exceptions
Minnesota	X	X		Yes	Exceptions	Exceptions
Nebraska	X	X		Yes	No	No
New Jersey	X	X	?		Yes	Yes
New York	X	X		Yes	Exceptions for IV-A	?
Oklahoma	X	X		Yes	No	No
Oregon	X	X	X	Yes	Yes	Yes
Texas	X	X		Yes	No	No
Washington	X	X	X	Yes	No	Yes

3. Transition Care

The true success of the work-welfare programs can only be measured by the number of participants who are able to move into unsubsidized employment and off public assistance. Many of the programs included in this discussion are too new to determine any level of success at this time, and the role of child care in this success. To assist participants in moving into unsubsidized employment, fourteen states reported active transition assistance programs, although the variation in time periods and approaches is great. One state, Iowa, currently without transition assistance, has legislation pending to provide this service.

Four states, Georgia, Massachusetts, New Jersey, and Washington, have transition provisions of 12 months, and a fifth, Iowa, moving to 12 months. A few states will continue services indefinitely if a slot in the general child care program is unavailable. Arkansas, Minnesota, and Oklahoma will provide services indefinitely, depending on a family's income and a sliding fee formula. Exhibit II-4 summarizes the characteristics of child care transition services available to participants.

EXHIBIT II-4. Characteristics of Child Care Transition Services		
State	**Characteristics**	**Family Co-Payment Required**
Arizona	• Currently up to 4 months, new regulations will extend to 9 months	Yes
Arkansas	• Unlimited based on sliding fee scale*	Yes
California	• 3 month transition • Wait listed for state child care program	No
Colorado	• Unknown	-
Florida	• 3 month transition period • Transferred to general child care waiting list	No
Georgia	• 12 month transition period in 15 counties: 3 month period in remaining 5 counties	Yes
Illinois	• New extended child care program for 6 month transition period	Yes
Iowa	• None - New legislation proposal to extend child care to 12 months	-
Maryland	• Unknown	-
Massachusetts	• 12 month transition - continued if no "contracted slot" available	Yes
Michigan	• 1 month until first check received	Yes
Minnesota	• Indefinitely, based on sliding fee scale*	Yes
Nebraska	• Unknown	-
New Jersey	• 12 month period	Unknown
New York	• Transition case provided for up to 9 months	Unknown
Oklahoma	• Minimal - One time costs only, such as advance payment to new provider	No
Oregon	• Extended from 30 days to 2 months	Unknown
Texas	• 12 month period	Yes
Washington	• Indefinitely, based on sliding fee scale*	Yes
* These states continue transition assistance to parents as long as they meet the income guidelines to the fee schedule.		

Most of the states with transition provisions make use of a sliding fee scale to determine co-payment levels for the transition period before participants move into the general child care programs. A major concern noted by many of the states is the lack of available resources in the general programs. States are working now to ensure that these participants are placed high on the priority list for child care in the general programs.

4. Funding Sources and Payment Mechanisms

States use a variety of federal, state, and local funding sources to pay for child care for work-welfare participants. These sources, which are depicted in Exhibit II-5, include:

- State funds,
- local or county funds,
- SSBG (Social Security Block Grant - Title XX),

- AFDC (IV-A),
- WIN, and
- JTPA.

Combinations of state, AFDC, and WIN funds appear to be the most common approach to funding work-welfare related child care services. Two states, Massachusetts and New Jersey, reported exclusive use of state funds for their child care programs. However, New Jersey expects to expand the funding base beyond state funds after the first year of the program.

Seven states reported the use of SSBG funds for child care, but Oklahoma limits these funds to transition child care. Only Texas relies on SSBG funds as the single source of child care funding.

Of those states which require licensed/regulated facilities, and depend on the general child care program to support the work-welfare program, a few indicated that AFDC funds are used at times to "get around" the licensing requirement and to pay for unregulated care (particularly relative care).

EXHIBIT II-5. Funding Sources and Resources for Work-Welfare Child Care Services

State	State	SSBG	AFDC	WIN	JTPA	Local	Comments
Arizona			X	X	X		
Arkansas	X		X				State $ reserved for non-work Welfare
California	X		X	X			
Colorado	X	X				X	
Florida			X	X			
Georgia	X		X	X			
Illinois	X		X	X			
Iowa			X		X		
Maryland	X				X		
Massachusetts	X						
Michigan			X				
Minnesota	X	X	X				SSBG reserved for non-work Welfare
Nebraska	X	X	X	X			
New Jersey	X						State $ only for 1st year of program
New York	X	X	X				
Oklahoma		X	X				SSBG used for Transition
Oregon	X		X	X			
Texas		X					
Washington	X	X	X	X			

Payment mechanisms vary as widely as funding sources. The most prominent method of reimbursement, as shown in Exhibit II-6, is through contract provider payments or provider direct payments. All but four states use this method exclusively or in combination with other payment mechanisms.

Only five states, Illinois, Iowa, Michigan, Minnesota, and Washington, allow for reimbursement directly to the recipient. Illinois and Minnesota limit this method because of the difficulty in monitoring follow-up payment to the provider. As a way of ensuring provider payment through the recipient, three of the states, Illinois, California, and Oregon employ dual party payment, with the recipient and provider names on the reimbursement check. Oregon is currently piloting a version of this method, know as Vendor Payments.

Four states are either using vouchers or piloting vouchers as a mechanism for payment. In most voucher programs, clients are given a form that establishes their eligibility for subsidized child care and the maximum reimbursement for care. Clients are also provided a list of approved providers from which they can select the child care arrangement most appropriate for their situation. The voucher serves as a contract document between the client, the provider, and the funding agency.

EXHIBIT II-6. Payment Mechanism for Work-Welfare Child Care Services

State	Payment Mechanisms					
	Contract/ Provider Direct	Recipient Direct	Voucher	Dual Party	Sliding Fee	Comments
Arizona	X				X	
Arkansas	X				X	NO INFORMATION AVAILABLE
California	X		X	X	NO	
Colorado	X				UNKNOWN	
Florida	X				NO	
Georgia	X				X	
Illinois	X	X		X	X	
Iowa		X			UNKNOWN	
Maryland	NO INFORMATION AVAILABLE				UNKNOWN	
Massachusetts			X		X	
Michigan		X			X	
Minnesota	X	X			X	Limited use of recipient direct payments
Nebraska	X				UNKNOWN	
New Jersey			X		UNKNOWN	
New York	X		X		UNKNOWN	Voucher pilots in two counties
Oklahoma	X				NO	
Oregon	X			X	UNKNOWN	Piloting dual party
Texas	X				X	
Washington	X	X			X	

The Massachusetts Voucher Day Care Program which uses vouchers exclusively as the payment mechanisms for work-welfare participants child care needs. New Jersey has proposed vouchers as the single payment mechanism as well. New York is currently piloting vouchers in two counties, and California provides counties with the option of using vouchers.

Nine states reported the use of family copayment to supplement child care reimbursement, particularly in the transition assistance programs. This copayment is based on a sliding fee scale.

C. Potential Impact of Proposed Federal Legislation

A logical follow up to the discussions with the states on current work-welfare practices is an examination of their perceptions of the potential impact on their state of the federal legislative proposals under consideration, specifically the mandatory participation and child care components of these proposals. In general, the responses were very similar and quite expected.

Without knowing the final form that welfare reform might eventually take, states were not able to identify specific consequences for their systems. However, all agreed that any federally mandated changes would require significant fiscal and programmatic modifications to the current child care components.

Our discussions with state staff focused primarily on the issues of lowering mandated participation to mothers with children three years and older and those with children six months and older, as well as the requirement for some level of regulated care. To the issue of lowering the mandated age minimum, most of the waiver states did not anticipate any major problems, particularly with a minimum age of three. Difficulty would come with a minimum age of six months because of existing shortages in infant and toddler care and lack of resources to meet special needs such as part-time, after hours, and week-end care.

As expected, states with voluntary participation of mothers with children under the age of six voiced major concerns about resource availability. Each state expects the need for additional federal funding for resource development to support implementation of a lower mandated age minimum to rise.

The strongest concerns came in response to proposed requirements for licensed/regulated care, regardless of the level or stringency of the requirements. Even in the few states that already require licensed care for reimbursement of child care for work-welfare participants, there are concerns that available resources will not be sufficient to meet the demands, particularly if the age minimum is lowered. For those states which allow the use of unregulated and/or relative care, the impact will be the greatest. All states reported that the anticipated increase in workload would require additional resource development and licensing/monitoring staff to meet the demand for licensed/regulated care. This could not happen without expanded additional federal support to cover increased staffing levels.

While states generally were in agreement about the potential impact of any proposed legislative mandates, a number have begun to take steps in anticipation of federal welfare reform. A few states are currently conducting surveys and studies to determine potential impact or have analyzed their situation based on the proposed requirements. California's Budget Act mandates a joint study by June 1988 conducted by the Departments of Education and social services on the potential impacts of lowering age limits. In Weld County, Colorado, a survey is being conducted to assess the impact of lowering the age limit to six months.

Other states are considering the establishment of priority groups, both formal and informal, as a way of targeting resources. For example, Minnesota has established three priority groups to be served by PATHS, with the first being the caretaker under the age of 21. Other states are informally targeting young parents because they believe that the greatest success in self-sufficiency and in cost-savings will be realized through this group.

D. Coordination with Head Start

In considering child care resources for work-welfare parents, the relationship of current work-welfare programs to Head start was briefly examined. What became evident in our discussions with state work-welfare staff is that there really is little, if any, coordination with Head Start at the state level. There are few exceptions to this, and these are relatively recent attempts. New York, for example, has for the past four or five years placed particular emphasis on state level coordination between these programs. Initiatives which use combinations of Head Start and state funding to support alternatives to routine Head Start and day care operations have been implemented. These include a part-day Head Start program with state monies funding the balance of the day for child care services, a cluster of family day care providers administered by a Head Start Program, and a county-wide demonstration of Head Start and day care using the same staff.

What little relationship or coordination that does exist is primarily at the local level, with arrangements being made mostly by individual participants. Some of the barriers at the local level appear to be a lack of available Head Start slots, and reimbursement rates for child care for work-welfare participants are insufficient to meet Head Start costs.

The potential for addressing some of the resource needs of work-welfare participants through Head Start are discussed in detail in the Chapter III.

E. State Highlights

In the last section of this chapter, we highlight information on the employment-training programs, the level of participation and exemptions, child care services available, and selected issues for each state. This information is summarized from more detailed state writeups included in Volume II of this report.

With the focus of this study on child care options for work-welfare, we have chosen to organize the state highlights under two broad categories:

- states with special child care components and/or funding, and
- states which provide child care for work-welfare participants through the general state child care program.

While most states clearly fell into one category, one or two states may have crossed both categories. In these cases, we have noted the reason for forcefitting the state into one category.

1. Special Child Care Components and/or Funding

More than half of the states contacted have implemented special child care components to support participants in work-welfare activities, or they offer child care services separate from the general child care programs. These components range from specially designed statewide programs to county options for service delivery. For each of the states we provide an overview of the work-welfare program and details about the child care program component as a support service for participants. Oklahoma is included in this category because the state child care program is exclusively to support the employment and training program.

1.1 Minnesota

PATHS, Priority Access to Human Services, is Minnesota's strategy to help three specified groups of AFDC recipients achieve self-sufficiency:

- caretakers under the age of 21,
- caretakers without a high school diploma or GED, and
- caretakers who have been on assistance for 24 out of the last 35 months.

The first two groups were chosen as priorities based on characteristics that often determine long-term AFDC dependency, namely young parents and parents lacking a high school education. The third group has already begun a period of long-term dependency.

PATHS builds on the Minnesota 1985 Jobs Act which reorganized the state's employment and training delivery system and mandated coordination of the employment, training, and income maintenance resources for the purpose of putting unemployed Minnesotans to work. The 1987 Welfare Reform Law established PATHS and committed more than $50 million in state funds for the program.

The responsibility for PATHS, a multi-agency, multi-disciplinary self-sufficiency program, is shared by a number of state agencies and Local Service Units--LSUs (counties). The Department of Jobs and Training coordinates the development and delivery of employment and training programs. The Department of Human Services, as the state IV-A agency, has ultimate authority over all AFDC activities, and the operation of the special child care component. The Office of Jobs Policy, created by Executive Order in 1987, coordinates policy development and planning for jobs, public assistance, and education issues that cross state agency lines.

PATHS is to be implemented on a county-by-county basis according to approved Local Service Plans. The LSUs have primary responsibility for developing and operating "job systems" which best suit the needs of the local communities. Currently nine, counties have implemented a local PATHS program.

PATHS, as it is currently designed, is a comprehensive program including case management services, employment and training, child care, health care, and AFDC self-employment activities. The case management component consists primarily of vocational counseling and assistance in accessing vocational, social and support services. Although employment and training programs may vary widely among the counties, each county must include a job search program that is mandatory for one parent in AFDC-U families, an initial orientation for all recipients to inform them of employment, training, education, and support services. All other components of PATHS are voluntary.

The PATHS program was designed with child care as a major component because the state believed that child care is the most significant barrier to self-sufficiency for AFDC recipients. The Child Care Sliding Fee Program provides state subsidized child care to AFDC recipients and other low-income families, based on a sliding fee schedule. Care is available to priority group participants from licensed day care centers and family day care homes. However, there is one exception to the family day care home licensing regulations that provides flexibility to recipients in areas where licensed resources may be scarce. Family day care homes serving only one other family are exempt from licensure. The responsibility for child care arrangements rests with the client.

Funding for the Child Care Sliding Fee Program is almost $26 million for the 1987-1989 biennium. Some $5.7 million is designated specifically for PATHS participants in employment and training services. With the sliding fee scale, child care services are available indefinitely to participants in transition to unsubsidized employment as long as they meet the income guidelines of the fee scale. For a family of two, the cut-off is 74 percent of the state median income, or more than $15,700 annual gross income. For a family of three the cut-off is $19,395.

Another $5.2 million is reserved for AFDC recipients in post-secondary education. Minnesota places emphasis on post-secondary institutions as central agents in providing recipients with the tools to become self-sufficient.

1.2 Massachusetts

The Employment and Training Choices Supported Work Program (ET CHOICES), initiated in 1983, offers AFDC recipients opportunities for employment, skills training, and education through a variety of state and local options. Operated by the Massachusetts Department of Welfare, ET CHOICES is mandatory for AFDC recipients with children over the age of six. Mothers with children under six are encouraged to volunteer for the program.

The ET CHOICES philosophy focuses on participants' freedom to choose a component of the program that is right for them. These components include direct job placement assistance, education, skills training, or support work experience. With four years of experience, the ET CHOICES program has been institutionalized statewide.

Perhaps the most widely publicized component of ET CHOICES is its child care program. Massachusetts made a substantial commitment to the ET program in its funding of the Voucher Day Care Program. The Voucher Program is operated by the Department of Social Services (DSS) under a contract from the Department of Welfare. DSS administers the Voucher Program through ten contracted Vendor Management Agencies across the state. These agencies provide information and referral to participants on available licensed day care center or family day care home services. The agencies are also responsible for assessing parent fees and providing follow-up case management services. Resource development, recruitment, training and technical assistance, and provider reimbursement are administrative tasks contracted for through the Vendor Management Agencies.

Through the Voucher Program, participants are free to choose the type of child care which best suits their needs. Although licensed care is required, participants may also choose an independent family day care home which is exempt from licensing. This is usually a relative's home which is registered by the Vendor Management Agency as an approved day care provider to address a lack of appropriate care, or inaccessibility to licensed care.

The Voucher Program served 9332 children through 1645 voucher day care providers in 1987. Fifty percent of the children were preschool to first graders. As a special component of ET, the Voucher Program budget for FY 1988 is $30 million, or almost half of the total ET budget.

ET participants receive a voucher subsidy for the entire period they participate in an ET component activity. In addition, they may continue to receive voucher assistance for a period of 12 months after employment to assist in transition. At the end of the transition period, participants are transferred to the State's "Contracted Day Care Program." Basically, this program is a Title XX funded program serving clients in employment and training programs, and clients in protective services.

1.3 California

National attention has been focused recently on the California statewide welfare reform program known as GAIN (Greater Avenues for Independence). GAIN is a comprehensive program that offers job search, education, training, and supportive services to enable welfare recipients to become self-sufficient. Established in September 1985 by state legislation, GAIN is being implemented on a county-by-county basis. The program is currently operating in 22 of the State's 58 counties. Only two of the larger counties have a GAIN program in operation--Santa Clara for more than one year and San Diego for six months.

All able-bodied applicants and recipients of AFDC whose youngest child is six years old or above must register for GAIN. Others may volunteer. All registrants go through an appraisal process by the county welfare department to determine if remedial education is required and to review any employment history. At the end of this process, the participant enters into a contract with the county, agreeing to participation requirements and supportive services to be provided.

GAIN involves comprehensive services leading to employment, such as job club, supervised job search or assessment, remedial education, development of employment plans, work experience, and other on-the-job training and support services.

GAIN is supported by a major comprehensive dedicated child care program, separate from the state's general child care program. The key provision of the GAIN legislation designates approximately one-third of the GAIN budget for child care services for GAIN participants. An accompanying "latchkey" bill added additional funding for expansion of after-school child care and for capital outlays for construction and expansion of child care facilities.

The types of care available vary by county. Each county must conduct a survey of recipient preferences as part of the county-level planning process. GAIN allows exemptions to mandated participants for lack of child care, but experience in the counties operating one or more years indicates that no such exemptions have been requested.

GAIN is funded approximately 70 to 75 percent by state monies. The total annual GAIN program costs are expected to be close to $356 million for 194,000 participants. Some federal funds (at 90/10 match) are available to the program, plus federal administrative matching funds at 50/50.

Child care funds are allocated/claimed in the following ways:

- if associated with education - state monies, or
- if associated with job search-state/federal sharing of costs.

GAIN offers counties flexibility in designing their child care services. Although it is expected that most of the child care will be provided through purchase of service arrangements, counties are permitted to use vouchers and license-exempt providers (relatives).

Upon entering GAIN, participants are referred to the State general child care program administered by the State Department of Education. Participants are placed on a waiting list for the general child care program in anticipation of the time when he/she can move into employment. GAIN provides three months of fully paid child care as transition assistance for the participants. At the end of this period, the participant moves into the state subsidized child care program if there is a vacant slot in a licensed provider agency, and begins co-payment for child care based on a sliding fee scale.

1.4 New Jersey

New Jersey's Welfare Reform program, REACH (Realizing Economic Achievement), was initiated in October 1987 as the result of a federal waiver. REACH is a comprehensive program with the ultimate goal to include every AFDC family in the state. Seen as a "mutual obligation" program, with both the state and the recipient having responsibilities, REACH is designed to remove barriers to employment and provide support programs and services to "able-bodied" recipients with children age two and over. These services include:

- extension of Medicaid coverage for up to one year after employment;
- providing child care allowances;
- providing transportation allowances; and
- providing educational programs, counseling, vocational assessment, job training, and placement services.

The program is currently operating in three counties, with two more scheduled to begin early in 1988. By the end of the year, the goal is to have REACH operating in 13 counties representing 93 percent of the welfare caseload.

REACH is the Governor's initiative to change the state's welfare program from payments to an emphasis on employment and training. Through legislative appropriation, the budget for this first year of operation is $12.5 million. It is expected that when fully implemented, the annual costs will be $60 million.

As one of the major support services for REACH, a special child care component is part of the REACH funding. Half of the REACH budget is allocated to support services, including child care. REACH child care services include licensed centers and registered family day care homes, as well as regulated or unregulated relative care. However, unregulated relative care is reimbursed at only one-half the rate paid to registered providers. The child care component is separate from the general state child care program which is funded through Title XX.

Currently, child care resources in New Jersey are limited, so that the demand for subsidized child care far exceeds the supply. However, the commitment of the Governor, the Legislature, and the Department of Human Services is to remove barriers to employment and provide support programs and services. With this commitment in mind, the county planning process is designed to assess the need for local support services and to help increase the network of family child care homes. It is assumed that the Department of Human Services will develop, or find, the necessary resources to meet the needs of REACH participants.

REACH will use the voucher system for child care. Counties have the option of supplementing the state rates to providers. REACH will continue Medicaid and child care for up to one year after employment to assist participants in transitioning to unsubsidized employment.

1.5 Washington

Although Washington State is currently operating a WIN/Employment and Training Program, a new comprehensive welfare reform program known as the Family Independence Program (FIP) is being implemented. FIP is proposed as a five year program within the general framework of Title IV-A, and alternative to the AFDC program. FIP requires federal legislation for implementation, since the provisions include a cash-out of Food Stamps, with impact on AFDC, Medicaid, and WIN.

With a goal of moving more heads of households into employment (whether on or off welfare), the idea of FIP is to be "budget neutral" (no additional state funding above current levels) accomplished through:

- placing enrollees in employment at an earlier point than is currently now done in AFDC and freeing funds for child care, medical care, social services, and incentive payments; and
- improving child support collections.

FIP will be totally voluntary for the first two years of operation, with AFDC recipients required only to register and to go through an assessment. After the two year period, participation in education, training, and work programs will be mandatory in regions where over 50 percent of the job-ready enrollees were placed within three months. Participation will also be mandatory for parents with children age three and older and for single parents with children between the ages of 6 months and three years if the family has been receiving public assistance for more than three years.

The major components of FIP are:

- a thorough assessment of the applicants' skills and potential; and

- coordination between the State Department of Employment Security Development and the Department of Social and Health Services to assist the applicant in:
  - completing high school or a GED program,
  - attending a community college or four year institution,
  - participating in training to prepare for jobs likely to be available, and/or
  - obtaining employment in an available job on a full-time or part-time basis.

Child care is a major support service of FIP. Currently a child care initiative is under way to mobilize resources for child care in every sector of the state economy, and to create partnerships among state and local governments, education, business, the media, and community agencies. When FIP is implemented, child care will be available from licensed day care centers and family day care homes. In addition, FIP will pay for unregulated care provided by relatives or other in-home caregivers.

The funding for child care supporting the current WIN/Employment and Training program is a combination o f Title XX, WIN, and AFDC income disregard. Since FIP is being organized as a "budget neutral" program, the proposal calls for federal sharing of child care expenditures associated with education, training, and work activities, as well as transitional child care, at the AFDC matching rate. Transitional child care for 12 months following employment (with a sliding fee scale) is seen as a key to the success of FIP.

1.6 Illinois

Illinois' approach to welfare reform is a comprehensive program called Project Chance. The focus of Project Chance has been to redefine welfare as a temporary support system, rather than a permanent form of dependency. Project Chance is open to any person receiving benefits from the Department of Public Aid, including AFDC and General Assistance (GA), and some Food Stamp recipients. Enrollment is mandatory for all new GA clients and AFDC mothers with children age six and over. Mothers with children under the age of six are encouraged to participate on a voluntary basis.

Project Chance, which is operated through the local county offices, provides an intensive eight-week Job Search session followed by a period in which the participants are encouraged to try to find a job. If unsuccessful, participants are moved into one or a combination of different programs, including:

- job training through JTPA,
- literacy training through the Illinois Literacy Council,
- adult basic education and GED programs through the State Board of Education and community college system,
- vocational training,
- work experience program, and
- support services including child care and transportation.

The goal of Project Chance is to move 100,000 welfare recipients into jobs by July 1988, using a budget of almost $63 million dollars. In Fiscal Year 1987, it was estimated that close to 75,000 recipients had moved into jobs.

Like the other states, Illinois views child care as a major support service for participants entering the jobplace. Child care is 29.6 percent of the support services costs for the program. A combination of State, WIN, and IV-A funds are use to support the child care needs.

Clients are responsible for making their own child care arrangements through a variety of regulated and unregulated resources, including licensed centers and family day care homes, in-home and relative care.

Illinois recently passed new legislation designed to enable the Department of Public Aid to significantly expand Project Chance. A key feature of the legislation was a six-month extension of medical assistance and child care benefits to assist participants in the transition from welfare dependence to self-sufficiency. Clients entering job placements can continue to receive child care services through Project Chance for six months. At the end of the period, they are referred to the Title XX Child Care Program which is administered by the Department of Children and Family Services.

Illinois places a special emphasis on assisting teenage parents in an effort to reduce dependency on welfare. The state administers three programs designed specifically for this purpose: Parents Too Soon, Young Parents Program, and Project Advance. The first two programs are state supported; Project Advance is one of two national demonstration projects funded by the Assistant Secretary for Planning and Evaluation and the Family Support Administration. In this project, pregnant teens and teenage mothers on AFDC participate in a comprehensive program designed to help them complete their education, enter job training programs, and move into employment. Like Project Chance, child care and transportation are two integral support services, with special funding to ensure available resources.

1.7 Florida

Florida operates a modified WIN Demonstration, Project Independence. As a waiver state, Florida has chosen to require mandatory participation of mothers with children age three and over. Mothers with children younger than three are encouraged to volunteer for the program. Florida is also seeking an additional waiver to require teenage mothers to remain in school in order to continue receiving AFDC assistance.

Implemented under the Florida Economic Opportunity Act of 1987, Project Independence places a heavy emphasis on assessment of job readiness. Clients with less than a 10th grade education, or without 13 months of total work experience, are channelled into education and training programs prior to job search activities.

Project Independence includes a special child care component, as part of the Support services budget. Funds for child care come from WIN and AFDC monies. Participants are provided with assistance from Project Independence workers in planning for and locating appropriate child care. Participants may choose from a variety of provider types, including center-based care, family day care, and relative care (which is unregulated).

Project Independence will continue child care for 90 days after employment for mothers in transition. At the end of the 90 day period, participants are referred to the general day care program. Unfortunately, there is a waiting list of more than 27,000 children for child care through the state's program. This does not include the additional Project Independence children whose parents are in need of child care to remain in their employment situations.

Like the general child care program, the Project Independence child care component is limited by scarce resources in terms of center-based care. Rural areas are particularly faced with inadequate supplies of all types of care. Because of this situation, Florida exempts mothers from participation who are unable to find appropriate child care arrangements.

1.8 Georgia

With the approval of the Georgia State Legislature, the Department of Human Resources initiated a comprehensive work-welfare program called PEACH (Positive Employment and Community Help) in 1986. PEACH is a county administered program, currently operating in 20 counties.

Registration in PEACH is mandatory for AFDC recipients with children age six and older, and voluntary registration for mothers with children under the age of 6. Exemption from registration is permitted for recipients who are ill or who must care for disabled relatives.

The PEACH model stresses local option designs which meet the unique needs of the individual county populations. Local PEACH projects are encouraged to select activities that meet client population characteristics and community resources. Through PEACH, registered recipients can participate in assessment, orientation, job search, work experience, job placement, adult basic education, and vocational skills training.

PEACH includes a child care component separately funded from the state's general child care program. With local option, counties are responsible for developing appropriate child care and other resources to meet identified local needs. Child care is reimbursable from a wide variety of providers, including licensed centers and registered family day care homes, or unregulated care which may be provided by relatives or friends in or out of the child's own home, as well as family day care homes with fewer than three children.

The PEACH child care component is supported through a pool of WIN, Title IV-A, and state funds. Transitional care is provided by approximately three-fourths of the counties currently operating PEACH programs. This assistance is available for up to a 12 month period. The remaining counties with PEACH operations limit transition services to three months. However, these counties are expected to increase the transitional period during this year.

Like many of the other states, Georgia's child care resources are limited for infants and toddlers. This has been seen as a factor in the limited volunteer participation of mothers with children under the age of three.

1.9 Iowa

Iowa currently operates three work-welfare programs through the Employment and Training Program of the Iowa Department of Human Services. These include:

- classroom training,
- WIN Demonstration, and
- JTPA with special funds.

Participation in these programs is based on federal WIN exemptions. The WIN Demonstration, operated in 49 of the 99 counties in Iowa, provides 3 activities for work-welfare participants. The job club and work experience components are mandatory for AFDC recipients with children over the age of six. Classroom training is a voluntary program for all interested recipients. The Classroom Training Program provides tuition support to voluntary participants.

Child care is provided as a specially funded component of the Iowa Employment and Training Program, funded primarily through a combination of state and federal monies. A new program recently implemented provides child care to JTPA participants who may not qualify under the Classroom Training or WIN Demonstration programs for child care. In these cases the participant receives child care assistance under a category of AFDC special needs.

Participants in Iowa's Employment and Training Program are responsible for making their own arrangements for child care. They are not restricted to licensed/regulated care, as Iowa will pay for unregulated relative and in-home care. only current or ex-spouses are restricted from providing paid care for participants.

At the writing of this report, Iowa does not offer transition assistance for participants who become employed. A new proposal is pending before the state legislature to extend child care benefits to Iowa Employment and Training participants up to 12 months after employment. The current practice is to use the AFDC income disregard up to $175 per month at the point of employments. In rare cases, this may be supplemented by SSBG funds; however, these resources are not usually available.

1.10 Oklahoma

The work-welfare program in Oklahoma is a diversified, comprehensive employment and training program which includes the following components:

- WIN Demonstration,
- CWEP,
- direct job search,
- structured job search,
- classroom training,
- basic adult training and GED, and
- work supplementation (grant diversion).

Beginning in 1981 as a WIN Demonstration, the current program represents a continuous building process of new features added annually.

Oklahoma, as one of the eight waiver states, has completely removed the minimum age requirement as a factor in determining an AFDC recipient's participation in work-welfare. As such, all AFDC recipients with children from birth and up are required to register for the work-welfare program.

Program statistics show that Oklahoma has had better success in placing mothers with children under six into employment situations than mothers with older children. This has resulted in an informal priority on young mothers with young children.

Following registration, a plan is developed for each applicant which takes into consideration the adequacy of child care, transportation and the physical/mental condition of the applicant and family members. If this assessment indicates the applicant is not "job ready," the applicant's name goes into an "exempt pool" until the department's work-welfare staff can determine that needed support services are available and/or the applicant is ready to enter the program.

Of the ten states included in this discussion, Oklahoma is the only state that does not have a designated work-welfare child care program which is separate from the general child care program. However, because Oklahoma's single program for child care is almost exclusively restricted to support the employment and training program, the state description was included with others that do have special child care components.

Adequate child care is viewed by Oklahoma as essential to a successful employment and training program. Therefore, child care in the state is targeted toward the Employment and Training Program participants, and receives legislative and budgetary support.

Child care reimbursed by the program is available only through licensed day care centers and family day care homes. Currently, there are no apparent resource problems in the metropolitan areas, even for flexible care such as nighttime and week-end. The rural areas experience much more of a resource problem, primarily due to lack of transportation.

Child care is funded through a combination of Title IV-A and Title XX funds which are utilized according to the following conditions:

- child care for AFDC recipients participating in CWEP is covered by Title IV-A; and
- child care for participants moving into employment and off the welfare rolls is covered by Title XX in combination with a co-payment from the participant based on a sliding fee schedule.

Through this second payment mechanism, participants transitioning to unsubsidized employment are assured of continued assistance.

2. Work-Welfare Child Care Support Through General Child Care Program

The remaining states in the study elected to provide child care support to work-welfare participants through the state general child care program. As in the previous section, an overview of each state's work-welfare program is provided, as well as the child care services available.

2.1 Michigan

The Michigan Opportunities Skills Program (MOST) was established by the State Legislature in December 1983 to target services to the hard-to-place, long-term AFDC recipient on the rolls for two or more years. Described as an umbrella program, MOST incorporates four programs into its service delivery system:

- WIN Demonstration,
- Title IV-A work program,
- Food Stamp employment and training program, and
- General Assistance work program.

As of September 30, 1987, there were more than 91,000 participants of which 60,000 were AFDC recipients.

As a waiver state, Michigan mandates participation of AFDC recipients with children age six months and older. However, MOST also incorporates the standard WIN exemptions, including lack of child care, so that many of recipients mandated to participate actually end up as exempt.

Child care is provided to MOST participants through the Michigan Child Care Program. Of the 15,000 children in the program, two-thirds are covered under Title IV-A funding, with the remaining paid for by Title XX.

By Michigan statute, all nonrelated child care providers must be licensed or registered. However, the Department does pay for relative care, which is unregulated, out of Title IV-A funds. Participants are reimbursed directly for child care expenses as the Department does not use vouchers or contract providers for MOST participants.

Transition assistance is available for the month the participant is first employed until the first paycheck is received. Beginning with the second month of employment, child care is calculated as an employment expense, and supplemented by a co-payment based on a sliding fee scale.

Like many states, Michigan is experiencing an inadequate supply of infant and toddler child care resources, as well as flexible hours of care. In many cases, due to this lack of appropriate child care resources, the participant is exempt from the program.

2.2 Nebraska

Work programs in Nebraska are included in the WIN Demonstration, including IV-A job search and CWEP. As one of the original waiver states in 1985, Nebraska initially mandated participation of mothers with children age three and older. In June 1987, Nebraska received a waiver to reduce the minimum age requirement to children six months and older.

The work-welfare program in Nebraska is grounded in state policies, not in legislation. Funding decisions are made through the normal process. More and more attention is being given to the programs by the Governor and the legislature.

The child care needs of participants are met through the state's general child care program. Of the 3600 children in care in FY 1987, 2200 were AFDC children and another 250 children had parents in special job support programs.

Nebraska sees the strength of its work-welfare program and the child care program in its flexibility to overcome whatever barriers may arise that prevent recipients from participating in work-welfare. Funds are available for use on a case-by-case basis to pay for gasoline, bus vouchers, vehicle licenses or repairs, transportation services, and to assist clients to seek and accept a job. Although Nebraska requires that child care be in licensed centers and registered group or family day care homes, staff have the discretion to pay for child care provided by relatives, if the relative is the only source of care available.

The child care program is funded through a combination of state and federal dollars, including IV-A, WIN, and Title XX. The Title XX funds are used primarily for the non-AFDC/work-welfare related children (meaning children in protective services), non-AFDC low income children, and children supplemented through co-payments.

2.3 Arkansas

Arkansas' new work-welfare program is a IV-A work search program. Previously, the state had a WIN Demonstration program known as Project Success. The new program is a departmental initiative, driven by federal financial participation available (based on the federal OBRA legislation). There is no state legislation for the program.

As a waiver state, Arkansas mandates participation of mothers with children over the age of three, but allows the lack of child care as an exemption from participation.

Participants in the IV-A work search program are provided child care through the general child care program. Child care licensing regulations currently exempt centers from the licensing/registration requirement if they operate less than five hours per day or ten hours per week. Day care homes which care for children of fewer than four families or a total of fewer than 6 children are not currently required to register. This significantly reduces the pool of available licensed resources from which participants can select. It is anticipated that a voluntary registration program will be instituted within the next three years which will increase the available resources for clients.

While the general child care program is funded through a combination of state and federal funds, child care to support work-welfare participants is paid primarily from Title IV-A funds. Transitional child care is available to participants moving into employment, with no time limit, based on a sliding fee scale. However, Arkansas staff cite affordability as a continuing problem for these participants once care is no longer subsidized.

Child care in Arkansas has high visibility at the level of the Governor and the legislature. The Governor's Task Force on Child Care has been instrumental in expanding child care through new state appropriations.

2.4 Arizona

Arizona implemented a statewide expansion of its WIN Demonstration that had previously operated in the two most populous counties of the state, Maricopa and Pima Counties. As a waiver state, Arizona makes WIN participation mandatory for AFDC recipients with children age three and over; however, the waiver applies only to the two counties.

The statewide program, referred to as Arizona Works, is administered by the Department of Economic Services. Since this agency includes Employment Services, JTPA, Vocational Rehabilitation, AFDC, and Food Stamps, there is strong coordination of funding and services. Arizona Works includes a placement/orientation component, plus an intensive services component. This last component focuses on serving AFDC clients who are long-term dependent, with few job skills and children over 16; and on teenage parents.

Child care for work-welfare participants is provided through the general child care program. Care is authorized only in licensed day care centers and certified family day care homes. Statistics show that most clients use child care centers. However, since Arizona requires a co-payment based on a sliding fee scale, some clients move to less expensive family day care when the co-payment requirement poses a problem. Certification limits the maximum number of children in family day care homes to four which has resulted in few available slots at lower rates.

Funding for the child care program is a combination of state (80%) and Title XX (20%) dollars for a total of $18 million. Additional monies from WIN, AFDC, JTPA, and the Governor's Discretionary Fund are used-for the intensive services component of the work-welfare program.

Transitional child care assistance is available for work-welfare participants for up to four months through the co-payment sliding fee scale. New regulations which will increase the period to nine months are expected.

2.5 Colorado

Colorado does not have a statewide work-welfare program. For most of the state, the WIN program and CWEP provide the work experience for AFDC recipients. Colorado does have a waiver for the work-welfare program in Weld County which is the focus of this discussion.

The Weld County work-welfare program is a grant diversion program with mandatory participation of parents with children age six months and older. This provision was added to the waiver in its third year renewal, and currently is under federal review. Previously, participation in the Weld County program followed the WIN guidelines, with voluntary participation of mothers with children under six.

The Weld County work-welfare program provides up to six months of full-time work experience in a minimum wage position in a public or non-profit agency. This work experience is reimbursed under the waiver funds supplemented by JTPA.

Participants in the Weld County program are provided child care services through the state child care program whose priorities focus totally on enabling parents to seek and obtain employment and training. Reimbursement for child care is restricted only to licensed day care centers and family day care homes.

Lack of child care is an allowable exemption from work-welfare participation; however, to date, no such request for exemption has been made in the Weld County program.

2.6 Oregon

Oregon's New Jobs Program is a pilot program operated in seven sites representing 25 percent of the state's population. The foundation for the New Jobs Program was Oregon's WIN Demonstration which started in 1982. New Jobs is scheduled for statewide implementation in early 1988, with all counties phasing in by April 1988.

The New Jobs Program places major emphasis on long-term self-sufficiency. It components include the basic activities of other comprehensive work-welfare programs, including:

- work search,
- vocational education,
- work site training,
- supported work,
- business development,
- assessment, and
- basic skills.

Oregon is a waiver state, mandating participation of clients with children age three and older. Clients with younger children are encouraged to participate on a voluntary basis.

The general child care program in Oregon is employment related and therefore targets the New Jobs participants for services. Child care available to work-welfare participants is largely unregulated care. Payment is made for child care services regardless of certification, since the payment is usually made directly to the client. Funding of child care for work-welfare participants is primarily from WIN and IV-A/disregard. There is a special child care program for clients moving into employment and leaving the AFDC program. This is the Employment Related Day Care Program which is funded with state monies.

Transition assistance is available through the Employment Related Day Care Program and WIN funds. The WIN funds can be used for one-time charges such as a registration fee or advance payment to a new provider.

2.7 New York

In addition to a WIN Demonstration, New York operates a voluntary work-welfare program known as Comprehensive Employment Opportunities Support Centers (CEOSC). This discussion focuses on this special program.

As part of New York State's welfare employment initiative, caretaker parents of children under age six who are receiving AFDC are encouraged to volunteer for participation in CEOSC. The CEOSCs, which are currently active in eight sites across the state, are operated by public or voluntary agencies. Eight additional centers are scheduled for implementation early 1988. Two of the current CEOSCs are in New York City.

The key concepts of CEOSCs are case management and "one stop shopping" for employment and training services. The goal of case management in the CEOSCs is to coordinate the comprehensive array of services, support, and assistance necessary to the recipient's successful achievement of self-sufficiency. The case management concept requires that one staff member work with a client throughout the involvement with CEOSC.

The "one stop shopping" concept has shaped the CEOSC into a full-service program, providing all necessary services or serving as a broker to secure needed services.

To date, sponsors of the CEOSC have been local Boards of Cooperative Education, private colleges, private organizations, county Department of Social Services. county Departments of Labor, and JTPA.

CEOSC is supported by ten on-site licensed day care centers at the training sites. These centers are part of the State's general child care program. In addition, care is also provided through unregulated caregivers, including friends and relatives.

While funding for the general child care program is primarily through Title XX, child care for CEOSC participants is principally covered by Title IV-A funds, supplemented as necessary by Title XX or state funds. Reimbursement is made through local county Departments of Social Services. Transitional assistance is supplemented by local departments as well.

2.8 Other States

Two other states were included in the study, Texas and Maryland. Information available on components of work programs in these locations was limited, due to problems in making appropriate contacts or little experience with work programs. However, brief summaries of available information are provided, with relevant study points noted.

Maryland operates four work-welfare programs, including a WIN Demonstration, a grant diversion project in Baltimore City and seven counties, a state funded jobs program known as Investment in Job Opportunities (IJO), and Project Independence. Project Independence involves a consolidated application for Food Stamps, AFDC, and Medicaid; a case manager for intensive services to link the hard-to-place client with JTPA; and assignment to a transitional caseload if working but still eligible for public assistance. Participants in job training and employment programs are provided with child care services through the general child care program. Child care funds are also available from JTPA and the IJO.

Although **Texas** does not have an established work-welfare program in place, discussions were held with staff to determine what impacts have been noted on services and recipients due to the recent downturn of the state's economy. Texas operates a WIN Program on contract with the Texas Employment Commission, and a Food Stamp Employment and Training Program. Resources, such as JTPA and vocational training, are used to supplement these programs.

Participants in work programs with young children are provided child care through the state's general child care program. Although the first priority for child care through this program is children in need of Protective Services, the program does place a heavy emphasis on serving public assistance recipients who are in training or employment situations and in need of care for their children. Three of the four priorities for care require employment or training leading to employment as criteria for receiving child care services.

As a result of the downturn of the state's economy, some changes are being made in the child care program which focus on assisting parents in obtaining self-sufficiency.

Effective March 1, 1988, child care will be extended from one year to two years for a parent who is in training leading to employment. In addition, transition child care will be extended from four weeks to eight weeks for participants leaving public assistance to move into unsubsidized employment.

Of interest in Texas is the availability of licensed and registered facilities. While licensed/registered care is required for reimbursement, there does not appear to be a shortage of approved facilities. Funding for child care is through Title XX.

III. HEAD START GRANTEES WHICH OFFER FULL-DAY CHILD CARE

In the previous chapter we discussed the child care components in state work-welfare programs. The discussions about the programs were held with state staff, who provided their perspective on the child care provisions. In this chapter we examine a very different perspective, that of local child care providers who may be able to participate in work-welfare through supplying clients with the needed child care.

In fact, we chose to talk with a specific subset of providers -- those who offer Head Start services. This group is potentially important to work-welfare planners because:

- Head Start serves the low income population from which work-welfare clients will be taken;
- research on Head Start has shown that the program has a positive influence on the children and families who are enrolled; and
- it may be possible to coordinate Head Start and work-welfare at a national or state level to help ensure that quality child care is available for work-welfare clients.

A. Description of Head Start

The Head Start program currently provides a comprehensive child development program for about 460,000 low income children. Grantees offer children an educational experience in a classroom or in the child's own home, extensive health screening, needed medical and dental care, and nutritionally well balanced meals and snacks. Head Start staff provide referrals for families in need of social services; they work hard to educate parents on child development and to involve them in the development of their own children.

In states that lower the age of exemption for work-welfare, we anticipate that many mothers of Head Start children will be asked to participate in the work-welfare program. It would seem that the education component of Head Start, where grantees provide classroom services to children, could supply the child care needed by mothers entering work-welfare. However, most Head Start programs offer part-day services for children. They are not designed as custodial child care programs. On the contrary, Head Start has separated itself from "day care" (in the sense of custodial care) in philosophy as well as practice. Therefore, in order for this successful child development program to mesh its services with work-welfare, certain changes in purpose and practice would need to occur.

A number of Head Start grantees have felt prepared and qualified to try to meet the full-day child care needs of families in their communities. Many have applied for Title XX (Social Service Block Grant funds allocated for child care), State Preschool or other local funds, and currently offer full-day child care. Some grantees even offer long hours of care paid for by Head Start (for example, grantees serving migrant families).

The purpose of this part of the project is to report discussions with grantees operating some full-day service about:

- schedules of operation of programs for children;
- funding sources for each option and their expenditures;
- the advantages and disadvantages of their options including any barriers to offering full-day services and any "best practices" they have identified;
- coordination of Head Start services with those of other agencies and funding sources; and
- possibilities of expanding services for the low income population.

B. The Sample

Locating grantees that offer full-day services was accomplished by searching through the computerized Head Start Cost Management System and talking with staff in Head Start's Regional Offices. The Cost System now holds records of the program schedules and budgets of 1240 Head Start grantees (about 95% of all grantees). Only 41 offered schedules where children attend class more than nine hours a day. of these, 11 grantees served migrant families. Full-day care is a relatively small part of Head Start's offerings, occurring in 3 to 3.5 percent of grantees.

Because the Cost System only reports schedules paid for by Head Start, it was important to find out from Regional Office staff about grantees that also offered full-day programs paid for by other sources. Regional staff were asked to list known grantees that offered full-day child care paid for by Head Start, Title XX, or a State Preschool fund. Grantees could operate programs either in centers, family day care homes, or both. The sample of grantees to be contacted was there chosen to include grantees from each of the Regions that offered different kinds of services paid for by different funding streams.

A total of 21 grantees were included in the final sample. The Director of each agency was interviewed over the telephone to supply information about the agency's child care programs. Summaries of all interviews are included as an appendix to this report. Exhibit III-1 shows the locations of the grantees, dividing the group according to the sources of funding for full-day options (Head Start only, Title XX/State Preschool only, or both) and the kinds of services offered (center-based, family day care home, or both).

Three caveats should be noted. First, the sample was intended to include a minimum of two grantees from each Head Start Region. However, because Region 10 staff knew of only one grantee with full-day services, this Region is represented only once. Second, it might appear that grantees in the middle column (labeled "Title XX or State Only") do not offer Head Start; this is not the case. All grantees in the sample offer Head Start services, but those in the center column offer only part-day Head Start. Third, the fact that two cells on the table are empty does not mean that such programs are nonexistent.

EXHIBIT III-1. Categorization of Sample Grantees

Kind of Care	Funding Sources for Full-Day Care		
	Head Start Only	Title XX or State Only	Both Head Start and Title XX/State
Center Care Only	Albany, GA Houston, TX Missoula, MT Sacramento, CA Portland, OR	Gainesville, GA Chicago, IL Cannon City, CO	Wanaque, NJ White Plains, NY Cedar Rapids, IA Greeley, CO
Day Care Homes Only			Binghamton, NY Fremont, OH Levelland, TX
Both Center Care and Day Care Homes	St. Louis, MO	Jewett City, CT Lewiston, ME York, PA	Schuylkill Haven, PA Visalia, CA

Head Start has generally funded family day care homes as demonstration programs for a specific time period (e.g. two years) or has allowed grantees to add services for children in existing Title XX homes. It has not yet declared this child care model an official Head Start option. The absence of grantees operating family day care homes under the aegis of Head Start may reflect the infrequency of this model. However, the fact that none of the grantees in the sample offered part-day Head Start and sponsored a network of family day care homes funded by another source may not be due to the infrequency of this second model. Rather, it is likely that a number of Head Start grantees (not included in the sample) do offer these services. They may simply not be as obvious to Regional office staff. Or, the question which elicited nominations of grantees for the sample may not have seemed to Regional Office staff to include this model.

The reason for dividing grantees into the nine groups on the table is that these groups tend to differ from each other in the age range of children served, the kinds of services that are provided and the way they deal with funding. Exhibit III-2 summarizes these differences. If Head Start is the only funding source, the age range of children in part-day and full-day care is 3- to 5-year olds; all families are offered the comprehensive array of Head Start services, and Head Start alone pays for the services. If Title XX or a State Preschool program pays for the child care, then there is generally a wide age range, possibly as extensive as infants to children aged 14. The only service offered Title XX/State Preschool children is day care. This may mean that there is a carefully planned educational program for children, but usually children in these programs do not receive the health, social, and parent involvement services that are offered to the part-day Head Start children sponsored by the same grantee.

Generally, the part-day Head Start program and the full-day Title XX/State Preschool program are operated as separate entities with different staff and separate funding streams. Some administrative staff or support staff may be shared; teachers and aides in both programs may have the same position descriptions and the same pay scales, but the fiscal operations are separate. Any division of staff costs across programs (e.g., of administrative staff or cooks) is done according to a simple cost principle, usually that salaries should be divided according to the percentage of children funded by each source.

EXHIBIT III-2. Characteristics of Full-Day Programs

Characteristic	Funding Sources for Full-Day Care		
	Head Start Only	Title XX or State Only	Both Head Start and Title XX/State
Age Range Served	Three to five year olds. Maybe infants and toddlers.	Wide age range	May have wide age range
Services to Full-day Children	Comprehensive	Child care only	May offer comprehensive services to all children
Division of Costs Across Funding Sources	All costs borne by Head Start	Funding streams separate; administrative staff may be jointly paid	May divide costs by a number of different principles

Grantees in the final column on the exhibit represent multiple variations in programming and financial management; they seem to be meeting different needs in different communities. Some agencies are offering extended day care for Head Start children (e.g., Wanaque, NJ) and thus care for only 3- to 5-year-olds. Others (e.g., White Plains, NY; Visalia, CA) are the major child care providers in the county and offer care for all ages of preschool children and some school aged children.

Where "Head Start" and "Title XX" children are mixed in the same classrooms, grantees are required by Head Start to provide comprehensive services to all of the children. When the children are in separate facilities, grantees may try to provide comprehensive services to all, but the focus of their health, social, and parent services remains on the Head Start families.

The cost principles used to separate Head Start, Title XX and other costs include division by number of children in each funding stream, services required for each group, number of hours of service offered each, and some historical rationales unique to particular grantees. These are discussed in detail in a later section of the report.

The important points about these grantees with multiple funding sources for their full-day programs are as follows:

- each is different from the other;
- each is responsive to its own community's needs; and
- each has a somewhat different history of development of services and, consequently, a different mix of services.

Together they provide particularly interesting case studies of possibilities for using multiple sources of funding to provide the best quality of care and an appropriate blend of kinds of care.

In the sections that follow we discuss key features of the different grantees, emphasizing the importance of the match between a community and its child care offerings and understanding the history of the development of the services of each particular grantee. The discussion divides the grantees into three groups:

- those that concentrate on the **provision** of full-day services to children;
- those that provide some full-day services, but seem to center efforts more on **brokering** or coordinating full-day services for families in the community; and
- those that are in **work-welfare** states and have developed service provision and brokering within a coordinated county effort.

Grantees solely funded by Head Start for full-day services and those solely funded by Title XX or State Preschool funds tend to fall in the first group. Grantees that receive funding from multiple sources sometimes provide services, sometimes broker services, and are at times already involved in work-welfare programs, providing and/or brokering services for children.

C. Descriptions of Grantee's Services

In the following sections we describe the services and operation of the grantees which provide full-day care. We begin with grantees that supply a good deal of full-day service and the full comprehensive array of health, social services, and parent involvement activities to all families. We comment initially on grantees that are financed fully by Head Start, and later on those jointly financed by Head Start and another source. Next we discuss grantees who feel they cannot supply the full-day care that is needed or the comprehensive services which would benefit all families, singling out the barriers they experience. Third, we continue with descriptions of those grantees whose major contribution to full-day care is in brokering or coordinating such services in the community. Finally, we conclude with discussions of the grantees now involved in work-welfare.

1. Grantees Providing Full-Day Care and Comprehensive Services to All Families

Several of the grantees in the sample offer multiple schedules of operation for children. They provide substantial assistance to working and non-working parents in search of appropriate child care. Three agencies that belong in this category are funded wholly by Head Start.

1.1 Gulf Coast Community Services Association

The first example is the Houston, Texas grantee, Gulf Coast community Services Association, which offers the following schedules of operation.

- For infants and toddlers, a Parent and Child Center (PCC) full-day program (up to 9 hours a day, 5 days a week) for 40 children.
- For infants and toddlers, a second PCC home-based program for 60 children.
- A home-based Head Start program for 277 3- to 5-year-old children. Most of these children live in the more rural parts of the county where it is difficult to establish centers; many of the children are 3-years-old and the grantee Director feels that a year in the home-based option strengthens the family and prepares the child for a second year in a center-based program.
- A part-day Head Start option (5 1/2 hours a day, 4 days a week) for 582 3- to 5-year-old children. These Head Start children come to center-based programs in different parts of the county for part of the day and then return home to at least one non-working parent.
- A second part-day Head Start option (4 hours a day, 5 days a week) for 16 3- to 5-year-old children. This classroom was established because a number of the handicapped children served by the grantee could not manage the 5 1/2 hours a day in the variation in center attendance option. The part-day classroom has about 60 percent handicapped children, mainstreamed with non-handicapped children. At least one parent of each child is at home during the day, so children will return home to a supervised environment.
- A full-day Head Start option (up to 11 1/2 hours a day, 5 days a week) for 1,486 3- to 5-year-old children whose parents are employed, in school or in training. This option operates 12 months a year for children who need a full year of care.

The Head Start program operates 12 months a year, but only about half of the classes continue during the summer months. Several years ago all children attended this grantee for a full day. However, as Head Start has cut back on full-day programs and asked for a justification for each child enrolled in the option, the Houston grantee has created its home-based and part-day schedules.

The child care services of the Houston grantee, thus, provide for the needs of many families. If a parent is at home, the program provides a comprehensive child development program for child and family. If parents work, the grantee offers full-day care for infants, toddlers and older preschoolers. Children in need of full-year care have that opportunity. It would appear that grantee staff have evaluated the needs of Houston low income families and adapted their program to suit the varying requirements. Their vision or purpose is not simply to provide Head Start, but also to look at the wider needs of families making a transition to economic self-sufficiency.

1.2 Albina Ministerial Alliance

A second example of a Head Start grantee assisting working parents is provided by the Portland, Oregon grantee, Albina Ministerial Alliance. This is the only grantee in the sample who offers a single schedule for all children. That is, all 200 3- and 4-year-old children served by this grantee follow a full-day schedule where the centers are open from 7:00 am to 5:30 pm, 5 days a week, 9 months a year. All parents of these children are working, in training, or enrolled in an educational program.

The reason this grantee can offer only this full-day schedule is that there is another, much larger Head Start grantee in Portland, the Portland Public Schools. All of the schedules of this grantee are part-day. In effect, then, the varying child care needs of families in the city of Portland are being met through multiple schedules of operation. It just happens that in this instance, as opposed to the Houston example, the different schedules are operated by different grantees. When staff at Albina Ministerial Alliance envisioned their Head Start offerings, they examined the offerings of the community, isolated the particularly strong needs of low income working families, and designed a Head Start model to meet those needs.

One difficulty that the Albina Ministerial Alliance has in trying to meet family needs is that they cannot operate 12 months a year. They began their operation of Head Start with a 12-month schedule, but recent budget constraints have meant that the program had to choose between reducing the number of children it served or its length of service. The Director says that parents find a friend or relative to care for their children during the summer months.

1.3 Human Development Corporation of Metropolitan St. Louis

A third example of a Head Start program with a strong commitment to meeting the needs of working parents is the St. Louis grantee, Human Development Corporation of Metropolitan St. Louis. It offers multiple schedules of operation, including both care in centers and in family day care homes. In particular, it offers three Head Start options for 3- to 5-year-olds:

- a part-day option (3 1/2 hours a day, 4 days a week, 9 months a year) for 1,911 children who have at least one parent at home during the day;
- a full-day center-based option (10 hours a day, 5 days a week, 10 months a year) for 180 children whose parents are employed or in training. There is one such classroom in each of 9 different centers, spread around the city; and
- a full-day schedule (10 hours a day, 5 days a week, 12 months a year) in 15 family day care homes, for 134 children of working parents.

Once a family is accepted for full-day services, the parent can decide whether the child enters center or home care. Some parents feel that their child will receive more attention in a home or they like the atmosphere of a home better. The grantee's Director feels that a parent knows his/her child best and should be able to choose the more appropriate kind of care. One factor in a parent's choice may be that the centers close for two months in the summer while the day care homes remain open.

Thus far, the examples have included grantees whose full-day program is paid for by Head Start. The next two examples discuss grantees that operate full-day child care paid for completely by other sources.

1.4 Upper Arkansas Area Council of Governments

The first of the grantees in this category is the Cannon City, Colorado grantee, Upper Arkansas Area Council of Governments. It operates one schedule for Head Start children and another for Title XX children, and the two operations complement each other successfully in being able to provide families with important services:

- a part-day Head Start option (4 hours a day, 4 days a week, 8 months a year) for 60 4-year-old children; and
- a full-day Title XX program (12 hours a day, 5 days a week, 12 months a year) for another 60 children ranging in age from 2 1/2 to 13 years (a retarded child).

This grantee is located in a rural area where the bus travels about 175 miles a day to transport the Head Start children. Before they initiated their Title XX program (in 1979), they had some problems with children whose parents did not come to meet the bus. The driver had to transport the children back to the center and a teacher had to wait with the children until a parent came to pick them up. Now, with Title XX, a Head Start child who is not met at the bus will return to the Title XX classroom where there are other children, activities and appropriate supervision.

Also, grantee staff try to extend comprehensive services to all of the families, whether children are in day care or Head Start. The Social Services/Parent Involvement Coordinator does family needs assessment of day care families and provides referrals; screenings and immunization sessions include all children. Two day care parents serve on the Policy Council; Head Start parents help fund the day care effort with fund raisers. Although Head Start and Title XX may be operated as separate fiscal entities with separate program schedules, they may also help each other provide important services.

1.5 Androscoggin County Head Start

A second example of a successful meshing of part-day Head Start and full-day services paid out of other sources is provided by the Lewiston, Maine grantee, Androscoggin County Head Start, Inc. It offers the following schedules:

- a part-day Head Start program (4 hours a day, 5 days a week, 8 1/2 months a year) for 117 4-year-olds;
- a home-based Head Start program for 50 4-year-olds;

- a part-day "Head Start-like" program (4 hours a day, 5 days a week, 8 1/2 months a year) for an additional 47 4-year-olds funded by the state of Maine. These children are commingled with the children funded by Head Start;
- a full-day program in about 12 family day care homes for 40 children 6 weeks old to 3 1/2 years old paid for by Title XX and parents on a sliding fee scale. The agency trains providers, monitors the homes on an "irregular" basis, and acts as the sponsor for USDA funds;
- a full-day center-based program (12 months a year) for 100 3 1/2 to 5-year-old children, funded by the cities of Lewiston and Auburn for their children; and
- a before- and after-kindergarten program for 30 children (kindergarten is only 2 hours long), jointly funded by United Way and parent fees.

Both working and non-working mothers are served by this grantee. A working mother may enter her child in the infant program at 6 weeks, see the child graduate to a center-based program at 3 1/2 years, and then to the before- and after-kindergarten program in that first year of schooling.

The agency tries to provide comprehensive services to all of its families. The day care children are required to have a physical exam before entering the program and their families are encouraged to come to clinics (offered by the grantee) where a full gamut of screenings are given. There are some other monies in the community for health services, if children require follow-up treatment. The agency's social services staff help day care parents by providing referrals and encouraging parent involvement. For example, the agency hires a Social Worker for 16 hours a week. She conducts the STEP program for parents in Head Start or day care.

There are some differences in services to day care and Head Start children. Follow-up medical treatment for Head Start children is paid for by the grantee; day care families must seek payment from another agency and it nay not be forthcoming. Head Start parents are offered "therapies" that are not available to the day care families. Yet, this grantee has managed to put together a package of services for all families that is more comprehensive than what is officially authorized under Title XX.

1.6 Schuylkill County Child Development, Inc.

When other funding sources are combined with Head Start to support full-day schedules, grantees may offer services to families in a number of creative ways. For example, in Schuylkill Haven, Pennsylvania, Schuylkill County Child Development, Inc. receives child care funding from Head Start, Title XX, the county and from fee-paying parents. Their program has the following options.

- A part-day Head Start program (4 1/2 hours a day, 5 days a week, 9 months a year) is offered for 287 3- to 5-year-old children.
- A full-day Title XX program (up to 12 hours a day, 5 days a week) is offered for 350 children, infants through school age, who are placed in about 15 family day

care homes and 10 centers. A staff member from the grantee monitors all placements and provides technical assistance to providers.

- A newly funded Head Start program for 68 of the Title XX children is available. All of these 3- to 5-year-old children are Head Start-eligible, but in need of full-day care. At a cost of about $300 per child, the grantee supplies all of the needed services to bring their day care program up to the standards of Head Start.
- A private tuition program has been initiated for families desiring Head Start services, but whose income is above the poverty guidelines for Head Start and Title XX. These parents are given the option of paying tuition so that their children can join the grantee's program and receive the full gamut of Head Start services.

In addition, the grantee receives funding from the county under a mental health grant to mainstream "at risk" children, such as those with emotional problems or those in families with risk of child abuse.

This grantee has, thus, managed to combine its funding sources to ensure that families in need -- whatever their income level and subsidy -- can receive the comprehensive services they require. The Director feels that Title XX is satisfied because children are receiving the day care they are supposed to receive. Head Start Regional staff are pleased that the grantee has been able to increase its enrollment at such a modest cost for the 68 Title XX children whose services are enhanced.

1.7 Westchester Community Opportunity Program

Another grantee with a creative combination of offerings is Westchester Community Opportunity Program, White Plains, New York. This grantee serves 1,400 children ranging from infants through age 11. The options for preschoolers are as follows.

- A full-day Title XX program (10 hours a day, 5 days a week, 12 months a year) is available for 60 infants and toddlers.
- A part-day Head Start program (3 1/4 hours a day, 5 days a week, 10 months a year, double sessions) is offered for about 680 3- and 4-year-olds.
- A full-day Head Start program (10 hours a day, 5 days a week, 12 months a year) is offered for about 267 3- and 4-year-olds who are commingled with Title XX children.
- A full-day Title XX program (10 hours a day, 5 days a week, 12 months a year) is available for about 300 3- and 4-year-olds commingled in classrooms with the Head Start full-day children.

In addition, the grantee is the fiscal operator of the Title XX program for family day care reimbursement. Though grantee staff do not monitor the operation of the family day care homes, they work closely with the local child care council (next door) to ensure that this form of full-day care is working smoothly for low income families.

Two other practices of the Westchester grantee are particularly noteworthy. First, classrooms at some of the centers accept fee-paying children. The agency uses the Title XX scale for setting parent fees, so that fees increase as family income increases. Second, the grantee provides comprehensive services to all income-eligible children. That is, all of the "Title XX" children whose families are eligible for Head Start are also counted as "Head Start" children and receive the full range of Head Start services. Since all 3- and 4-year-olds, regardless of the source of payment for their care, are in the same classrooms, this means that programming for all children can follow the Head Start plan. As was true in Schuylkill Haven, the cost of "Head Start" for the "Title XX" children is very low; it is the additional cost of comprehensive services, above and beyond the cost of child care reimbursed by Title XX.

1.8 Summary

Each of these seven grantees is first and foremost a Head Start grantee. Each has assessed the needs of its community and developed a program to meet those needs. One of the differences between these grantees and other Head Start grantees is in the with priority they have given to the child care needs of families working parents.

Whether the need has been met by funding from Head Start or through other sources, the grantees have put together a package of offerings that provide longer hours of care for children who need them. In addition, these grantees have been able to provide a broad package of comprehensive services to all families. Their vision of their role would seem to be to serve low income families at the highest level of quality possible.

2. Grantees Experiencing Barriers to Providing Needed Full-Day Care and Comprehensive Services

Many of the grantees that provide some full-day child care services share the vision of those discussed above and would like to provide all low income families with the services they need. However, they feel limited by a lack of funding, limitations set by Title XX with regard to the population to be served and by Head start with regard to full-day services, or by constraints imposed by other Title XX practices.

2.1 Lack of Funding for Full-Day Slots

Lack of extensive funding of child care slots out of Social Service Block Grant (Title XX) funds seems a barrier in some states. For example, the Director of the Missoula, Montana Head Start grantee (Child Start, Inc.) reports that Montana uses Title XX for aging programs and for assistance to the developmentally disabled. In keeping with national policy, the Head Start Regional Office requires justification for each child served in a full-day program and more willingly funds part-day care. This grantee is able to offer only a small number of Head Start children full-day services, and does not begin to meet the need. Its schedules of operation are as follows.

- A full-day program is offered (10 hours a day, 4 days a week, 10 months a year) for 35 3- and 4-year-old children in families where both parents are working or in training programs.
- A part-day schedule (3 or 3 1/2 hours a day, 4 days a week, 7 months a year) is offered for 119 4-year-old children, some of whom have working parents.
- A home-based option for an additional 78 4-year-old children is available.

Because of budget difficulties, the full-day option operates on a 4-day-a-week, part year schedule, so parents must make alternative arrangements for child care on Mondays during the year and for the entire week during the summer months. Children in the part-day option in need of full-day care get transported by Head Start to other centers, family day care homes, or other approved homes. These children must then be in two different child care situations each day. The grantee Director would like to increase his full-day care, but is having difficulty finding sources interested in funding the extra hours of care.

2.2 Restrictions in Eligibility for Title XX Slots

A second barrier to providing full-day services to all families in need is created by the different goals and objectives of Head Start and Title XX. Different families are eligible for the two programs and different services are authorized for the families. Head Start tries to serve the poorest of the poor; Title XX serves families with working parents. Head Start provides comprehensive services; Title XX provides day care. In the following four examples grantees have discovered that there may be gaps between these two sources that mean that some families in need cannot receive appropriate services.

2.2.1 Harambee Child Development Council

In the state of Georgia, for example, Title XX slots are reserved for families where the parent is actively looking for work. Each parent has 90 days to find a job. If the parent has not located employment in that time, the child is removed from Title XX care. If the parent does find employment, the child may stay in care for six months, after which the parent must make alternative care arrangements. This means that there is tremendous turn-over of children in Title XX centers. In addition, there are many low income working parents in need of subsidized care and who cannot find it.

In the Albany, Georgia Head Start grantee, Harambee Child Development Council, the Head Start program offers working parents a full-day option. Specifically, the grantee serves 425 3- to 5-year-old children, generally for 6 hours a day, 5 days a week, 9 months a year. But 60 children of working parents stay in the classroom an extra two hours a day. The Director believes that full-day care would be useful for many more of the families where parents would like to enter education or training programs, but cannot find affordable child care. However, the Regional Office has suggested cutting full-day slots and the grantee Director says that she must argue annually to keep any of the children in full-day care. She would also like to return to a full year of service, as she is worried about the summer care arrangements of many of the children.

2.2.2 Ninth District Opportunity, Inc.

The Gainesville, Georgia grantee, Ninth District Opportunity, Inc., has responded differently to these state Title XX requirements. The grantee has historically operated part-day center-based and home-based Head Start programs in a 17 county area as well as a full-day Title XX program. As the Director has found other sponsors for Title XX, she has transferred centers to those sponsors. At the present time, then, staff manage three different schedules, the first two paid for by Head Start and the third one (in two counties only) by Title XX.

- A part-day Head Start option (5 1/2 hours a day, 5 days a week, 9 months a year) provides services for 1,045 3- to 5-year-old children, generally housed in school buildings and operating on the sane schedule as the school system.
- A home-based Head Start option for 100 3- to 5-year-old children is operated in rural areas where it has not been possible to establish centers.
- A full-day Title XX program (12 hours a day, 5 days a week, 12 months a year) is offered for 186 children in two centers. The age range for these children is 6 months to 5 years.

There is little coordination between Title XX and Head Start. Title XX simply offers day care for a small group of children of parents actively looking for work or newly employed. Head Start offers comprehensive services to families with at least one non-working parent. A large number of low income families in need of child care are not served by either program.

2.2.3 Community Progress Council

Pennsylvania has still different rules for Title XX that, for some grantee Directors, seem to create gaps in providing appropriate services to families. The York, Pennsylvania grantee, Community Progress Council, used to operate some full-day Head Start and full-day Title XX child care, but has recently been required by the Regional Office to change all center-based Head Start to part-day. The Director has set up the following schedules to try to serve the families in the community:

- a part-day Head Start option (3 1/2 hours a day, 4 days a week, double sessions, 9 months a year) for 180 4-year-old children;
- a second part-day Head Start option (4 1/2 hours a day, 4 days a week, 9 months a year) for 72 4-year-old children;
- a home-based Head Start option for 65 4-year-old children;
- a full-day Title XX program (11 hours a day, 5 days a week, 12 months a year) for 60 3- tp 5-year-old children. This is supplemented by a before- and after-school program for 30 6- to 7-year-olds; and
- a full-day schedule (11 hours a day, 5 days a week, 12 months a year) for 18 3- to 5-year-old children whose parents pay $35 a week for their care.

Even these variations do not supply adequate full-day service for the community. First, when Head Start converted to part-day, there was no increase in Title XX slots to accommodate the working parents in need of full-day care. Second, many parents in need of full-day care do not meet the Title XX requirements for eligibility. Specifically, Title XX requires that, if both parents are in the home, both must be working or in an approved training program (unless one parent is certified as disabled). If there is one parent in the home, that person must be working or in training. Families that are ineligible include, for example, the following.

- Those two-parent families where one parent is working and the other is not an appropriate caregiver. The non-working parent may be an alcoholic, a drug abuser, or in some way abusive to the child. Title XX in Pennsylvania does not have a special category to allow these families to be served.
- Those single-parent families where the parent is disabled. Title XX says that, in this case, Children & Youth Services should be responsible for the child's care. But that agency only has money for temporary placements, and these are generally not with Head Start, since its programs are only part-day. Parents could benefit from Head Start for a full year if Head Start were still full-day.
- Those families where one parent is in a "non-approved" program. For example, most 4-year-college and some 2-year-college programs are not approved. Only programs that lead to specific credentials are permissible.

The fee-paying class was designed to accommodate parents who were not eligible for Title XX, but needed full-day care. The class is fully enrolled, but the grantee is having some difficulty in collecting payment for their child care services. Thus, while for the grantee Director is trying to meet the community's needs child care, he is finding the situation very difficult. Head Start is not allowing full-day schedules in his Region; Title XX allows many families to "slip through the cracks"; fee-paying programs are of limited use when families can ill afford to pay for child care.

2.3 Title XX Lacks Comprehensive Services

Even when grantees offer a significant number of full-day slots, they may not be able to offer comprehensive services to all families. They may have clear distinctions between Head Start and Title XX programs and provide the specific set of services required by each funding source for its children. Jewett City, Connecticut (Thames Valley Council for Community Action), for instance, has three Head Start options and two very different Title XX programs.

- A part-day Head Start option (3 hours a day, 4 days a week, 10 months a year, double sessions) is available for 333 3- and 4-year-old children.
- A home-based Head Start option for 45 infants and toddlers (often with special needs) and 45 3- and 4-year-old children is offered which also runs for 10 months.
- A program for teen parents, is available, jointly funded by Head Start and the New London school system, where Head Start inputs its standards into the child

care facility (for about 20 children) and works with parents on parenting skills and the parents continue to attend high school.

- A full-day Title XX program (10 hours a day, 5 days a week, 12 months a year) is operated for 320 children in centers. Most of these children are 3 and 4 years of age.
- The grantee sponsors a network of 120 family day care homes, some of which enroll Title XX children. Preschoolers of all ages are included in these homes.

The schedules of operation are different for Head Start and Title XX. In addition, staffing and space are not shared. The Title XX centers are in different locations from the Head Start centers.

In this scenario less emphasis is placed on health, social services, and parent involvement activities for Title XX families. It is difficult to coordinate Head Start and Title XX services for individual children whose mothers are in transition to employment. For example, if a Head Start mother goes to work or enters an education/training program, her only option is to withdraw from Head Start. There is no transportation system that allows for the transfer of her child from a part-day Head Start classroom to a Title XX facility, and no provision is made for extended hours of care in Head Start. The schedule of Head Start classes and the program of parent involvement assumes that mothers are home during the day.

There is some interaction, however, among Head Start, Title XX center care, and the network of day care homes. During recruitment, families come to one place to find out about their options. A staff member is trained to listen to the family's needs and match the needs and types of child care. In addition, the agency operates the foster grandparent program and places grandparents in both day care and Head Start. While there is a separate Director for Head Start and day care, there is also one individual, jointly funded by the programs, whose responsibility is to facilitate exchanges between them.

2.4 Problems in Title XX Recruitment and Payment Practices

An additional barrier to increasing full-day services was cited by one grantee that has had tremendous difficulty with the recruiting and payment practices of their local Title XX program. The Title XX staff reserve the right to do all recruiting, so the grantee cannot speak with potential clients as they enter the program. The grantee usually has a number of empty slots. Since Title XX only pays for slots which are filled, the grantee suffers financially.

The Cedar Rapids, Iowa grantee, Hawkeye Area Community Action Program, offers the following schedules for 3- to 5-year-old children:

- a home-based Head Start option for 72 children lasting 9 months;
- a part-day Head Start schedule (3 hours a day, 4 days a week, 9 months a year) for 95 children;

- a second part-day Head Start schedule (3 hours a day, 4 days a week, 9 months a year, double sessions) for 128 children;
- a full-day Head Start program (10 hours a day, 5 days a week, 12 months a year) for 36 children; and
- a full-day Title XX schedule (10 hours a day, 5 days a week, 12 months a year) for 20 children, commingled with the full-day Head Start children.

The 56 full-day children were to be combined into 4 classes which would be jointly funded by Head Start and Title XX. However, only 12 Title XX slots are filled, meaning that only 3 classes can actually be operated. While the other slots can be filled with Head Start children (their families would like full-day services), the grantee will not receive additional money from Head Start for the additional children. And Title XX pays for children only when the slot is filled by a Title XX child. The problem with filling the Title XX slots appears to be threefold.

- There are many child care centers in Iowa City where Title XX slots are available. The major users of Title XX are students at the University, but the centers operated by Head Start are not near the University.
- The Head Start centers only serve 3- to 5-year-old children; several other centers accept younger siblings as well.
- The Title XX office provides eligible parents with a list of all available slots and lets the parent choose which location would be best. Because of the distance to the Head Start centers and their restricted age range for children, too few Title XX parents elect Head Start centers.

The Title XX children who are enrolled in Head Start centers receive the full range of Head Start services, so there is an advantage for Title XX parents in choosing these centers.

The difficulties which the grantee's Director has experienced with full-day services have led her to the conclusion that her program may be better off **brokering** full-day services rather than **providing** them. Having insufficient Title XX children to fill classrooms has meant she has had to hire and then release staff, and is now having trouble finding qualified people. She feels that the grantee operates an excellent part-day Head Start program, and night extend full-day services better through brokering them. To this end, the agency has developed a new program to recruit and train family day care providers. They have about 175 homes involved to date, of which about 25 involve Head Start parents. These homes can coordinate with part-day Head Start to assist families with working parents. And they provide work opportunities for other Head Start parents who are now paid to care for children.

2.5 Belief That Head Start Should Not Be Full-Day

The final barrier is of a different nature: some grantee Directors do not see resolving the child care issues of working parents as a part of their mandate. These grantees may provide a limited set of full-day services, but they are for a group of children in a specific set of circumstances (e.g., those with teen parents still in school). And these services are ancillary to their main goal of providing Head Start to low income families.

One Chicago, Illinois grantee, the Ounce of Prevention Fund, is an example of a grantee which is not in the business of providing full-day care to children of working parents. They provide a part-day Head Start program (3 hours a day, 4 days a week, 8 months a year, double sessions) for 700 4-year-olds. And, they participate in the Parents Too Soon program, funded by the state of Illinois. The goals of the program are to ensure that teen mothers get good health care for themselves during their pregnancy and for their children during the first two years of the child's life, that the mothers stay in school or receive some job training and are trained in parenting skills, and that mothers have access to day care during school or training hours. The ounce provides some child care and training in parenting skills.

When asked about serving the working parents of Head Start children, the Director was clear that this was not her job. Her understanding is that national Head Start does not want its money spent on full-day services and also does not want its grantees to offer any "combination" programs where Head Start would pay for part of the day and Title XX or another source would pay for the remainder of the day. She believes that any expansion of services to help provide care needed by work-welfare recipients would be very difficult and costly; it is not in her plans.

3. Grantees Brokering Full-day Services

The process of brokering or coordinating full-day services for children is well represented by the three grantees whose only full-day services are provided in family day care homes. It may appear from their lack of full-day center care that they have a limited commitment to assisting working parents; however, this may not be the case, as will be described in this section.

3.1 Broome County Child Development Council

The Binghamton, New York grantee, Broome County Child Development Council, offers a Head Start program for 205 children with funds from national Head Start and the City of Binghamton:

- a part-day program (3 hours a day, 4 days a week, 10 months a year, double sessions) for 153 4-year-olds, of whom 22 are funded by the city of Binghamton;
- a home-based program for 36 families with 3-year-olds; and
- a locally designed option for 16 children who are usually recommended by Child Protective Services (CPS). These children are placed in licensed family day care homes; Head Start staff visit the homes regularly as they would families in a home-based program, train the providers, and ensure that children receive the gamut of required Head Start services.

Thus, the only provision of full-day services is made to this special population of children recommended by CPS. It may appear that the grantee offers a very limited set of services for working parents. However, rather than provide more full-day care for children, this grantee has chosen to take a role in the community of brokering care. Its services in this category include the following:

- employer sponsored referral services where staff help employees of specific businesses to locate appropriate child care, counsel parents, and train providers;
- operation of a child care resource and referral service in which parents can call the grantee and receive a list of local centers and family day care homes that meet their requirements for regular child care or respite care;
- a Day Care Development Program to increase the number of licensed family day care providers in the area; the grantee recruits providers, supplies training, sees new providers through the licensing process, monitors their progress, and lists them in the CCR&R service;
- a peer support network for parents with particular problems, funded by the Office of Mental Health and Developmental Disabilities in which parents are trained as peer counselors and matched with other parents sharing their problems with a handicapped child or family in trouble;
- coordination of school-aged child care, helping to establish new programs, providing technical assistance to existing programs, and connect families with appropriate care;
- a teen parent program like Head Start's home-based option, with young teens who are at risk to be early parents in a pregnancy prevention program in an intermediate school, and helping older teens who are at risk gain employment skills by placing them in a school age child care program where they are paid and provided training in child development and parenting skills.

This grantee has identified strong needs for quality child care in the area and has chosen to coordinate care for the county, help improve the quality of existing care, and provide support to families in need of care.

3.2 South Plains Community Action Agency

A second grantee which shares the goals of brokering (coordinating) care and improving its quality is in Levelland, Texas: South Plains Community Action Agency. It offers two traditional Head Start options and one locally designed one.

- Part-day programs (either 3 1/2 hours per day, double sessions, or 6 hours a day, 5 days a week, 10 months a year) are available for 200 4-year-olds.
- A home-based option is offered to serve 80 4-year-olds.
- A new option where 56 4-year-olds are placed in 16 licensed family day care homes was recently started. Head Start staff work with the home providers in the same way they would a family in the home-based program. Home visits are conducted once a week with the provider and child, "center days" are organized

about once a month. Title XX pays for the day care hours; Head Start pays for the home visitor and for health and social services for the child and family.

This expansion of Head Start into family day care homes is a part of a larger brokerage system managed by the grantee. They help find care in centers or in homes for CPS children, for preschoolers of working parents, and for children in need of after-school care. The system is paid for out of Title XX discretionary funds. If a Head Start child needs additional hours of care, he or she may be transported to a family day care home after part-day Head Start.

Grantee staff are also examining other options for providing full-day care or improving current services. They may work with military staff in the area or local corporations to set up new centers and train staff. They may allow and encourage teachers in the state of Texas' program for 4-year-olds to attend training sessions held at the grantee. Staff are actively involved in the day care community and examining ways to extend its services further.

3.3 W.S.O.S. Community Action Commission, Inc.

The specific goal of improving the quality of care in the community also guided the "brokering" arrangement set up by the Fremont, Ohio grantee, W.S.O.S. Community Action Commission, Inc. They have traditionally offered the following Head Start services:

- a part-day program (3.5 hours a day, 4 days a week, 8 months a year) for 255 4-year-olds; and
- a home-based program for 216 3- and 4-year-olds.

Under an innovative grant funded for 1985-87, they added a full-day family day care home option for 12 4-year-old children. Grantee staff recruited existing licensed providers, some of whom had Head Start-eligible children, others of whom had slots in which Head Start children could be placed. The grant allowed for providers to be trained and supplied them with extra funding for supplying 4 hours a day of "Head Start programming" to children. In addition, Head Start grantee staff visited the home regularly with materials and provided assistance in developing lesson plans.

The impetus for designing this innovative program came from feelings on the part of the grantee's staff that many working parents in the community needed longer hours of care, that the grantee could not finance much of that care, and that family day care home providers now in the position to offer full-day care could benefit significantly from the kind of training that Head Start was able to provide. With the end of the innovative funding from Head Start, grantee staff are considering other options for improving child care for working parents. They are looking into ways in which their centers can offer more hours of care, the possibility of operating the network of homes that are providing slots for Title XX children, or the option of continuing to act as trainers for providers, able to reach all 60 day care homes in the community instead of only the 12 funded by

Head Start. Such an operation might involve collecting parent fees, designing a resource and referral system, monitoring all homes and acting as credentialling agent for homes.

4. Grantees in States With Work-Welfare Programs

In the grantees discussed thus far the impetus for full-day care came largely from the community where working parents were in need of such services and from grantee staff who wanted to improve the quality of services offered. In this last group of four grantees an added incentive was provided by the coming of work-welfare legislation within the state. The first three of the grantees (Wanaque, New Jersey; Greeley, Colorado; Visalia, California) participated in the planning for work-welfare at the county level, and fit their models for provision of services into the larger plan conceived at the county level. They have very different programs, each responding to its own set of community needs. The fourth grantee (Sacramento, California) did not participate in county planning for child care and is not certain how it will eventually participate.

4.1 Upper Passaic County Head Start

The Wanaque, New Jersey program, Upper Passaic County Head Start, is a single purpose agency. It has traditionally offered three different part-day schedules for 3- and 4-year-olds (paid for by Head Start):

- for 34 children, classrooms operating 6 hours a day, 5 days a week for 9 months a year;
- for 34 children, split-session classes where one group of children come to the center 5 hours a day, 3 days a week in the fall and another group comes 5 hours a day, 2 days a week. In the spring the two groups change schedules; and
- for 68 children, double-session classes in which each child comes to the center 3 hours a day, 5 days a week, 9 months a year.

Under an innovative grant three years ago, Head Start allowed the grantee to extend the hours of service for one classroom (17 children). Head Start paid for 6 hours for children; the county paid for an additional 3 hours. The goal was to help parents become economically self-sufficient; in fact, 95 percent of them entered training programs or employment.

When the Governor of New Jersey began the state's work-welfare program (REACH), he held hearings about potential problems and heard a great deal about child care issues. He created two kinds of child care dollars: some to support Head Start-like child care and some to go to private care providers (many of whom already had Title XX children enrolled). The grantee Director from Wanaque participated in the county planning process and has received a grant of "Head Start-like dollars" to extend the hours of the day for two of her classrooms.

Head Start will pay for 5 hours of programming each day, the county an additional 5. Head Start lasts nine months a year and the county will support the two extended day classrooms for the additional months. All children will continue to receive comprehensive Head Start services as they all will continue to be "Head Start" children, at least for part of the day and part of the year. In this first example, the Head Start Director developed a program to assist low income working parents by drawing on her current Head Start resource's and simply extending the hours of the day that two classrooms were open.

4.2 Weld County Commissioners

In the second example, the Head Start Director worked just as closely with county officials to design an appropriate program, and came up with a very different concatenation of services. In Greeley, Colorado, the Weld County Commissioners are the Head Start grantee. The grantee has traditionally offered two Head Start options:

- a part-day program (3 1/2 hours a day, 4 days a week, September to May, double sessions) for 300 4-year-olds; and
- a full-day program (9 hours a day, 5 days a week, May to October) for up to 250 Migrant children from infancy through age 5.

Because they are asked to keep migrant children who are sick, grantee staff have acquired appropriate licensing to care for sick children. Because migrant children are placed with the grantee from infancy through age five, the grantee is licensed to deal with all of these ages. When the work-welfare planning process began, the grantee was, thus, in position to be able to help the community.

When the county began planning for the state's "Welfare Diversion Program", staff organized a Child Care Network, calling in all providers who were interested in caring for children of mothers in the program. The county staff said that they could not afford to pay the cost of private child care. Private providers said they could not afford to take welfare diversion children at the fixed rate offered. The Network discussed various line items of cost. Transportation was a major expense item for providers. Therefore, the county agreed to transport welfare diversion children. With this arrangement, many local providers agreed to open slots for welfare diversion children and the county found a sufficient number of existing slots for most of the children of program participants.

The role assumed by Head Start is one which complements child care services offered by other community agencies. First, some Head Start parents wanted their children to remain in the program. The grantee has some classrooms where children can remain for the full day. Second, the grantee offers infant care for 8 to 10 children of welfare diversion mothers in its licensed facility. Third, it offers care for sick children, whether they are a part of Head Start or a private day care class. Lastly, it will take children of mothers in transition into the welfare diversion program. A mother just entering the program may want her child placed in a particular center that is expecting an opening in a month; the Head Start grantee will take the child as a temporary placement until the permanent slot opens up.

Hence, it may not appear upon first glance that the Weld County grantee is participating extensively in the welfare diversion program. It only has a classroom of infants, care for sick children, care for a few children in transition to permanent slots, and extended days for some Head Start children. But, in fact, it is providing important services for the community which could not be obtained through other means.

4.3 Tulare County Department of Education

The third work-welfare participant is heavily involved in providing child care for thousands of children of low income parents. In Visalia, California, the Tulare County Department of Education offers the following schedules:

- "part-day" Head Start (including either a home-based or center-based option, this latter for 4 hours a day, 5 days a week, 9 months a year) for 283 children aged 3 to 5;
- Head Start home preschool (4 hours a day, 5 days a week, 9 months a year) for 6 3- to 5-year-olds in one day care home;
- full-day Head Start (10 to 12 hours a day, 5 days a week, 12 months a year) for 320 3- to 5-year-old children of working parents;
- migrant Head Start (10 to 12 hours-a day, 5 days a week, 9 months a year) for 154 infants to children about 5;
- state-funded part-day center care (4 hours a day, 5 days a week, 9 months a year) for 240 children commingled with Head Start part-day children;
- state-funded general child care, extending the part-day hours of children of working parents by funding an additional 6 hours a day;
- twenty state-funded family day care homes for 129 children in which the grantee helped these homes become licensed and insured, trained providers and now monitors them; and
- a "parent select" option in which JTPA and the state have contracted with the grantee to find day care for their clients in licensed homes or centers or in an approved relative's home. Care for about 190 children a year is brokered through this option.

The Tulare County Department of Education, thus, receives funding from several sources to provide or broker child care: Head Start's Region 9; Head Start's Migrant Program Division; the state of California; and JTPA. In the first seven schedules listed above, the grantee is providing care for children. In the final option, staff have become brokers for care. When a client comes to see a staff member to discuss care, the staff member can present a series of options: care in a center or licensed family day care home, or care by a relative. If the parent would like a relative to provide child care, a staff member from the grantee visits the proposed hone to see that it is appropriate. If it is, the staff member develops a contract with the relative which stipulates that he/she may be paid to care for the client's children, but she may not accept any other children (except her own). So, the grantee has some control over the quality of care, though the rules do permit children to be in unlicensed facilities.

In preparation for the beginning of California's work-welfare program (GAIN), grantee staff began working with a planning committee which had representatives from local colleges, training programs, programs for the developmentally disabled and child care agencies. The committee wrote the proposal for the county on how it would implement the GAIN program, and it now meets monthly to coordinate the operation of GAIN.

The decision on the provision of child care was that Tulare County's Department of Education would extend its parent select option and help match approximately 4,900 children with child care. The Director says that this matching process will require hiring 24 new staff members, most of whom will be intake workers who will talk with each client, visit potential child care sites, train providers and monitor homes.

In these first three examples of Head Start grantees participating in work-welfare programs, we have seen very diverse solutions to meeting increased needs for child care. In Wanaque, New Jersey Head Start extended its hours of care with the assistance of state dollars. In Greeley, Colorado Head Start staff agreed to provide care for children who could not be placed in existing private day care slots (infants, sick children, children in transition to permanent arrangements). In Visalia, California the grantee has extended its staff to include new intake workers to broker care for work-welfare clients. Each grantee was very involved in planning for work-welfare and remains involved in coordinating the implementation.

4.4 Sacramento Employment and Training Agency

In the final example, the Head Start grantee has not been involved in county planning for work-welfare and is not certain if or how it will participate. In Sacramento, California, the Sacramento Employment and Training Agency is the Head Start grantee. They offer the following services for children:

- a part-day Head Start program (3 1/2 to 4 hours a day, 4 or 5 days a week, 10 months a year) for 1,133 children aged 3 to 5 years;
- a full-day Head Start program (10 hours a day, 5 days a week, 10 months a year) for 20 3- to 5-year-olds. This option used to operate for 120 children, 12 months a year, but budget constraints have resulted in a reduction of these services; and
- a part-day state-funded program (3-1/2 to 4 hours a day, 4 or 5 days a week, 10 months a year) for 359,children who are commingled with the Head start children.

The agency offers JTPA employment and training programs and JTPA staff coordinate child care for about 50 participants a year.

The GAIN program will begin in this county in September, 1988. The grantee has not been involved in the planning process; the county has not chosen to involve any members of the child care community. County planners will issue an RFP describing needs and expect any interested agency to respond. The Head Start Director believes that some of her school system delegates may apply for slots.

Interestingly enough, the grantee will participate in GAIN in that it will be responsible for the job training part of the program. But this county does not have the same sort of planning process and local involvement in coordinating child care that was true in the other counties in the sample, and it is not clear that this agency -- seemingly in an excellent position to coordinate training and child care -- will participate strongly in child care for the GAIN program.

5. Summary of Child Care Services

Perhaps the most striking feature of these examples is the diversity of methods in meeting local child care needs. Part-day Head Start meets a comprehensive set of needs for families where the mother is not working outside the home. The full-day services of these agencies fill another family need -- for additional hours of child care. When Directors of agencies which have extra space and can locate additional funding have extended Head Start, they have created slots paid for by other sources. When Directors have perceived that the community offers ample private or Title XX child care, they have decided to concentrate their efforts on Head Start or on brokering services for children. When Directors believe that their communities lack adequate child care slots and funding, they often try to raise such funds any way they can.

Even those grantees that are trying to supply full-day care for working parents are meeting a number of barriers to providing full-day care. First is the question of agency mission or goals. Grantees finding ways to supply full-day care are generally those that accept as their mission ensuring that low income families with children in need of longer hours of care can find that care.

In at least one case (Chicago, Illinois) the grantee Director does not share this mission. The grantee offers limited full-day services and does not anticipate expanding them. (In a sampling of Head Start grantees that offer no full-day care, we might expect to find more Directors whose mission is to offer an excellent Head Start program -- not to meet the needs of working parents for additional hours of care.)

Head Start grantees which do not share the mission may be compared with many school systems across the country who also have rejected custodial child care as a service. Many elementary school Principals would probably argue that they are in the business of educating young children, not of providing child care while parents are working. So, they operate from 9 to 3, even though parents may be out of the home from 8 to 6. There is nothing disparaging intended by this comparison or this definition of mission. The problem is that parents are still in need of extended hours of care and one community facility that is potentially in a position to offer such care does not do so.

A substantial set of barriers discussed in the interviews concern Title XX regulations. The various problems perceived by grantees included the following.

- Title XX does not pay for a sufficient number of child care slots in the state. Since Head Start is curtailing its funding of full-day services, it seems virtually impossible to finance the needed hours of care for children.
- The limitations in eligibility for Title XX slots means that some children or families cannot be served. Head Start and parent fees do not fill the gap.
- Title XX staff do the recruiting for existing slots and slots remain empty for considerable periods of time. Grantees cannot maintain classrooms and staffing unless all slots are filled.
- Title XX does not require (or encourage) the provision of comprehensive services to children and families. Grantees who would like to provide such services have difficulty financing them.
- Title XX payment is often slow and grantees have difficulty meeting payroll and other regular expenses.

When the sampled grantees were asked about expanding current services to help work-welfare participants, they mentioned another set of "practical" issues that impeded the provision of sufficient full-day care for the community.

- Grantees offering double sessions would have to reduce enrollment to create full-day classes, as many agencies cannot find additional space at a reasonable cost. No one wanted to reduce the number of funded slots.
- Little appropriate space is available at a reasonable cost.
- Many Head Start teachers and aides are working part-time by choice. They would not view the increase to full-time positively.
- The best solutions to child care issues are resolved through coordination with Departments of Social Service. Staff in some of these Departments argue that they have very heavy caseloads and no time for joint meetings.
- The community may need care for infants and school-aged children, ages that are not a part of the traditional Head Start group. This would imply new programming and new staffing.
- The community may need care most during evening and weekend hours. This, too, is not something Head Start is used to providing.

Throughout the discussion, issues of funding arose. In the next section we present the various co-funding arrangements grantees have made and discuss the issues they raise for Head Start's further participation in work-welfare programs.

D. Funding Mechanisms Used by Jointly Funded Programs

In the previous sections of the report, we described the schedules of operation of the child care programs of the 21 grantees in the sample. In this section we turn to the mechanics of funding the various programs. In Exhibit III-1 and Exhibit III-2, we divided grantees by the funding sources for their full-day programs. In Exhibit III-2 we stated that grantees which operate Head Start as a part-day program and Title XX or State Preschool as a full-day program generally separate the funding streams or use a straightforward formula to divide costs. Grantees which fund full-day operations from multiple sources, however, use a wide variety of cost principles to divide costs across funding sources.

A more detailed division of grantees by cost principles may now be made. Three groups seem to emerge. The first group includes those grantees that separate Head Start and other operations both programmatically and fiscally. Six grantees in this group -- those in the center column of Exhibit III-2 -- offer center-based programs for full-day care (and perhaps sponsor a network of family day care homes). The other three grantees which belong in the group are a particular set of grantees from the third column of Exhibit III-2, those whose only full-day option is in family day care homes. Most of the line items in the budgets of these agencies are clearly defined as belonging to one funding source or another; some are divided across funding sources according to a clearly defined principle.

The second group generally includes grantees that began by operating only Head Start or only Title XX. Their addition of another program funded by a different source was treated fiscally as an add-on and has resulted in somewhat arbitrary separations of items paid for by each source. The cost principles used in this group vary, but are similar in that they do not separate costs according to the services required or offered by each funding source.

The third group is represented by grantees that frequently comingle children funded by different sources and offer comprehensive services to all of their clientele. They appear, however, to have divided costs among funding sources according to a logical principle. For example, if 60 percent of the children in a classroom are "Head Start" children, then the grantee has decided that 60 percent of the teacher's salary should be paid for by Head Start.

It may appear by these descriptions of the three groups that the first and third are using "appropriate" cost principles and the second is not. However, the division of grantees into these categories is not meant as a value judgement of their fiscal policies. All grantees have discussed their division of costs with Head Start Regional Office staff and with staff from their other funding sources. All principles for cost division have been approved. The questions which are raised by the use of this diversity of principles have more to do with future practices than with present strategies. If work-welfare dollars are made available to many agencies across the country, state work-welfare staff and federal Head Start staff need to decide if there are certain cost principles that will not be approved, others that will be used to guide staff in their negotiations with potential grantees.

Exhibit III-3 summarizes the cost principles used by all grantees receiving funding from multiple sources. it differentiates the split of costs for administrative staff, for teachers and aides, and for space since many grantees use different principles for these different line items. Each grantee appears once in each column. If a grantee uses the same principle to divide costs for staff and space, its name appears on the same line in each column.

EXHIBIT III-3. Separation of Costs for Grantees Sharing Staff or Space Across Programs Funded by Different Sources

Characteristic	Administrative Staff	Teachers	Space
Staff/Space are not Shared	Jewett City, CT Binghamton, NY Gainesville, GA Chicago, IL Fremont, OH Levelland, TX	Jewett City, CT Lewiston, ME Binghamton, NY Schuylkill Haven, PA York, PA Gainesville, GA Chicago, IL Levelland, TX Cannon City, CO Greeley, Co	Jewett City, CT Lewiston, ME Binghamton, NY York, PA Gainesville, GA Chicago, IL Levelland, TX Greeley, CO
Head Start Pays for its Services Beyond Title XX		Fremont, OH	
No "Shared" Costs Billed to Head Start			Fremont, OH
"Shared" Costs All Billed to Head Start	White Plains, NY Greeley, CO		
Head Start Pays Same Amount as Before New Source of Funds was Acquired	Wanaque, NJ	Wanaque, NJ	Wanaque, NJ
Head Start Pays all Expenses After XX Dollars are Used Up		White Plains, NY	White Plains, NY
Head Start Pays According to its % of Total Funding	Visalia, CA	Visalia, CA	Visalia, CA
Head Start Pays According to its % of Total Slots	Lewiston, ME Schuylkill Haven, PA York, PA Cedar Rapids, IA	Cedar Rapids, IA	Schuylkill Haven, PA
Head Start Pays According to its Hours of Service	Cannon City, CO		Cannon City, CO Cedar Rapids, IA

Of the six grantees which offer part-day Head Start and full-day services paid for by another source, three of the grantees (Jewett City, Connecticut; Gainesville, Georgia; Chicago, Illinois) consistently appear as using the first cost principle: no staff or space are shared between programs. The other three grantees (Lewiston, Maine, York, Pennsylvania and Cannon City, Colorado) do share some costs. In Lewiston, Maine and York, Pennsylvania, the administrative staff have joint responsibilities and are partially paid by Head Start and Title XX. To determine the split of their salaries, the grantee uses a principle that each funding source should pay according to the number of slots it funds. In Cannon City, Colorado administrative staff and space are shared and partially charged to Head Start and Title XX. The grantee did a time study of administrative staff and bills each funding source according to the percentage of hours administrative staff spend on their program. Similarly, the grantee studied the usage pattern of shared space (administrative and meeting rooms) and bills according to the findings of the study.

Therefore, it would appear that even the line items that are shared by programs funded through different mechanisms are clearly divided for billing in this group of grantees. one might ask about the failure of three of the grantees to declare that any administrative staff are shared. In Jewett City, the roles of Directors of the Head Start and Title XX programs are separated. However, there does exist one staff member (a child development specialist) whose job it is to coordinate program efforts where it seems possible. In Gainesville, Georgia the Head Start Director is in a supervisory role over the Title XX Director and does, therefore, become involved at times with Title XX. However, the Title XX Director assists with Head Start's home-based program and does not charge her time to Head Start. The grantee feels that the exchange of assistance, without joint billing, means that each funding source is appropriately charged.

Three of the other grantees that generally appear in the category "Staff/Space are not Shared" are the grantees whose only full-day program operates in family day care homes. In Binghamton, New York; Fremont, Ohio; and Levelland, Texas; Head Start adds dollars to existing Title XX homes. In Binghamton and Levelland, the programs operate like Head Start's home-based model where Head Start staff visit the homes and work with child and provider. The providers are not paid out of Head Start funds; the home visitors are. The administrators do not deal with Title XX funds; those are negotiated between the day care hone provider and the Department of Social Services. As is true in regular home-based programs, Head Start does not owe and does not pay for the space in which home visits occur; we can say that space is not truly shared across funding sources.

The program in Fremont, Ohio differs from the other two in that this grantee paid the family day care provider for the hours that were considered Head Start time. Each provider received her regular payment from Title XX and an additional dollar an hour for the four hours a day considered to be Head Start. Thus, Fremont appears on the chart as using a principle that "Head Start Pays for its Services Beyond Title XX" for teachers. However, since Head Start staff did not manage Title XX funds, the grantee's administrative staff are listed as not shared across funding sources. (One could argue that space was shared by Head Start and Title XX. If this argument is accepted, then Head Start is receiving space free and Title XX is paying for it. However, one could probably argue that Title XX is also receiving space free.)

This sort of arrangement where Head Start pays for services above and beyond the existing Title XX program is difficult to cost, whether one is dealing with an arrangement in family day care homes or centers.

In the second group of grantees where principles for dividing costs seen arbitrary, several grantees have developed an arrangement like Fremont's. For example, when two grantees (White Plains, New York and Schuylkill Haven, Pennsylvania) budgeted for their Head Start option which "upgrades" Title XX with additional services, they charged to Head Start only those costs above and beyond costs paid by the existing Title XX program. That is, they did not consider that Head Start should share the costs of teachers, support staff, or space with Title XX. These costs had traditionally been paid by Title XX and could continue to be paid by that source.

Similarly, when Wanaque, New Jersey decided to "upgrade" its Head Start program with additional hours of service paid for by new work-welfare dollars, it kept its Head Start costs constant and used the new money for additional costs. For example, administrative staff had been paid by Head Start for 7 hours a day, 5 days a week. The new work-welfare dollars will pay these staff for an additional 1 hour each day. Head Start has traditionally paid for one teacher and one aide in each classroom, and will continue to do so even though these staff are now spending more of their hours with children. The work-welfare dollars will pay for a second aide, needed because of the longer hours for children each day. And, Head Start will continue to pay the amount it has paid for space; additional costs incurred because of longer hours for children will be picked up by work-welfare dollars.

White Plains, New York and Greeley, Colorado use this same kind of argument for their assignment of costs for administrative staff -- 100% to Head Start. They feel that single-purpose agencies offering Head Start programs with their large funded enrollments require an administrative staff of the size they now have. The fact that the administrators manage a Title XX program in addition to Head Start shows their dedication to serving the needs of working parents and to providing a quality child care program. It does not imply that administrative costs should be shared.

The cost principle used to divide the costs of teachers and space in White Plains, New York is a little different. Children from multiple funding sources are comingled in full-day classrooms, and the grantee first uses all Title XX money to pay for teachers, support staff (e.g., cooks, custodians) and space. When this money ends, Head Start money is used to ensure that the full complement of comprehensive services are provided for children and families. If any Head Start money is left over, it must be returned.

In these examples, the cost principles appear to have evolved as the programs evolved within the grantee. Some agencies began as Head Start grantees and expanded to operate Title XX. Others began with Title XX classrooms and added Head Start services. No federal or state staff member has required that the grantee's budgeting begin by looking at the current program and separating costs for each item. Rather, Head Start fiscal staff have accepted a variety of historical arguments, such as "Head Start has always paid 100% of the salary of the Director," or practical arguments such as "a single purpose Head Start agency would have our number of administrators paid for by Head Start," to justify the existing distribution of costs.

In the final group of grantees (Visalia, California; Schuylkill Haven, Pennsylvania; Cedar Rapids, Iowa), agreements on the division of costs have been reached on somewhat different grounds: the percentage of funding from each source; the percentage of slots funded by each; or the services required by each. In the state of California, officials from Head Start and the Department of Education have agreed that all grantees should split costs according to the percentage of funding from each source. If Head Start provides 40 percent of the funding, then each line item of the grantee's budget should be charged 40 percent to Head Start, even if it covers costs that do not support the Head Start program. The idea is that other line items might be 100 percent Head Start costs, but they, too, will be shared. The costs should be approximately alike in the end and the role of fiscal staff will be greatly simplified. Visalia, California follows this principle.

Cedar Rapids, Iowa follows the other two well defined principles. In its division of costs of administrative staff and teachers, it uses the principle that costs should be billed according to the number of slots funded by each source. A Director works equally for all children. If 75 percent of the children in her care are "Head Start" children, then 75 percent of her salary should be paid for Head Start. Similarly, if 50 percent of the children in the class of a particular teacher are "Head Start" children, then half of her salary should come from Head Start. (Schuylkill Haven, Pennsylvania follows this principle, too, for its administrative staff and space.) On the other hand, Cedar Rapids uses another principle for its space cost, that a funding source should be billed according to the number of hours of service provided to its children within the space. If Head Start children are in the classroom fewer hours than Title XX children, then costs should be split accordingly.

Each grantee in the sample has arrived at a workable solution to the division of costs. Each solution has been agreed to by Head Start and the other funding sources. When these combination programs are a small percentage of Head Start programs, such flexibility in cost principles is probably justified. But in an environment of work-welfare programs beginning in each state, it may well be worth the effort of examining the effects on costs of each of these principles and deciding which are acceptable.

To examine the effects of the various cost principles, we selected an actual operating Head Start program, the Community Action Committee of Danbury, Connecticut to demonstrate how programs can be expanded to serve children and their families for longer hours. We applied different cost principles to determine the cost of full-day services for Head Start and the second funding source. Six different scenarios were constructed. A detailed discussion of these six scenarios is presented in Volume II of this report.

E. Summary

The 21 grantees in this sample have provided a broad spectrum of examples of the operation of full-day care programs by Head Start grantees. We have seen a number of grantees that provide extensive services to children and families in the community and others whose principal role is to broker child care services for families. Each has adapted to the needs of the community and has evolved a program that seems to work for that community.

Similarly, we have seen that the sample grantees make use of a diverse set of principles for dividing costs across child care programs. Some operate multiple programs by considering them fiscally separate entities. Some have begun by operating one program, and the addition of another shows in the budget as an extension of a primary program. Others have seemed to take a step back from their programs and try to separate shared costs using clear cost principles.

In Volume II, we follow the implications of these cost principles in a new example grantee. We see that the cost principle that a grantee elects can have a profound influence on the amount of money charged to each funding source. While there are advantages and disadvantages to each principle, it seems valuable to understand their effects on the division of costs. A new work-welfare program may wish to decide carefully on which mechanisms it will consider appropriate. And that decision may be that the cost principle will be decided on an individual basis, depending on the process of development and the description of the final program offered by each grantee.

IV. FINDINGS AND CONCLUSIONS

In this chapter, we present a summary of the findings of the evaluability assessment of child care options for work welfare programs. This synopsis incorporates the information gained through the early discussions with federal and Congressional staff and advocates, and from our discussions with states and Head Start grantees. Based on these findings, we identify on-going issues related to child care and work-welfare programs. We also identify directions and areas for further study which may provide additional insight into the policy responses that may be required at the state and federal levels.

During the past few years, the provision of adequate child care has become a critical element in the states' abilities to implement education, training, and employment programs for parents of low income families receiving public assistance. Mothers receiving AFDC have been exempt from participating in work-welfare programs if they have children under the age of six; however, these exemptions may not continue.

The federal government and many of the states have begun to take a look at lowering the minimum age of children for mandatory participation by parents, requiring examination of resources that will be required to serve more participants with younger children in the programs. This short-term study attempted to obtain descriptive information on approaches employed by a select number of states to provide child care services for work-welfare participants. The study also examined innovative Head Start programs as one option to supplement child care services for low income working parents. In the following sections we summarize our key findings.

A. State Child Care Approaches

The nineteen states selected for this study presented a variety of approaches to providing child care to participants in a broad range of work-welfare programs, such as comprehensive state programs, WIN Demonstrations, and basic work programs. The approaches presented by the states fell into two major categories:

- child care provided through special child care components of the work-welfare programs (separate from the general child care program), and
- child care available through the states' general child care programs.

From the above categories, participants could choose from both center-based and family day care resources. The major difference was the degree of flexibility of participants to choose any type of child care, whether licensed/regulated or unregulated.

1. Special Child Care Components

The ten states with special components (Oklahoma is included as its general child care program is exclusively employment and training related), offer the most flexibility to participants. Six of these states (California, Florida, Georgia, Illinois, Iowa, New Jersey) will reimburse unregulated care. Participants can arrange for the traditional types of licensed/regulated care, or use relative, in-home, and other types of unregulated care. Of the remaining four which require licensed/regulated care (Massachusetts, Minnesota, Oklahoma, Washington), only Oklahoma is without exceptions. The other three have built in exceptions which permit special arrangements outside licensed care. The special components are funded usually through state funds, or a combination of state and federal funds, including IV-A, WIN, and JTPA.

2. General State Child Care Programs

Of the states which rely upon the general child care program, which is primarily funded under SSBG to serve the work-welfare participants (Arizona, Arkansas, Colorado, Michigan, Nebraska, New York, Oregon, and Texas), at least a few have exceptions. These exceptions are either for relative care in special cases, or the use of federal (Title IV-A) or state funds, which may not be restricted to regulated care, to support child care for work-welfare participants.

The use of exemptions for lack of adequate or accessible child care is used by many of the states. Whether or not this continues as an allowable exemption under federal legislation will impact significantly on those states which depend on the exemption as a way of dealing with resource shortages rather than to look for other resource development alternatives.

3. Transition Assistance

Transition child care services are now, or soon will be, provided by almost every state in the study. Transition assistance is viewed by the states as a critical factor in successfully moving welfare recipients into unsubsidized employment, although many of the programs in this study are too new to have significant numbers of participants moving off public assistance. Like the types of care available, transition assistance varies greatly, ranging from indefinite periods to as little as 30 days or one-time costs such as advance payments to new providers. Parent co-payment through sliding fees is considered by several states as an important way to help parents gradually assume full financial responsibility for child care.

One problem frequently experienced by many participants moving off transitional assistance is the lack of available slots in the general child care programs. These programs often have long waiting lists. The end result is that states are extending transitional care indefinitely until slots are available.

4. Reimbursement Arrangements

States are employing a variety of arrangements to reimburse for child care. While most continue to rely on contract or direct provider reimbursement, five states reimburse the participant directly for child care expenses with the expectation that the participant in turn pays the provider. Some states are turning to dual party checks to ensure provider payment.

Vouchers are being used by four states to provide participants with greater choice of care alternatives. Perhaps best known is the Massachusetts Voucher Day Care Program which uses vouchers exclusively in their ET Choices program. California, New Jersey and New York are piloting vouchers as a payment mechanism.

While few of the child care approaches presented by the states are particularly innovative, the states included in this study have demonstrated a variety of arrangements to ensure child care resources for work-welfare participants. The questions of adequacy of resources, licensed vs. unregulated care, flexibility of choice, and transition assistance remain issues to be grappled with by all states, whether participation is mandated for parents with children under or over six years of age.

B. Head Start Options

The second part of the project looked at Head Start as one option for offering child care services for work-welfare participants. Work-welfare planners are beginning to take an interest in Head Start as an additional resource for care of children of work-welfare participants. If mothers with children under the age of six are mandated to participate, or even if the numbers of voluntary participants increase, it is likely that a number of these participants will have children in Head Start programs. Why then could not Head Start supply the child care needed above and beyond the hours of classroom services already provided to these children?

Historically, Head Start has separated itself from custodial child care in philosophy as well as practice, even though more and more of the parents of Head Start children are entering the work force. A number of Head Start grantees have implemented programs to meet the full-day child care needs of families in their communities.

This study explored the potential for extending Head Start operations to meet the hours of care required for work-welfare participants. It focused primarily on a group of grantees which offer full-day services paid for through one or a combination of funding sources and that operate child card centers, family day care homes, or both.

As in the child care approaches employed by the states, the grantees in this study provided a diversity of methods of meeting local child care needs. The discussions with 21 grantees provided information on the blending of funding streams to provide care to children of low-income families, as well as the impetus for entering into more extensive child care arrangements.

1. Head Start Options

As a result of these discussions, the 21 grantees were grouped into three categories, including:

- grantees that provide full-day services to children and their families;
- grantees that provide some full-day services, but put more efforts into brokering full-day services for clients within the community; and
- grantees currently working with states that have work-welfare programs and who have developed service provision and brokering within a, coordinated local effort.

The approaches presented by these grantees ranged from center care, family day care homes, or a combination of both, and included programs funded wholly by Head Start, by Title XX or State only, or by a combination of Head Start and Title XX/State funds.

Barriers identified to providing full-day care include:

- how the Head Start mission or goals might blend with the need of working families for extended hours of care;
- limitations imposed by Title XX in terms of funding ceilings and eligibility;
- practical issues of available space, need to serve age groups outside the traditional Head Start age ranges; and Head Start teachers and aides may not want to increase current part-time work levels.

2. Funding for Head Start

The discussion with the 21 grantees provided information about the blending of funding streams to provide child care to low income families. Programs funded wholly by Head Start, Title XX or State only, or a combination of Head Start and Title XX/State funds include center care, family day care homes, or a combination of both. However, limitations are imposed by Title XX in terms of funding ceilings and eligibility.

Another area of exploration of these Head Start grantees focused on the principles used for dividing costs across child care programs. Some of the grantees operate multiple programs by considering them as fiscally separate entities. Others operate one system with an additional program simply shown as an extension of the primary program. Understanding the various cost principles is important if work-welfare programs and Head Start implement coordinated child care services.

C. Issues Related to Work-Welfare and Child Care

Throughout the discussions with leaders in the field of welfare reform, advocates, and key state staff, the overriding concerns and issues focused on three major areas:

- the impact on supply and demand for child care if age minimums are lowered to under three years of age,
- licensed/regulated care related to supply and demand and funding resources, and
- the impact of transitional child care services in participants' success (or failure) in becoming self-sufficient.

It is difficult to treat these issues separately because they are interrelated and impact each other significantly. However, each is important when considering the options states have when meeting the child care needs of work-welfare participants as described in an earlier section.

1. Minimum Age Requirements and Child Care Supply and Demand

Whether there is mandatory participation of mothers with children under the age of six or a heavy emphasis on voluntary participation, the demand for child care services will be felt most acutely by the child care community pertaining to resources for very young children. Lowering age minimums to toddlers or infants will result in pressures on a system already reportedly lacking in appropriate and available slots for children under age three, whether in center-based care, family day care homes, or in-home care.

States were clear that increasing the number of participants with very young children would require significant resources to develop additional slots to meet the rising demands for care, particularly for infant and toddler care.

2. Licensed/Regulated Child Care

The issue of required licensed/regulated child care cuts across a number of areas, such as supply, additional funds to develop new resources, and adequate staff to monitor for compliance. It is evident from the discussions with the states that, while licensed/regulated care is the desired condition for child care, there are vast differences in the states' abilities to actually provide adequate resources of licensed/regulated child care.

In the descriptions of the general child care programs, waiting lists are common for subsidized care, indicating insufficient supply of licensed/regulated, subsidized care for eligible parents. Parents eligible for subsidized care may choose alternatives to licensed/regulated care, such as relative, neighbor or older sibling care, to begin or continue training, job search, or employment. Many states, even those who have licensing/regulatory requirements for subsidized child care, use alternative funding sources which do not specify licensed/ regulated care as a condition for funding to expand the child care options available to public assistance recipients in work-welfare programs.

Two questions must be addressed when unregulated relative care is allowed.

- What will be the level of effort required to get the relative licensed as a caregiver (if desired and allowed)?
- Will sufficient resources be available to replace unregulated relative care if relative care is not allowed or if relatives do not wish to become licensed/ regulated?

3. Transitional Services

Transitional care is viewed by all the states as an important factor in work-welfare participants becoming self-sufficient. Of interest in the states included in this study is the range of time allowed for transition and the options available to participants at the end of the transition period.

No one state appeared to have the definitive answer to the most effective way to move participants into totally unsubsidized employment. The length of transition assistance seems most closely associated with available funding, rather than experience of clients successfully moving from subsidized care. Several questions remain unanswered.

- What is an appropriate period for transitional assistance?
- If no child care slots are available in the general child care program at the end of the transition period, should the transition period be extended?
- Should states be expected to set aside a certain number of general child care slots to ensure that work-welfare participants transitioning to unsubsidized employment can move successfully toward that goal? What will be the impact of this on other priorities for care (CPS)?

D. Directions for Further Study

The results of this evaluability assessment suggest that there are a number of areas open for further investigation before the federal government and the states can develop policy responses to address the child care needs associated with work-welfare participants. Topics which could be undertaken by ASPE and/or in cooperation with ACYF and FSA include:

- exploration of the relationship between the use of lack of child care as an exemption and the number of participants with young children entering and completing a work-welfare program;

- comparison of the costs of developing and monitoring appropriate child care resources with the cost of continuing families on public assistance;
- investigation of the involvement of the child care community in planning for work-welfare implementation and the effect of this involvement (or lack of involvement) on resource development, provider availability, coordination with Head Start; is there a difference in this involvement between state administered and locally administered work-welfare programs;
- investigation of the impact of transition assistance on participants' abilities to successfully move into unsubsidized employment or off public assistance;
- exploration of the maximum rates for various types of care allowable by states compared with the rate ceilings established in the two federal legislative proposals; these rates should be compared with the prevailing community rates in the various states to determine participants' abilities to assume the full cost of care;
- exploration of the possibilities of preschool programs to expand to meet the child care needs of work-welfare participants and the related coordination issues;
- investigation of an expanded sample of Head Start programs to determine the effort required to extend programs to serve work-welfare participants.
- synthesis of programs employing vouchers to determine the types of child care being chosen by parents in employment/training activities (relative, family-based, center-based, other);
- comparison of job placement success in states with special child care components versus states using the general child care program;
- identification and investigation of best practices in the area of linkages or coordination between state child care agencies and schools or Head Start to support work-welfare;
- assessment of placement success of work-welfare programs targeted toward long-term recipients versus mothers with young children or teenage parents.

Volume II of this report presents summaries of the discussions with the states and Head Start grantees participating in the study. A discussion of the effects of the various cost principles on the charges to multiple funding sources relate to Head Start and Title XX/work-welfare is also provided in Volume II.

APPENDIX

WORK-RELATED CHILD CARE DISCUSSION GUIDE

State____________________ Date ___/___/87 Interviewer_____________
Respondent____________________________________ Phone (___)___________

We are interested in finding out about current or planned work-welfare programs and the use of child care to support those programs. We would like to ask you some questions about the work-welfare programs, child care services available, types of care, program participation, funding, and child care regulations. (**Note to Staff: Request copies of all relevant materials, reports, documents legislation, etc.**)

I. Work-Welfare Programs and Child Care

1. Work-welfare programs: Do you currently have a work-welfare program for parents with young children? If no, do you plan to implement a program in the future? If yes, please describe the following.

   a. Experimental/demonstration programs?

   b. State/local policies and regulations (based in legislation)?

   c. Is participation mandatory or voluntary?

   d. Exemptions?

2. Child care and work-welfare: Is child care available as a support service for work-welfare program participants? If yes:

   a. What types of care are available/used? (To what extent is unregulated care used by participants? Informal/free arrangements?)

b. Adequacy of current resources (and efforts to increase)? **Note: probe for resources by age of child, alternative care situations, etc..**

c. Coordination with Head Start programs?

d. Funding sources (Title XX, IV-A, state, other)?

e. Please describe how funding decisions are made. Is this a priority of the Governor? Legislature? Agency Administrator? Others?

f. Payment mechanisms? (Probe for various ways child care is paid, i.e., voucher, contract, invoice, cash, etc.)

g. Who is responsible for child care arrangements (parent, agency, other)? What support services (R & R, etc.) are available for making care arrangements?

h. Please describe the flexibility of care (hours available, on-site, etc.). Probe for evenings, week-ends, 24 hour, part-time - full-time, etc. What appear to be the demands for flexible care vs. supply?

i. Special child care standards or requirements? Probe for special standards or requirements which may be different than state/local licensing or regulatory requirements.

j. Transitional child care: Are child care services available for a limited period to AFDC parents who become employed to assist them in transitioning to self-sufficiency? If yes, describe policies and procedures now in place and considerations in decision-making. What programmatic and financial arrangements are made?

k. What do you see as the strengths of the program in your state (local area)? Have you experienced any particular problems? (Probe for participation by parents with children 0-3?)

l. Please describe the process for making programmatic decisions regarding child care to support work-welfare programs.

II. General Child Care Description

1. General description. Please describe the child care program (particularly for infants through age 5). **Probe for program focus, e.g., custodial, developmental, parent employment**.

   a. Number of children served?

   b. Types of children served (infant, toddler, preschool, school age, OR other description of types, i.e., < 6 months, < 12 months, < 3years, < 6 years)?

   c. Service available (family day care, center-based care, in-home, other)?

   d. Requirements for care? (What requirements must parents meet in order to be eligible for child care services?)

   e. Priorities for care (Do you prioritize within the requirements for care, i.e., (1) protective services cases, (2) working parents, (3) parents in training, etc.?

   f. Payment mechanisms (vouchers, invoices, grants, income disregard, sliding fees)?

g. Licensing/certification/registration?

h. Enrichment/training programs? (Do providers have the opportunity to participate in training programs or enrichment activities which may increase the negotiated rate? Who provides this training or enrichment process? Is there a training component for AFDC recipients to become child care workers?)

i. Number of "approved" slots (and vacancy rates)?

j. Funding (Title XX, IV-A, state, other)? Are different funds used to fund different types of programs/clients? What combinations of funds are utilized, if any?

k. Any employer-sponsored care?

l. Current resource and referral services?

m. Coordination between the child care program and Head Start?

n. Is child care provided by/through the schools? Are child care services provided by/through the schools for special programs, i.e., teen mothers? What other services are provided, if any? Is there a training component attached to the program?

III. Research/Evaluation

1. Current/completed studies: Have any research or evaluation studies been conducted on child care and/or work-welfare programs in the past 12-36 months? Please describe. (Obtain copy of reports)

2. Are any studies planned? If yes, please describe.

IV. Impact of Proposed Legislation

Scenario: Congress is currently considering three different welfare reform packages and each includes mandatory participation of parents based on minimum age of their children? Each package also includes a child care component.

1. In your opinion what would be the impact on your state (or local agency) of the following? How would these impact supply of child care?

   a. Mandated participation of parents with children three years and older?

   b. Mandated participation of parents with children six months and older?

   c. Child care for more than 2 children would have to meet health and safety standards set by state.

   d. Child care would have to meet acceptable standards of health and safety? How would your agency insure that "acceptable standards" were met? What do you think would be "acceptable standards"?

2. What are the implications if federal legislation requires that **government provide or make available regulated child care** for children of work-welfare participants?

3. Priorities of care: How will you prioritize participants needing child care (e.g., teenage parents, parents in education/training programs, employment)?

4. Given the comments and perceptions you have expressed, what funding alternatives might you consider in implementing work-welfare related child care?

5. What kind of child care programs/practices will be necessary for your state to implement a work-welfare program? Are there any innovative or special child care programs or projects currently in place that will facilitate work-welfare implementation in your state? (Also probe for any special problems identified/anticipated).

6. Who will be responsible for the decision-making to implement a new (if any) federal work-welfare program in your state?

HEAD START DISCUSSION GUIDE

I. Description of Program

A. General description. We are interested in finding out about Head Start programs that help serve working mothers by, in some way, providing full-day services. Could you describe your program?

B. Families served. What sorts of families are served in the program? Are some of the mothers in training programs, some working? Are some families referred by Child Protection Services?

C. Selection of children. How do you decide, among many applicants, which children you will be able to serve?

D. Ages of children served. What ages of children are served? If you serve 3-year-olds, do they remain in the program until they enter school? Has the Policy Council or Head Start staff seen any problems with serving some children multiple years when other children in the community cannot be served at all?

E. Younger siblings. Where are the younger siblings of the children you serve? If you help to serve them, how does this operate? If you do not serve them, have parents presented this as a problem?

F. Hours per day. Do all of the children in your program come for the same number of hours per day? If not, how do the hours differ? How do you decide which families participate in the full-day option?

G. Pressure for new slots. If some children are not full day, is there pressure to increase full-day slots? From whom? Have working parents been turned away or decided not to use Head Start because their children could only be accepted part day?

H. Full year. Does the program operate 12 months? through vacations? If not, how do parents organize care when the program is closed? Have you discussed extending the program year?

I. Other services. Do all families receive the same services (e.g., health and social services)? If not, how does service provision differ?

J. Regulations. Are any Head Start regulations a problem for the full-day program (e.g., that 90% of participants be within the income guidelines; class size minimums; home visits; parent involvement)? How do you ensure parent involvement?

II. Funding Sources

A. Identify. What sources provide funding for the program?

B. History. If there is joint funding, how was this joint funding arranged? Were there difficulties? How did you resolve them?

C. Comingling. If you do receive other funds, are funds comingled or do you decide what services will be paid for by each funding source? If the latter, how do you decide what is paid for by Head Start, what by other funds?

D. Problems. Have you had any problems with either funding source with regard to this joint funding?

   1. Eligibility. If there are different eligibility requirements, e.g., for Head Start and Title XX, have these created any problems with funding sources? Do you differentiate services offered to different children?

2. Families served. In deciding priorities for whom will be served by the program, have you had any problems with either funding source? For example, the Head Start emphasis on serving the most needy might contradict a desire to serve working parents.

3. Audit. Have the auditors or program officials from either funding source expressed concern over records? What seems to have been the problem?

4. Marginal cost. From your point of view, how much more does it cost you to do this option than a regular 4-hour Head Start program? What, specifically, are the extra costs (e.g., personnel, occupancy, food, supplies and equipment)?

III. Issues with Program Operation

A. Concerns. When you first discussed full-day operation, what issues were debated in the Policy Council? Have you tried different program schedules? What are the current concerns about full-day operation?

B. Families served. Has the selection of some families over others worked well, i.e., are you serving the families you feel you should serve? Are you serving those you feel you can serve the best?

C. Funding. Is the joint funding a concern or have all problems been worked out?

D. Working parents. Is there concern expressed in the Policy Council, among staff, or in the community to increase services for working parents?

IV. Coordinating with AFDC

A. Current relationship. Do you now have a good relationship with staff working for AFDC? Do you coordinate with WIN so that women on AFDC who are entering education or training programs can find slots in your full-day program?

B. Issues. What sorts of issues have arisen in coordinating with AFDC/WIN staff?

C. Work/welfare. Under a new work/welfare program which lowers the age of children whose mothers must enter a training program, is there a way you could help these mothers?

V. Expansion

Think about possibilities for expanding your program. How could you serve working mothers better? Would you expand the program you have by adding classrooms? family day care homes? What sort of funding would be required?

AN EVALUABILITY ASSESSMENT OF CHILD CARE OPTIONS FOR WORK-WELFARE PROGARMS

Files Available for This Report

Main Report HTML -- http://aspe.hhs.gov/daltcp/reports/evalasv1.htm
PDF -- http://aspe.hhs.gov/daltcp/reports/evalasv1.pdf

Volume II: State Discussion Summaries, Head Start Grantee Case Studies, and Cost Examples
HTML -- http://aspe.hhs.gov/daltcp/reports/evalasv2.htm
PDF -- http://aspe.hhs.gov/daltcp/reports/evalasv2.pdf