

# Barriers to Accessing Child Care Subsidies in Oregon



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**Report in Response to House Bill 2346**

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**Prepared by:** Megan Pratt, Kelly D. Chandler,  
Brenda Barrett-Rivera, Asia Thogmartin, &  
Bobbie Weber, Oregon State University



**Oregon State  
University**

## EXECUTIVE SUMMARY

This study provides an in-depth examination of experiences with the Employment-Related Day Care (ERDC) program. The study aim was to identify common experiences and appraisals from parents, providers, and Department of Human Services (ODHS) eligibility workers from across the state, with an emphasis on recruiting rural and Eastern Oregon participants who are often underrepresented in research. Further, recognizing that experiences can vary by type of care, recruitment also targeted four types of care: center, large (Certified Family) home, small (Registered Family) home, and legally exempt (Regulated Subsidy and Relative) providers. Finally, parents' experiences also vary widely. Therefore, we targeted recruitment to hear perspectives from parents with different types of experiences with ERDC: parents who were currently using ERDC, those who left, and those who completed the eligibility process but did not use ERDC. This report shares the experiences of 30 individuals.

Study participants reported that ERDC is a beneficial program that plays a central role in supporting parental employment and child development. While the participants expressed gratitude for the ERDC program, they also vocalized that being part of the program has its challenges. This report is organized by seven barriers that were identified by many or all of those interviewed:

1. parents' lack of program awareness
2. parents' reluctance to apply
3. complicated processes hinder participation
4. communication challenges
5. parents' high out-of-pocket costs
6. providers' challenges in receiving adequate compensation
7. parents' challenges in finding and securing a provider

For each barrier, we delineate both the experience of the barrier and participants' ideas about how to improve the program (see the Appendix for a detailed table summarizing the seven barrier findings). Then, we share participants' experiences with ERDC during the COVID-19 pandemic. The report ends with recommendations for future research on ERDC.

The barriers discussed are by no means exhaustive, nor free from participants' potential misunderstandings of policies and procedures. However, these misunderstandings of policies and procedures have their own value: identifying areas of confusion. Indeed, the systematic approach used to gather and summarize stories from folks across the state provides a new level of depth to our understanding of the program.

This study serves as a starting place for conversations among stakeholders about how to strengthen the child care system as a whole. It also serves as a starting place for additional research and information gathering. Continued analysis of the in-depth interviews used for this study will lead to an even stronger understanding of how the ERDC program and child care more generally is experienced both during and before COVID-19. These data also provide a starting place for additional research to inform state decision making around understanding the experience of traditionally underserved population (e.g., individuals with disabilities, parents needing care during nonstandard work hours, BIPOC, and culturally and linguistically-diverse individuals) and how widespread the barriers identified in this report are experienced throughout the state.

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## **ACKNOWLEDGEMENTS**

First and foremost, we would like to thank the participants who shared with us their time and experiences about the Employment-Related Day Care program. We would also like to thank the study advisory board members whose expertise of child care and ERDC at both state and local levels informed the study design, interview questions, and recruitment efforts.

## I. BACKGROUND

### House Bill 2346 and Aim of Study C

This report is created in response to House Bill 2346, which calls for researchers to, “*Study and prepare a report on the barriers to accessing existing child care subsidies, including conducting voluntary interviews or surveys of families that have accessed child care subsidies in the past, families that access child care subsidies presently and child care caseworkers or providers who have assisted families with accessing child care subsidies.*”

To fulfill this charge, we conducted voluntary, in-depth qualitative interviews with 30 individuals, including parents with current or past experience with the Employment-Related Day Care subsidy program (here on called ERDC) and child care providers who have at least one year’s experience working with ERDC, who work in licensed centers or home-based programs, and license exempt providers (i.e., license-exempt family, friends, and neighbors). We also conducted interviews with Department of Human Services Benefits Eligibility Workers (BEWs) who work directly with parents applying for ERDC. Interviewees were recruited from several urban, rural, and Eastern Oregon zip codes. Because of the wide range of people interviewed for this study and their geographic diversity, study findings speak to barriers experienced across the state. Findings are not limited to a single region, type of provider, or ERDC experience. Rather, the barrier experiences were shared by multiple persons across locations.

Through semi-structured interviews that asked common questions, but also allowed for conversational flexibility, this study allowed us to gain insights into the program that would be missed by other research approaches (e.g., a state-wide quantitative survey). Our approach gave participants the opportunity to share ideas for improving the program; participants felt empowered knowing that their experiences and ideas around solutions were going to be heard by state decision makers. Thus, the report findings of barriers and ideas for potential solutions came from the participants lived experiences, providing a unique window into how ERDC policy and practices are understood and experienced by individuals across Oregon.

### Employment-Related Day Care (ERDC)

#### ***Child Care is Unaffordable***

Across the US, child care costs consume a significant portion of families’ earnings, especially families with low-incomes. The US Department of Health and Human Services (HHS) considers child care affordable if it costs no more than 7% of a family’s income. In Oregon, only families making above the median income can afford child care by this metric<sup>1</sup>. Affordability is a significant barrier among moderate- and low-income families. For example, for a mother with a

<sup>1</sup> Oregon Child Care Research Partnership. (2009). *Child care in Oregon and its counties: 2008*. <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/sbhs/pdf/occrp-state-county-profiles-2008.pdf>

toddler making minimum wage in Portland, full-time center care for her child would account for 65% of her annual income<sup>2</sup>. Thus, without subsidized care, it can be nearly impossible for a substantial portion of working parents to afford paid child care.

### ***The Purpose of ERDC is to Support both Parental Employment and Child Development***

ERDC is a dual-generational program, with the purpose of both supporting parental employment and promoting child development and well-being. With the 1990 passage of the Child Care and Development Block Grant (CCDBG) which is its primary funding source, the dual program goals were stated. The 2014 Federal Reauthorization of CCDBG, the program increased emphasis on safety and stability of care for children, while continuing to support parental employment. Toward this aim, the reauthorization has required states to create and implement new policies that increase training and health and safety requirements for providers (i.e., training, background checks, and monitoring of legally exempt providers who are not related to the child). The new law also encourages long-term, stable child care arrangements with parents receiving 12-month eligibility, with a three-month job search allowance if a parent loses their job during those 12 months.

### ***States Set Most of the ERDC Policies***

ERDC operates as a federal-state partnership that is primarily funded by federal dollars in the form of a block grant through the Child Care and Development Fund (CCDF), in which CCDBG and other funding streams are combined. States have the ability to shape the program to fit state needs by setting most of the CCDF policies. States determine who gets served, with what types of services, and for how long. Although federal legislation and CCDF rules provide parameters for states to work within, each state has control over the set of policies used to manage the program to reach the intended CCDF goals. For example, states design the rules that determine who qualifies for the program, the amount a provider is paid, and the amount a parent must contribute toward their child care costs (i.e., the copayment). Past research demonstrates how state policies shape both the behaviors of parents determined eligible for the program (e.g., how long parents stay on the program), as well as the characteristics of those who participate in the program (e.g., household incomes).

### ***Oregon's Early Learning Division and Department of Human Services Implements ERDC***

In Oregon, ERDC funds come through the CCDBG block grant to the Office of Child Care within Oregon's Early Learning Division (ELD). The funds are then contracted out to the Department of Human Services' Self-Sufficiency Program. For regulated providers, background checks and licensing oversight is led by ELD and coordinated between the ELD and ODHS. ODHS has oversight for legally-exempt providers, although ELD monitors legally-exempt non-relatives. The payments and billing are covered by the Direct Pay Unit (DPU) at ODHS. Parent eligibility is handled by Self-Sufficiency's Benefit Eligibility Workers (BEWs). For more information about how the program is governed see Study A.

<sup>2</sup>Oregon Child Care Research Partnership. (2019). *Early Care and Education Profile: State of Oregon 2018* <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/oregon-early-care-education-profile-2018.pdf>

## ***Stakeholders Have Been Concerned about Challenges in Using ERDC for Many Years***

Concerns about challenges in accessing and navigating ERDC have been discussed by legislators, agencies, and advocates for many years. Some of these concerns come from a declining caseload, history of short subsidy spells, and high copays. Research shows that:

- The average monthly caseload has declined in recent years indicating fewer families are using the program.<sup>3</sup>
- The percent of eligible Oregon children served by subsidy has declined from 25% of children in 2006 to 15% of children in 2016.<sup>4</sup>
- Oregon has a long history of parents using the subsidy for only a few months at a time (i.e., short subsidy durations). Compared to other states Oregon’s spells are significantly shorter than most.<sup>5</sup>
- Oregon has a long history of high copays—higher than many other states.<sup>6</sup>

## **Purpose of this Report**

Taken together, the purpose of this report, as stated in House Bill 2346, is to “*study and prepare a report on the barriers to accessing existing child care subsidies, including conducting voluntary interviews or surveys of families that have accessed child care subsidies in the past, families that access child care subsidies presently and child care caseworkers or providers who have assisted families with accessing child care subsidies*” (pp. 2-3). Through in-depth qualitative interviews of participants across the state with varying experiences, we were able to identify what is working well, common barriers, and ideas for improvement. The findings in this report represent the voices of those with firsthand experience with ERDC. In the next section we describe the study design, methods, and analytic approach.

<sup>3</sup> See Oregon Early Learning Division (2020) The State of Early Care & Education and Child Care Assistance in Oregon. <https://oregonearlylearning.com/wp-content/uploads/2020/01/State-of-ECE-in-Oregon-ELD-Dec.-2019.pdf>

<sup>4</sup> See OCCRP (2019) Oregon Child Care Subsidy: Eligibility Estimates. <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/percent-of-eligible-children-served-by-the-subsidy-program-2018.pdf>

<sup>5</sup> The OCCRP has reported that the median child care subsidy spell has ranged from 3 months in 1997-1999 to four months in 2014-2016. It was briefly 5 months in 2007-2009. Research is currently underway to measure spell length for 2017-2019

<sup>6</sup> See <https://www.urban.org/urban-wire/how-much-do-low-income-families-pay-subsidized-child-care>

## II. STUDY OVERVIEW

### Method

The protocol for this study was approved by Oregon State University's Human Research Protection Program (IRB-2020-0508) on May 9, 2020.

#### **Recruitment**

**Parents and Child Care Providers.** We used three strategies to recruit parents and child care providers. First, in collaboration with ODHS, we mailed letters and recruitment flyers inviting parents to participate. ODHS drew a random pool of 140 parents and 120 child care providers from their database, using a set of criteria to support needed perspectives. The parent criteria targeted recruitment efforts to parents currently on subsidy; parents who became eligible but never used the program for care; and parents with past experience with the program, but who may have left the program after recertification. The child care provider criteria targeted four types of care including: centers, large home-based child care (Certified Family), small home-based child care (Registered Family), and providers legally exempt from licensing (i.e., Regulated Subsidy and relatives). ODHS sent a follow-up letter two weeks later to the same mailing list. Second, we posted an advertisement on Facebook, which was shared widely by at least 45 individuals and groups. Third, we made direct contacts with the Child Care Resource & Referral (CCR&R) agencies, Early Learning Division Hubs, Oregon Parenting Education Collaborative (OPEC) Hubs, Oregon State University Extension, and other community partners to share information about the study and encourage participation.

For any interested participant, we conducted an eligibility screening telephone call. For parents, we screened to find those who have (a) used ERDC for at least three months and (b) have used it within the last twelve months as of January 2020 or (c) have gone through the eligibility process to become approved for the subsidy but did not use it. We screened to hear from parents who never used the program, left the program, and were currently using the program by three geographic regions: rural, urban, and Eastern Oregon. Criteria for providers' eligibility included (a) has provided care for a child participating in the ERDC program for at least one year, (b) zip code<sup>7</sup> that provided geographic diversity, and (c) type of care setting to get representation of providers by type of care. These criteria provided diversity across regions in Oregon, type of care, and sufficient experience with ERDC to share in the interviews.

**ODHS Benefits Eligibility Caseworkers.** To recruit ODHS Benefits Eligibility Workers (BEWs) with child care subsidy experience, we sent an email and follow-up email to Employment-Related Day Care (ERDC) program "point-persons" identified by ODHS central offices' leadership. The criterion for participation was that the eligibility workers had at least one year

<sup>7</sup> Urban, Rural, and Eastern Designation was defined by Oregon Office of Rural Health at OHSU <https://www.ohsu.edu/oregon-office-of-rural-health/about-rural-and-frontier-data>

of experience determining ERDC eligibility for families, to ensure they had sufficient experience to share during the interview.

**Data Collection**

Data collection occurred from June 17, 2020 to August 3, 2020. Due to COVID-19, we were unable to conduct face-to-face interviews as originally planned. Instead, participants could choose to do the interview via Zoom or telephone. The majority of participants ( $n = 22$ ) were interviewed via Zoom, and eight were interviewed via phone. After ensuring Informed Consent, interviewers collected quantitative data from a brief survey in order to be able to describe the sample. After the brief survey, there was a semi-structured interview. Interviews lasted, on average, 58 minutes for parents, 75 minutes for providers, and nearly two hours for eligibility workers. Table 1 below shows the target populations and number of interviews completed by participant group: parents, child care providers, and ODHS Benefits Eligibility Workers.

**Table 1**  
**Completed Interviews with Parents, Child Care Providers, and ODHS Benefits Eligibility Workers (N = 30)**

<b>Participant Group</b>	<b>Number of Interviews</b>
<b>Parents</b>	
Never used ERDC	2
Left ERDC Program	4
Currently using ERDC	6
<b>Subtotal</b>	<b>12</b>
<b>Child Care Providers</b>	
Center (Certified Center)	3
Large home (Certified Family)	4
Small home (Registered Family)	6
Legally exempt (Regulated Subsidy or Relative)	3
<b>Subtotal</b>	<b>16</b>
<b>ODHS Benefits Eligibility Workers</b>	
	2
<b>Subtotal</b>	<b>2</b>
<b>TOTAL</b>	<b>30</b>

**Parents.** We interviewed a total of twelve parents for this study. Table 2 provides a breakdown by parents' experiences with ERDC by region in Oregon.

**Table 2**  
***Number of Completed Parent Interviews by ERDC Experience and Area (n = 12)***

	<b>Rural</b>	<b>Urban</b>	<b>Eastern</b>	<b>TOTAL</b>
Never used ERDC	0	1	1	<b>2</b>
Left ERDC program	3	1	0	<b>4</b>
Currently using ERDC	1	4	1	<b>6</b>
<b>TOTAL</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>12</b>

Most of the participating parents were mothers, with the exception of one father. The majority of the parents identified as non-Latinx White. One parent identified as Black, one identified as both White and Asian, and one parent identified as Latinx White. More than half (58%) completed a bachelor's degree; one had five professional certificates, three had some college, and one had some high school. All but one parent was single-parenting; two single parents were living with a romantic partner. Half of the parents were divorced, four were never married, one was separated, and one was married. Most parents in this sample had two children, with ages ranging from infant to 11 years old. Two parents also had children over the age of 12.

Eight out of the twelve parents were employed. Of those employed, they worked an average of 33 hours/week (Range = 8-45), and most had a day shift. Two parents had nonstandard schedules. Occupations included home care aid, medical assistant, home visitor, and office administrative assistant.

The parents we interviewed used ERDC from four months to six years, with the exception of two parents who were unable to fully engage with the program. Parents reported using care by relatives; family, friends, and neighbors; regulated home-based care; and center-based care.

**Child Care Providers.** As shown in Table 3 below, interviews were completed with 16 providers across the state, including three in centers; four in large home-based child care (Certified Family); three in small home-based child care (Registered Family); and two family, friend, and neighbor care (legally exempt) providers across urban, rural, and Eastern Oregon regions. Just over half of the providers cared only for children not related to them; the others cared for relatives (e.g., grandchildren, nieces, and nephews) only or both related and non-related children. All but one provider reported working a typical day shift, although many spoke of having worked early mornings, evenings, and weekends in the past.

**Table 3****Number of Completed Child Care Provider Interviews by Area (n = 16)**

	Urban	Rural	Eastern	TOTAL
Centers (Certified)	2	1	0	3
Large home (Certified)	2	2	0	4
Small home (Registered)	1	2	3	6
Legally exempt (Regulated Subsidy or Relative)	1	2	0	3
<b>TOTAL</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>16</b>

All of the child care providers we interviewed were women. The majority of participants were White, with one participant identifying as Latinx White. In addition, two participants identified as Black, one Pacific Islander, and one Biracial. As for education, three completed high school or obtained their GED, five had some college education, one completed an associate's degree, three completed a bachelor's degree, and four had graduate or professional training after college. On average, participants were approximately 45 years old (Range = 29-70).

The providers in this sample have been caring for children from 1.33 to 47 years (Mean = 15.68). The majority (62%) reported having 10 or more years of experience in the field. Providers reported caring for children at their current location for an average of 11.62 years (Range = 1.33-30). Excluding one unique case of a large center program with multiple sites, providers had zero to fourteen staff at their location caring for an average of 13.42 children. Providers reported enrollment numbers were difficult to quantify due to COVID-19 disruptions. Seven reported declines in enrollment due to COVID-19. Some reported losing some children, while also gaining new children in their program. Others spoke of closing down for a short period of time and reopening within the Emergency Child Care framework, which limited their enrollment numbers. Six of the 16 providers (40%) reported serving over 10 children. Finally, the child care providers who participated in this study had experience with the ERDC program from one year (the minimum criterion for eligibility in this study) up to 25 years.

**ODHS Benefits Eligibility Workers (BEWs).** We interviewed two BEWs: one relatively new worker (< 3 years) and one seasoned worker (over 10 years). One identified as non-Latinx White, and the other identified as Latinx White. Both have had some college education. One worked in a metropolitan region and the other worked in Eastern Oregon.

### Data Analytic Approach

The goal of qualitative analysis is not to represent all of the experiences of a phenomenon or particular group. Rather, qualitative analysis is a detailed examination of individual

experiences to provide a deeper understanding of complex issues like barriers to ERDC. Our qualitative analysis process began at the earliest stages of research design and evolved across data collection, focused analysis procedures, and report writing. Early analysis steps included writing field notes after each interview and weekly discussions about information we were learning from participants.

After a professional transcriber transcribed the interviews, we conducted a content analysis using qualitative software package called NVivo (QSR International, 2018). The content analysis began with the creation of a codebook. Codes reflected the main goals of the report (e.g., barriers and strengths of ERDC), topics from the interview guides (e.g., application process, and employment), and ideas found in the interviews (e.g., system timing, awareness of ERDC, and strategies to assist parents). Before coding interviews independently, the two interviewers applied the codebook to several of the same interviews, compared results, and then adjusted codes and definitions accordingly. Codebook development involved multiple conversations between four members of the research team. The two interviewers then independently coded the remaining interviews. Themes were identified by the research team using common codes in many, if not all, of the interviews. The findings section focuses on a subset of robust themes that were discussed across all or most participants.

### III. STUDY FINDINGS

We have organized the findings by summarizing why participants think ERDC is a beneficial program and then describing seven barriers to ERDC use. We present perspectives of parents, providers, and Benefits Eligibility Workers (BEWs) under each topic. Each group speaks to both their own personal experience as well as their perceptions of the other groups' experiences. By organizing the findings by theme, we strive to capture different dimensions of common barriers to participating in the ERDC program. The goal is to inform state decision-making.

#### ERDC is a Beneficial Program

Study participants reported that ERDC is a beneficial program that plays a central role in supporting parental employment and child development. When respondents were asked for their overall assessment of the program, parents, providers, and BEWs had many positive things to say about program benefits. There was wide agreement that the program plays an integral role in helping parents establish and maintain employment and stabilize household finances. A currently enrolled single parent of four who has been on the program for six years said:

*"The benefit has worked great because that's thousands and thousands of dollars that I didn't have to try and find in my budget ...that I didn't have, that allowed me to work full-time without a worry, ...with \$2,000 a month in day care expenses, it would be hardly worth it for me to even go to work."*

BEWs also noted the program's impact. One BEW noted a tremendous benefit to families, stating:

*"In my experience, there is no program that goes further towards ensuring the households stay off of other more intensive and more costly forms of public assistance. It, by far, is the biggest financial benefit to households not even by a close margin. By a wide, wide margin."*

Providers also acknowledged the benefit to families. One provider said, *"I think it's a great program for parents and it helps them really be able to leverage their finances and really get a foot up where they need to in order to be able to provide for their families."*

Providers also noted benefits for themselves as a provider. For example, two providers—one from a center and one a large home provider—talked about the benefit of parents signing off on child care hours. Both expressed feeling that the process was a benefit to them as it provides checks and balances between providers and parents. Providers also reported satisfaction with being able to serve families who otherwise would not be able to afford child care. Many reported feeling that ERDC supported access to quality care for families in need.

For most interviewed, there was a sense of great appreciation for the program and many expressed respect for the state agency efforts, particularly those at ODHS Field Offices and the Direct Pay Unit (DPU), who made the program possible. While the study participants expressed gratitude for ERDC, they also vocalized that being part of the program has its challenges.

In the following sections barriers are organized around seven topics: (1) parents' lack of program awareness, (2) parents' reluctance to apply, (3) complicated processes hinder participation, (4) communication challenges, (5) parents' high out-of-pocket costs, (6) provider' challenges to receiving adequate compensation, and (7) parents' challenges in finding and securing a provider. The report concludes with a discussion of participant experiences with child care during the COVID-19 pandemic.

## **Barrier 1: Parents' Lack of Program Awareness**

Parents, providers, and eligibility workers agreed that many potentially eligible families do not know that the program exists. Multiple parents spoke about leaving their children with family or unreliable, informal caregivers who were not always safe or trustworthy, because they saw it as their only option. It was not until they became aware of ERDC that they were able to improve their child care situation.

Parents become aware of ERDC through a variety of courses. The ways parents we interviewed learned about the program included: (a) from their job in the child care field, (b) from friends, (c) and through communication with other parents on social media. Half of the parents interviewed (three rural parents, two urban, and one Eastern) first learned about ERDC when applying for other ODHS programs. One BEW tells parents about the program when they mention having children. For example, the original focus of a conversation between a parent and BEW may be about the parent no longer being eligible for food stamps. As the seasoned worker said, *"If I'm looking at food stamps, in the back of my head, I'm thinking about ERDC eligibility."*

Center and home-based providers reported that they are often a family's introduction to ERDC and discussed how they encourage families to apply. For example, an Eastern Oregon provider explained that when parents began to struggle to pay tuition she would print out the ERDC application and help them apply. An urban center provider said, *"When I recommend it to people, most of them have never heard of it before...I get that all the time and it's really interesting because I get the feeling they probably do have an Oregon Trail Card, but this is not something they've ever heard of before."*

An urban large home provider introduces all of her parents to ERDC during the screening call she does for new families. She encourages them to apply by explaining how the program can help them financially to be able to afford *"food and kids' clothes and your insurance payment, the rent payment, or if you need a car repair."* She encourages parents by saying, *"This is a great way*

*to be able to save even a small amount of money. If you qualify in any way, you should check this out.”*

### **Participants’ Ideas for Improving Program Awareness**

Parents, providers, and BEWs recommended adjusting outreach and marketing strategies in order to be clearer about what the program does, who it is for, and how to apply. Some acknowledged that current parent outreach materials are helpful but that they could be improved with simpler, less dense, and jargon-y language. A rural parent who works in the child care field cautions against assuming everyone knows everything about it or understands the terminology. *“We assume that people just know how to apply, what it means, where to go, who to call...”*

Parents and providers also described a lack of awareness around using ERDC for care by a relative; a few participants suggested looking at more educational outreach to inform parents that they can use the program with informal (family, friend, and neighbor) caregivers. A rural FFN provided said about getting listed as a relative, *“You know the thing is, a lot of people don’t realize that their family members could actually qualify to take [care of] their child.”*

Finally, both BEWs interviewed addressed the importance of talking with parents about their specific situation to glean if the parent has a child care need when they come in for another program (e.g., SNAP, TANF). They report that these conversations are hard to do well with large caseloads and a short time frame for completing intakes; thus, they recommended finding time or another way to have such conversations. It is possible that parents who may benefit from the program are slipping through the cracks.

## **Barrier 2: Parents’ Reluctance to Apply**

Parents and providers also discussed how, even if a parent does know about the program, they may be reluctant to apply. This reluctance was attributed to an array of reasons. A couple of providers speculated that parents are not following through because they are unclear if the program fits for them and are daunted by the application process. Across participants in both urban and rural regions of the state, distrust of the government and stigma were the most common reasons parents and providers reported that parents do not apply to the program. One rural provider spoke about parents’ wariness or lack of trust of “the system,” particularly because people associate ODHS with child welfare. Rural home providers also spoke about parents’ reluctance to being on state assistance in general. One rural home provider explained,

*“I have parents that are skittish about asking for government help and I have even tried to explain to them that ‘You’ve put into this system. You know you’re paying your taxes. You’re doing all the things right, but if this is gonna benefit and make things a little easier...”*

### **Participant Ideas for Reducing Parents' Reluctance to Apply**

When asked about their ideas on how to reduce this reluctance, providers generally expressed a need to combat the stigma associated with ERDC by changing how it is talked about. Participants' ideas for addressing this barrier focused on reducing stigma by increasing emphasis on how program helps children and families access quality child care.

An urban parent explained that some parents view public assistance programs like TANF and "food stamps," as programs just for "freeloaders." However, she does not think ERDC has as negative a reputation as other programs because it is designed for employed parents. She explicitly suggested educating parents about how they can apply for ERDC separately from other public assistance programs: "You can be on this separate ...you don't have to do it all. You can not have food stamps and you can have the assistance with the daycare..."

Other providers also expressed the need to shift the narrative from a public assistance program to one of investing in children and families. For example, one provider stated: "I think if we could inform the public more and get away from the stigma that has been there for so many years about it's not Welfare, it is helping families get licensed, quality child care." Another provider suggested that the messaging around the program should move away from welfare to focusing on improving children's lives.

*"This is about the betterment of the kids...This is about making sure we have high-quality education in the State of Oregon, and we're gonna make sure that the bottom 15 or 20 percent of families can afford the best care,' because it only raises it a level for everybody else."*

By shifting how ERDC is talked about, more parents may be willing to apply and use ERDC.

## **Barrier 3: Complicated Processes Hinder Participation**

Navigating the ERDC program is complex as it involves many individual steps and players who must interact with each other to execute the program in an accurate and timely manner. Navigating the many steps is often further compounded by families' complex employment and life situations. We focus this section on two significant barriers related to processes: (1) the application process for parents and (2) the billing and payment process for providers. Another complicated process discussed was the process of finding and setting up care with a provider, or the matching process. This issue is discussed under Barrier 7: Parents' Challenges in the Finding and Securing a Child Care Provider.

### **The Application Process is a Barrier for Parents**

Parents, providers, and BEWs agreed that the application process is overwhelming, especially for parents without prior experience with state assistance programs. One parent who spoke of a smooth ERDC application process had several years of experience with other self-sufficiency programs. However, many other parents and providers spoke about parents' struggles to complete the application process, describing it as "confusing" and "too complicated." Parents

also spoke to struggling to get clarification about how to complete the application. About engaging with self-sufficiency programs in general, one parent explained that she struggled to make sense of the different programs, the eligibility criteria, and guidelines via the website. She explained that she is very thankful to have reliable child care now, however she recalls how stressful the application process was.

Participants also spoke to how the application process is particularly difficult for some parents more than others. For example, a rural provider explained, *“If you have a mental health issue, if you have a reading level of a third grader or lower, if you have English as a second language, you’re not gonna be able to fill out the form.”* This sentiment was reinforced by one of the BEWs who spoke about how daunting the application process can be for families because of language and cultural barriers. A parent who considered herself someone with a lot of support, also reflected on how she could not imagine trying to complete this application if she did not speak English well or lacked social support.

### ***Participants’ Ideas for Improving the Application Process***

Providers and parents agreed that parents need more individualized support to get through the current application process. Many providers spoke at length about playing a “behind the scenes” role to provide individual support for parents, including: teaching them about the program, encouraging them to apply, printing applications, and helping them navigate interactions with ODHS and DPU. Providers reported feeling an obligation to help parents who are struggling to afford care by helping them through this process. At the same time, many felt a lack of support and state recognition of their role in helping parents navigate the application process.

Some providers recommended moving away from a paper application to a more user-friendly online system. By contrast, others asked for more printed materials to help connect parents to the program and support them through the application process. One provider explained, *“...Not all [parents] have access to a computer, so I usually print the application off for them...I know they can do it online but they don’t always have access to the Internet.”*

Finally, BEWs shared ideas around creating more efficiencies in the application process from their end, including: (a) simplifying the process for verifying income and employment (e.g., pay stubs, hours), which is the most time-consuming part of the intake process; (b) improving the usability of the BEW manual to quickly find information for a family; and (c) removing the responsibility of hand calculations from the worker, which they acknowledged should be changing in the near future with a new computer system.

### ***The Billing and Payment Process is a Barrier for Providers***

Providers described in detail the process they go through each month to receive payment from ODHS. They reported how negative experiences with the billing and payment process are a significant barrier to their participation, and some spoke of other providers no longer participating in ERDC because of it. Other providers reported reducing the number of families

on ERDC they will accept into their program to manage the financial risk of billing and payment issues that arise (for further detail, see Barrier 7).

Providers generally acknowledged that they understand the reason why the billing process is set up the way it is—for accountability and to ensure taxpayer dollars are not being misused. These providers appreciated how the process allows both parents and providers to be in agreement about how many hours the child was in attendance. However, nearly all spoke to struggling with the billing process and nearly all struggled with the associated delays in payment.

Providers reported multiple reasons for why the billing process is so challenging. Sometimes the challenges are the logistical details of getting the form completed in a timely manner. Large centers, as well as small home providers, talked about the challenges involved in tracking parents down at the end of the month to sign their billing form. One home provider shared that she has even driven to a parent's house on Saturday to get a signature so she can get the billing forms submitted to reduce payment delay. Another home provider explained how difficult it can be to get signatures each month. She explains that parents often drop off and pick-up their children quickly, leaving little time to stop them for a signature. It is easy to forget to ask for signatures while busy caring for children and then she has to wait until the next time they come to get a signature, *"which for some families...might not [be] until next Tuesday, and so it's even more [delayed], because they have to sign after I fill it out because they have to verify that I'm putting in the right information..."*

The method for returning the completed form to ODHS is also challenging. Currently, billing forms can be submitted via email due to COVID emergency rules, but typically regular mail and fax are the two options for submitting paperwork to ODHS each month. Providers spoke of disliking faxing because it was unclear if the forms were received. To submit billing forms by mail is also risky according to providers. One provider makes copies of every document she sends to ODHS, in case they get lost and then she is unable to get paid.

Providers reported that it can take up to a month to get paid once the billing forms are submitted, and the timing varies. To cope with the delayed payment process, center and regulated home-based providers explained that they restrict the number of children who are on ERDC and organize finances to expect a delay. One home provider described how she manages her finances related to delayed billing, *"I kind of created that cushion to where if they pay me late, I can still pay my bills...I'm not relying on them to make sure that things are on time because I've seen too many times to where it's late, or they lost it and we'd have to resend it."* Another home provider spoke to having all ERDC families pay a one month deposit to cover the delay.

Two providers spoke specifically about a longer delay in payment when billing for a child with disabilities who has an enhanced rate. One provider explained billing for the enhanced rate child,

*“So I submit it with all the other paperwork and it’s usually a week after. So you’re talking a whole ‘nother week before you get your Special Needs check because it has to like get bounced from ODHS to whoever else processes that. So that one’s even more of a pain, ‘cause you have to wait even longer, and then it’s only an extra 150 bucks a month.”*

For further discussion about providers’ limiting the number of ERDC spots, see Barrier 7: Parents’ Challenges in Finding and Securing a Provider.

### ***Participants’ Ideas for Improving the Billing and Payment Process***

When asked for ideas on how the billing and payment process could be improved, providers spoke to the need to simplify the process for tracking attendance, getting signatures from parents, and submitting the completed forms.

Providers and BEWs agreed that the billing form submissions should be moved online (either via email or online system). One large home provider explains that during COVID: *“We’ve had a taste of being able to submit online, it should all be submitted online. There’s no reason for us to be filling out paper forms and mailing them in.”* Providers are hopeful this change will remain after the COVID-19 pandemic ends.

Providers largely agreed that the program would work better for them if they were paid at the beginning of the month, rather after the month ends. Two center providers said they were pleased with a recent policy change that allows centers to bill at the beginning of the month. They described how this change has increased their financial stability and decreased stress for parents and providers alike. By paying up front, providers explained, the payments align with the typical child care business model where parents pay at the start of the month at full price regardless of attendance. Home-based providers also expressed a desire for an upfront payment process. For example, one small home provider said she felt that she should be paid at the beginning of the month, regardless of attendance.

*“You know we save that spot for them. We’re here providing care....This is Early Childhood Education, and we should be paid the same as Teachers for it, you know, paid, whether or not those kids’ butts are in seats at school, you know they’re still getting their paycheck. We should be paid at the beginning of the month.”*

Further, in light of delayed payments and other billing challenges, two large home providers explicitly recommended that the program be like a contract, rather than a month-to-month voucher program. One provider expressed the need for guaranteed payment like other programs.

*“We need to be able to guarantee that we can pay them and pay ourselves, just like any other program that’s out there, you know...Sometimes we don’t even know until two days before the beginning of the month whether or not we’re gonna get paid, and it’s just, it’s wrong, in my opinion...”*

Overall, providers expressed that guaranteed and timely payments will allow providers to sustain their business and increase their willingness to accept more families using ERDC (for more detail, see Barrier 7).

## **Barrier 4: Communication Challenges**

**Parents’ and Providers’ Difficulty Contacting ODHS and Receiving a Response.** Parents and providers reported parents’ frustration around trying to contact and get a response from ODHS. Most parents reported feeling disconnected from ODHS, and that they do not have an easy way to call and talk to someone on the phone without being transferred from one worker to another or sent directly to voicemail. One Eastern Oregon parent, who left the program after only a month, reported that being unable to reach someone at ODHS or receive a call back was a reason why she stopped using ERDC. Indeed, more than half of the parents interviewed said that communication with ODHS was a barrier to ERDC use.

Many parents interviewed described BEWs as hard to track down and unresponsive, reporting that they may wait weeks for a reply. An urban parent reported that they only heard back from their worker once they contacted a manager. A rural parent spoke of the frustration of learning that her BEW had gone on leave and no one else had responded to their calls. As parents explained, another part of the communication problem is that they are unsure of the roles and responsibilities of a BEW and therefore unsure of who to contact (i.e., ODHS or DPU) for which needs. For example, a rural parent was unsure of who to call when a provider forged the parent’s signature on an inaccurate billing form. This lack of clarity also kept some parents from reaching out for help at all.

It is important to note that communication was not a barrier for all parents interviewed. Parents who reported receiving child care subsidy via their involvement with TANF and, therefore, worked with a single caseworker reported easier communication and ease of getting questions answered and clarified. Also, parents with past experience navigating self-sufficiency programs reported have an easier time knowing who to call and getting questions answered. One parent who has extensive experience navigating self-sufficiency programs was able to call DPU every month to adjust hours across two providers, did not have to wait a long time on the phone, and always had someone who was easy to work with.

**Parents Receiving Inconsistent Information from ODHS.** Once in contact, parents reported receiving inconsistent information between BEWs and between departments. Parents expressed frustration with being passed around and of having to re-explain their situation each time they spoke to a new person. With every new interaction parents say they heard different, sometimes conflicting information. These inconsistencies create stress and can have real consequences for families. A rural parent who recently left the program reflected on how she was told contradictory information about her copay that resulted in her not using the ERDC assistance for one of her children; one worker said the \$426 copay covered both children, while another told her the copay was per child—which she could not afford. The parent’s solution to the problem was to use ERDC for one child and pay out-of-pocket (an additional \$200) for the other—a payment which amounted to half of her total income.

An urban parent reported that a BEW verbally approved her care provider choice but, at the last minute, the provider (who was new to ERDC) relayed that she did not yet have approval after all. The parent, who was struggling to get on her feet having recently left an abusive relationship, explained:

*“So I’m calling ODHS again crying like ‘What are you doing to me? ‘Oh, you have to call the Direct Pay Unit. I cannot help you with this.’ Call the Direct Pay Unit and what do I hear? ‘Yeah, ma’am, I’m sorry, but these are the rules. You can just pull your kids out of there and find a different daycare...that is already on active certify situation.”*

A few parents reported that letters from ODHS are also filled with ODHS jargon and/or otherwise vague communication, which makes them difficult to understand. Several parents referenced being in crisis and not having the time or mental capacity to fully comprehend long-winded, jargon-filled letters while in survival mode. A rural parent said she left an abusive situation, and although she got a letter notifying her of a change of status, it did not register, and she was shocked to later learn of the significant change in her copay. She said that what she needed was someone to sit down and say, *“This is super important. I need you to hear me right now.”* Instead she was told, *“Well, it’s in the paperwork.”*

**Parents and Providers’ Struggle to receive Timely, Understandable Information about their Case.** Across the ERDC process, parents and providers spoke to how difficult they found communication and how that impacted their understanding of their case details. Some parents reported that after going through the application and screening intake meeting with a BEW, they were unclear at what point their eligibility was approved and ready to go. Indeed, one rural parent spoke to being reluctant to plan job interviews until they were confident that they were approved and had child care in place. Also, many parents reported not knowing how long their child care would be approved for. Most assumed based on other self-sufficiency programs that their eligibility would last a year, but they were uncertain. One thing nearly all parents said was clear was the requirement to communicate any changes in their employment status to ODHS.

In addition to getting connected to a provider, aspects of the ERDC case can change monthly, and providers reported feeling at a disadvantage because they are the last to know of changes. Providers often feel out of the loop when it comes to knowing the status and details of a parent's case, often because ODHS workers were unable to share information with the provider due to confidentiality.

A common frustration expressed by interviewed providers is the short notice and limited information shared with providers when a child loses eligibility or a parent's case changes (e.g., reduced approved hours). Providers reported it is common to not know about a child status as late as two days before the beginning of the month. Providers assume that parents are also being informed of these changes but report that parents often do not share this information with them, or share misunderstood information. Providers shared that they understood why ODHS/DPU is unable to share details with providers and agreed that they had a responsibility to protect a parent's right to confidentiality. But, they also discussed how relying on parents to tell them about a parent's eligibility status or fluctuating billing hours does not work well and creates frustrating misunderstandings between parent and provider, with serious implications for a providers finances.

Providers with multiple years of experience with ERDC described some of the difficult conversations they find themselves having with parents when a parent loses their ERDC benefit. If the child continues to attend without the benefit, parents often cannot cover the bill. In these situations, providers report having difficult and upsetting conversations with parents who lost their ERDC benefits. One provider describes that she has had to go so far as to meet parents at their car as they arrive to drop off their children to say, *"if you can't pay, you can't drop the kids off."* Providers attribute these difficult conversations with parents about case changes and unpaid tuition bills as a key contributor to why many providers do not accept families using ERDC in their programs.

### ***Participants' Ideas for Improving Communication***

**Increase BEWs Communication about the Subsidy Process with Parents.** To address communication breakdowns between parents and ODHS, study participants had a few suggestions. First, one of the BEWs recommended ODHS increase communication about the subsidy process with parents. An experienced BEW can help explain to parents the nuances of the program and provide additional advice to make ERDC a success for families. For those BEWs who have worked with a lot of different cases, they are able to alert families to pitfalls to avoid, such as how to prevent being charged overpayments for child care hours and other details.

**Have a Central Contact Person.** Additionally, parents and providers both expressed a desire for a central contact person who knows a family's case. A parent who only used the program for one month, states that to make things better for families, *"there should be somebody that you can call and communicate with at any time. I mean I'm not gonna keep using something or do something that I don't have the information about, you know."* Another provider explained that it

would be ideal for families to be connected with one caseworker that can get to know the family and their needs. Having one caseworker will also limit the “run around” from talking to multiple people and the risk of getting inconsistent answers.

A couple of providers with many years of ERDC experience spoke to how communication across ODHS, providers, and parents used to be more clear and efficient. They shared that BEWs used to be the ones who communicated with both provider and parent to facilitate setting up care. They found the communication to be more consistent and understood by all involved when done this way.

Multiple providers spoke of the desire to be able know more about a parent’s case, and proposed the idea of a secure online system to prevent miscommunications with parents and challenging interactions with ODHS. Providers brought this desire for more information about parents’ ERDC status both at initial entry into the program and throughout program duration.

One provider explained that a secure online system that conveys consistent information on a family’s case details could help the parent and provider have a productive initial conversation with a potential new parents during initial entry to the program, and avoid frustrating misunderstandings. To explain how this could work, she provides a hypothetical example. A parent calls asking for full-time care options, but they are only approved for a small number of hours a month using an hourly rate. With a central place for both parties to look, she and the parent could check and see that the parent:

*“...has a copay of \$125 and they’re approved for 45 hours. Then I [can] go, ‘Oh, I’m sorry. So you’re looking for full-time care, [but] you’re only approved for 45 hours. We don’t accept hourly pay, so I need to let you know...we charge \$1,222 a month. So with your 45 hours, they’re going to pay roughly 160 bucks of your \$1,222. ... and the parent is like ‘Oh no. I didn’t realize child care was so expensive. Yeah, we’re not gonna be able to do that,’ and then we’re able to stop the conversation before the parent gets angry and they move to the next Provider. So it’s just a lot of conflict management pieces that [could] take place.”*

With a central place for consistent and current case information, both parties can review and be informed about current eligibility and case details, avoiding communication pitfalls between parents, providers, and individuals at ODHS (BEWs, DPU).

**Personalize Communication.** Some recommendations were also given to address the depersonalized communication, including reducing the state-jargon in letters. One parent was very passionate that ODHS do better at treating families as real humans with real experiences. They explain that often the form letters do not feel a like a human being is sending them and using language like the program is “serving” an individual, could be changed to “working with”. They would also prefer communications written in a way that it is “clear that it’s not some robot that’s just pushing out paper and sending it off.”

## Barrier 5: Parents' High Out-of-Pocket Costs

In this section, we address two different ways that parents incur out-of-pocket costs for child care when using ERDC and how these are perceived as a barrier to parent and provider participation. The first is the parent copay, which is determined by family size, level of need (hours of care needed per week), and income, and is paid by the parent directly to the provider. The second is a set of additional charges to parents beyond the copay. Participants shared that times that a parent may be surprised by an additional bill, include: (a) when child care programs charge a tuition that is higher than the ODHS reimbursement rates and the parent must cover the difference, (b) when a parent has child attend more hours than currently approved for, and (c) when a child is absent from care for more than the allowable absence policy allows.

**High Copays Impede Parent Participation.** Parents, providers, and BEWs each identified high copays as a (if not the most) significant barrier to families using ERDC.

Making minimum wage, a couple parents said they had to sacrifice paying some bills in order to pay for child care. Even with subsidy receipt, copay and other child care costs can still be a substantial portion of the families' budget. A rural parent said that daycare was so expensive that entire paychecks were paying for it. Copays can potentially be half of a family's income.

Parents with higher incomes, were also dismayed to learn how high their copay was going to be. An urban parent who got on ERDC during COVID, said she had applied a year earlier but decided to not participate when she saw that her copay was higher than she could afford. She described this challenge:

*"I remember feeling frustrated... and feeling like, you know, I needed this, the assistance, and not being able to obtain that, and then hearing how high my copay was gonna be was really discouraging, and that was like child care is probably the biggest stressor, when you don't have it."*

If not for the currently waived copays during COVID, this parent said that her copay amount would be \$1,600 per month. An Eastern Oregon parent who only used ERDC for one month before leaving the program, questioned whether applying to ERDC was even worth the effort, especially with her high copay. She said, *"I just remember thinking, 'Well why go through all this trouble and hoops, when it's not even covering...hardly anything of it?' Like I would just really be paying what I'm paying out-of-pocket."*

**Decision between More Work Hours or ERDC.** On numerous occasions, providers have had families come to them crying about not being able to make their copays. One provider reported positive changes in families' lives when their copays are reduced. She noticed how their stress decreases; she sees an overall positive change in their lives and in their interactions with her. The same provider noted that at the top end of the copay scale, she has seen parents be put in a very difficult situation when they must choose between work hours

and ERDC. When employers ask if parents want a raise, parents must do a cost-benefit analysis: If they take the raise, their copay will become too high and/or they will lose their child care benefits all together. Situations like these are impeding families' progress to become self-sufficient. And, one parent stressed that families on the higher end of the income margin need support, too, not just families on the lower end of the margin.

*"Like you know I'll say for myself, like the high copay, I mean we both work full-time, but we don't bring enough money home. ...We all need kids in child care, it's a struggle for everyone, not just low-income. I really wish they would take that into consideration, 'cause I know a lot of families that they have a higher income, but they can't work because they have three kids."*

One provider was shocked to find out how high Oregon's copay is compared to other states and questions the formula that is used to calculate it. She was reviewing copays across the US and was shocked to find how low Idaho's copays were compared to Oregon's.

*"If someone has to pay rent, if they've got to get groceries, I don't... I'm assuming it's some sort of algorithm that the State has, but I have no idea why they're so high. I feel like a single mom who's making minimum wage probably shouldn't have a \$300 and \$350 copay, you know."*

**Only a Snapshot in Time Considered.** This confusion about how copays are calculated was echoed by other study participants. For example, a few parents felt as though they were at a disadvantage because BEWs use very little information to determine their copays. A BEW explained that they consider their last 30 days of paystubs in addition to other earned and unearned income, including Social Security, disability, child support, and other consistent gifts. One parent explained that the process to determine a family's income and eligibility, provides an incomplete picture for ODHS to make decisions. She explained, *"It just happened to be that kind of point in time. So it's just little things like that, that like kind of the broader picture doesn't, it feels like it doesn't get looked at from the guidelines they have to follow."*

Parents knew that their copays could be lowered when their income changed, however spoke of how the process was a challenge and there was a delay in when the lowered copay would go into effect, potentially creating short-term financial hardship.

### **Participants' Ideas to Reduce Parents' Out-of-Pocket Costs**

Nearly all participants interviewed recommended that, to make ERDC work better for families, the copays must be reduced. Parents and providers each recommended that the copay calculations take into account parent expenses, not just income. On the topic of copays, one parent said:

*"I think my only other thoughts would be making sure that Legislators know that the stress, the financial stress that low-income families experience is beyond what they may have ever experienced in their lifetime, like understanding 'How am I gonna provide shoes? How am I*

*gonna provide food? How do I get enough gas to get to [my job]? And now I just had my copay go up by \$200 a month. How am I gonna get 200 bucks?"*

Participants agreed reducing copays will foster self-sufficiency in families. With reduced copays, parents are able to pick up more hours, increase their income, and then no longer need SNAP. At minimum wage, it is difficult to afford rent. But with a low copay, one urban parent explained, “[Parents are] gonna need less benefits from the government, because they are able to grow.”

### **Barrier of Additional Costs to Parents beyond the Copay**

Another challenge associated with using ERDC is any additional costs parents may incur beyond the copay, which often comes as a surprise to parents. Parents are often unclear about what the copay covers versus what they need to pay out of pocket. This lack of clarity results in parents and providers struggling to navigate a “surprise” bill that the state will not cover and that becomes the responsibility of the parent. This next section describes three of these situations.

**Tuition Higher than Reimbursement Rate.** First, one of the additional costs to parents occurs when a provider’s tuition is higher than the maximum reimbursement rate set by the state. When this occurs, the parent must cover that difference, creating additional financial hardship or requiring the parent to find a new provider if they cannot cover the additional cost.

**Delay in Approval for Additional Child Care Hours.** Second, families are approved for a set number of hours of child care every month that ERDC will cover. Parents can contact DPU and request to change their hours of coverage; however, this process takes time and leaves parents, paying the difference until the child care hour increase is approved. An urban parent explained that there is a lapse in time between when her work hours increase and when she has proof from her employer to show ODHS to have her ERDC approved hours increased. This gap in coverage has caused significant financial hardship for her family. She also spoke of later deciding to take a fulltime slot for her child and paying the difference, so that she can take more hours at work when they are offered. This was a common scenario reported by parents with nonstandard work hours that fluctuate over time.

**Charges for Child Care Absences.** The third reason why a parent may be surprised by a higher bill for a given month is the number of times their child was absent from child care. ERDC will not cover costs beyond a certain number of hours or days of child absences. However, nearly all providers interviewed charge parents tuition regardless of attendance (i.e., must hold enrollment and save a slot), as it allows child care businesses, who function on slim margins, to make ends meet. Providers reported that when the state does not reimburse the provider for absences, they must bill the parent for those absent hours or days or absorb the cost. Providers reported that this situation strains their relationship with parents. Parents are unhappy to be faced with an additional bill for hours their child was not in care, and many do

not have the funds to cover the bill. Multiple providers shared that they typically never receive payment in these situations, which makes it difficult to maintain their business.

### ***Participants' Ideas to Reduce Parents' Costs beyond the Copay***

Providers recommended that decision-makers take a closer look at the absent day policy. Additionally, given the nature of the low-wage jobs parents using ERDC have (e.g., fluctuating hours and schedules), parents said they need a more efficient process to get their changing copays and work hours approved in a timely manner. Another idea is that ODHS contract for a slot so that the provider can enroll an eligible parent and be assured of payment for the period of the contract.

## **Barrier 6: Providers' Challenges to Receiving Adequate Compensation**

Providers discussed both their tuition and ODHS reimbursement rates when asked whether they charged families below, above, or at the state-rates for their region, calling it the “DHS rate.” Responses varied by type of care: Two of the three centers reported that they charge above the ODHS rate, and the third center reported that they will start charging above the ODHS rate in the fall due to the financial set-backs created by COVID-19. By contrast, most (if not all) small home and legally exempt providers interviewed reported setting rates at or below the ODHS rate. The four large home providers interviewed also charged at or below the ODHS rate; however, two providers said they will be increasing rates later this year due to COVID-19 (but one of them will not collect additional fees from ERDC families). Providers discussed reimbursement rates and their tuition rates in terms of fairness: both wanting to be fair to parents (i.e., affordable) but also fair to themselves and their businesses (i.e., appropriately compensated).

**Providers Charge What Families Can Afford.** Nearly all large and small home providers set their tuition rates at or below the ODHS reimbursement rate. Many would like to raise their tuition rates, but expressed not being able to because the care would become unaffordable for parents, especially ERDC parents who struggle to afford the current copays. For example, one large home provider said she would like to charge about \$100 more each month, but the cost is already at the top of ODHS pay rates and parents cannot afford the increase. A home provider explains *“I keep my charges similar to the state’s rates so that it doesn’t make the family suffer.”* A parent expressed appreciation that her home-based provider doesn’t charge her more than the copay and doesn’t want to charge over the state allowances.

**Being Affordable vs. Financially Stable.** Nearly all providers interviewed explained the tension between trying to be affordable for parents, while also needing to make ends meet on their end. An urban large home provider described how she has only raised her monthly tuition for all families by \$25 in the last 10 years because parents cannot afford to pay more. All the while, her staff wages have quadrupled, making it hard to stay financially viable. Another Urban large home provider explained that before she had contracted slots she could not make

her business model work unless she billed more than the ODHS reimbursement rate, acknowledging that this was very challenging. Moreover, a small home provider spoke to using the reimbursement rates when she started out to set tuition for all families (ERDC and private pay). Since then, she has increased rates for private pay families, explaining that the ODHS rate worked well until the children got older and the rates went down for older age-groups. She now charges her private pay families a flat monthly rate, regardless of the child's age.

To address this tension between affordability and financial stability, one provider explained that although they will be increasing rates for all families in the fall, they will not charge the families on ERDC additional fees on top of their copay. Because they can barely afford their copays, she acknowledges, *"I'll just lose money on those spots."*

**Providers Feel Undercompensated.** Most of the providers interviewed reported feeling undercompensated for the work they are doing. They wish that parents could afford to pay more and they wish that the ODHS rates were higher. One large home provider in rural Oregon explains that, although she knows that parents cannot afford more, she charges tuition at the top of the ODHS pay scale. She expressed frustration about, despite having a bachelor's degree, not making a living wage because she feels like she cannot charge beyond the ODHS pay scale.

**Provider Concerns about Current Rate Setting Schedule.** Some providers expressed concerns about specific aspects of the ODHS rate schedule. Most commonly they spoke about differences in rates by geography, and a couple spoke about the special needs rate. A single provider listed other concerns about how rates including differences by type of care (e.g., a large home provider said they function like a center but cannot charge at the center rate), as well as age of child (e.g., a small home provider shared that although her time is the same, she gets reimbursement at a lower rate for older vs. younger children).

Both urban and rural providers questioned the fairness of charging more in urban than rural regions<sup>8</sup>. Two providers compared themselves to nearby providers who have different rates. One urban large home provider explained, that if she lived one town over, she would be under "Rate B" and would likely not take the subsidy. A rural FFN provider explained that she didn't think it was right that a provider up the road from her in a town with an even smaller population gets paid at a higher rate than her. She goes on to explain that she feels the lower payment rates in rural Oregon fail take into account the true costs of living and working in rural Oregon. She explained,

*"This area should be paid more. We have a harder thing. ...it takes [parents] an hour to get to work sometimes. I have a parent that drives an hour to get to work because that's the nearest place, city, that has jobs – if she moved to the city it would cost her more [to live]. – [She] can't afford the rent closer in."*

<sup>8</sup> See rate information at <https://www.oregon.gov/dhs/assistance/child-care/pages/rates.aspx>.

In addition, two providers spoke to how the special needs reimbursement rates designed to cover additional needs of children with disabilities is insufficient. One provider explained that the special needs rate is helpful but inadequate as follows:

*“You know the special needs rate is only \$750 a month. I’ve got a child right now who is very high needs...I really need to afford to...pay my Assistant full-time to be here and shadow him, but I can’t do that with \$750 a month...that doesn’t pay for that. That doesn’t pay for having an Assistant with him full-time. Special needs rate needs to be reevaluated big time.”*

### **Participants’ Ideas to Improve Reimbursement Rates**

When asked about addressing this barrier, providers recommended that decision-makers take a closer look at the maximum reimbursement rates with an eye to fairness, particularly for rural providers and for care for children with disabilities. Both parents and providers in rural Oregon recommended that Oregon decision-makers work to better understand how living in rural Oregon is different than living in more urban communities. Furthermore, they felt that decision-makers often do not recognize that all rural Oregon communities are not “one in the same.” Providers currently caring for children with disabilities also encouraged an increase in the special needs rate for children with disabilities. From participants’ perspectives, the rate setting process should rely on mutual consideration of what is fair to parents—those with ERDC and those with private pay—and what is fair to providers.

Overall, providers expressed the need for higher levels of compensation for care of private pay and ERDC families so that they can sustain a business, make a living wage. They explain that this would go a long way to help them feel respected and recognized for the important work they are doing.

## **Barrier 7: Parents’ Challenges in Finding and Securing a Provider**

**Limited Child Care Providers, Generally.** Parents and Providers discussed several barriers to finding a child care provider. Several parents and providers spoke about the limited child care supply from which parents can choose in Oregon. Further access to the child care supply (regardless of ERDC participation) is especially limited a range of factors, such as geography, affordability, and work schedules.<sup>9</sup>

Parents, providers, and BEWs agreed that searching for a provider is particularly difficult in rural Oregon, where regulated child care providers are few and far between. One BEW said that there are a limited number of ERDC-qualified providers who meet families’ needs, particularly in rural areas. A parent currently using the subsidy program said: *“The rural counties... especially don’t have [enough care], and the density of child care programs in some of those rural counties is so obsolete.”* One parent living in rural Oregon and currently using ERDC

<sup>9</sup> To learn more about Oregon’s child care supply and how access varies by demographics see legislative task force reports [Supply and Demand in Oregon: How Equitable is Child Care Access?](#) and [School-Age Supply and Demand: Child Care Access and Equity](#)

shared that there are virtually no options for families who need a Spanish-speaking provider in her area. She has been waiting for a spot to open with the only Spanish-speaking provider in her area.

**Limited Child Care Providers who Accept ERDC, Specifically.** Finding child care in and of itself can be challenging in Oregon's child care desert, let alone finding a provider with space available who accepts ERDC. One family/friend/neighbor provider interviewed believes that the biggest hurdle families face when trying to use the subsidy is finding a provider who accepts ERDC. One parent described it as a nightmare to find a provider who accepts state pay.

For parents with ERDC, child care supply is limited by providers who accept ERDC and then limited further by those who have available slots. Parents reported spending a substantial amount of time calling child care providers on the list from ODHS or 211, only to find that most were full and they had to be put on a waitlist. As one parent said: *"Using the child care subsidy was a little harder [to find a provider], just because they're limited options, because they can only take so many kids."*

Several parents described the process of finding a provider using an extensive list of providers from ODHS or 211 as time-consuming because they had to go down the list calling each provider. A couple of parents spoke of being frustrated that the information on the lists was outdated, making finding a provider even more time consuming and frustrating. A few providers shared that parents most typically find them in other ways outside of the 211 lists. One provider explains, *"...parents rarely tell me that they got my name off the [211] listing. They'll tell me they found me on a search on Google..."*

Further, some parents relied on word-of-mouth to find a provider. At least two providers mentioned that often parents find a provider by word-of-mouth. Other parents shared more creative approaches - one parent had her family post on Facebook to ask if anyone knew of day care spots that allowed ODHS payments. Another parent was thankful that she got a referral, because she would not have called around to numerous providers on a list and, if she had to, she probably would have foregone using ERDC.

It was so hard for one parent to find care that she had to quit her job a few times. She said that a barrier to families using ERDC is finding any providers, especially someone who accepts ERDC. An Eastern Oregon small home provider said they are very short on providers in their area. One reason, she said, is that some potential providers do not want to go through the listing process, including having home inspections.

**Providers' Explanation for Restricting Number of ERDC Families.** Many families struggle to pay their copay. And for that reason, more than half of the providers explained that by accepting families who use the subsidy, they risk not getting paid. For example, an urban small home provider said: *"Some people's copay is like \$600. Right, so if that parent doesn't pay you that*

*copay, you're missing \$600 from your check.*" Another example is a parent who was unable to make the copayment stopped coming and the provider never got paid.

A couple providers described a moral dilemma they face when families who use state assistance inquire about care: They want to help families, but at the same time, they are afraid they will not get paid. A center provider said that about half of families using ERDC at her center are struggling to make their copayment. Some providers described trying to set up payment arrangements with families having a hard time with their copay, but then some families do not follow through. One provider tried to teach a parent financial literacy in order to be able to pay her copay and to accrue savings. As a center provider expressed, after being understanding and generous for so long, she now has to be sterner to ensure she gets paid.

An urban center provider explained that she does not want to discriminate by not accepting a child who needs care, but like other providers, she is faced with the reality that she has bills to pay: mortgage, car payment, student loans, and so on. Home providers have small businesses they are trying to sustain and often live pay check to pay check. In addition to missed copayments, a provider talked about being penalized when a child is absent and is not receiving care for the allotted hours. Unguaranteed and inconsistent payments have made some providers focus on the business ramifications of accepting families using ERDC.

Thus, to avoid putting themselves in "*an upside down financial situation,*" some providers limit ERDC slots, explained a large home provider. Now she only allows two slots due to the financial hardship she has experienced with unpaid copays. After experiencing ERDC clients leave without paying for care, another large home provider decided to have a 10% ERDC cap. Otherwise, they would be unable to afford providing care. She counsels other providers to not have more than 10% of their children on ERDC for financial stability. Without contracted slots and guaranteed pay at the beginning of the month, she will continue to limit the number of ERDC slots.

### **Limited Child Care Providers who Accept ERDC and Fit a Family's Needs and Preferences.**

Even if providers have openings and accept ERDC, they may be unavailable to a family because they do not match a family's needs and preferences. For example, two parents talked about the difficulty finding a provider who takes infants. A rural small home provider explained that some providers do not want to take children under one due to the additional responsibility and liability concerns. Another small home provider was caring for a 12-year-old with behavioral issues who needed constant monitoring. She had to inform the mother that she could no longer provide care for her child, because she was unable to monitor and engage with the other children. Providers expressed concern about the inadequacy of resources they feel they need to meet the needs of children with disabilities or other behavioral needs.

A couple of parents interviewed reported struggling to find a provider who accommodated their nonstandard work schedule. One parent shared that she does not have anyone who can watch her children early in the morning. She shared, "*I mean another thing is like if you qualify for ERDC, but your hours are you know not normal hours, it's gonna be hard to find a child care*

*provider that can cover those swing shift hours.”* This is unfortunate as she pointed out that there are many other parents who do not work day shifts that are unable to access child care. The child care supply for parents using ERDC is further limited by the quality of child care. Even if there is an available ERDC slot, some parents are reluctant to use a provider with a bad reputation or concerns about safety based on what they observed while touring providers’ homes and centers. Parents explained they may be limited to using a child care provider with a bad reputation who accepts ERDC, because providers with a good reputation may not, or if they do, they may either not have a space available or only accept a restricted number of ERDC families.

Parents interviewed expressed that they want high-quality child care for their children with providers who are trustworthy, reliable, and hands-on. One parent suspects that some eligible families are not using the program because they do not like the care that is available. To help eligible families, an Eastern Oregon parent said, there needs to be “*better providers*” who take ERDC available in our communities.

### ***Participants’ Ideas to Increase Child Care Supply to Serve More Families using ERDC***

**Guaranteed Payments based on Enrollment.** To reduce the financial liability of providers accepting families using ERDC subsidies, multiple providers spoke to how they wish they could take on more ERDC families and would if the payments were guaranteed, timely, and based on enrollment rather than attendance. A couple providers explicitly recommended the use of contracts rather than the voucher system currently in place. Payment inconsistencies puts significant strain on their child care business, so guaranteed payment will allow providers to sustain their business. In fact, one large home provider in rural Oregon shared that she would double the number of ERDC slots if the state guaranteed payment.

**Increase of Respect as Child Care Providers through Higher Wages.** Finally, providers expressed the need to feel a greater level of respect as professionals. Providers reported often feeling treated unfairly and undercompensated for their job. They recommended that increasing respect, particularly by raising reimbursement rates, would go a long way in increasing the state’s supply. One center provider shared, “*We are not respected as professionals. I know we’re doing this out of our homes, but come into my home. My entire downstairs is dedicated to my preschool. It looks like a preschool classroom. It is a preschool classroom, and I should be respected the same way any other Early Childhood professional working at a preschool classroom should be respected. That’s my opinion on that.*” Another home provider explains that she wants to be respected as educated professionals. She asks the state of Oregon to:

*“... Just respect us as teachers and understand that we have bills and we need to get paid, and if we want to remain open... This isn’t play money for us. This is how we keep our programs open, just like a school needs to stay open, or a Head Start needs to stay open.”*

Overall, parents, providers, and BEWs were well aware that, beyond ERDC, there are simply not enough child care options that meet the needs of Oregon families. Without addressing the larger issue of not having enough child care in the state for families (regardless of income or subsidy programs), parents will continue to struggle to find trustworthy care options that work for their specific needs and preferences.

## COVID-19 and the Role of Emergency Policies

The seven barriers outlined in the above sections are predominately focused on pre-COVID-19 experiences. This final section addresses COVID-19 and participants' experience of ERDC emergency policies. Interviews were conducted in summer of 2020, amidst the COVID-19 pandemic. All study participants were asked how their experiences with ERDC have changed since COVID-19 upended families' lives across Oregon. During June and July, the following was occurring: (a) counties were starting to navigate reopening phases after the March 2020 Stay-Home-Save-Lives governor order; (b) Emergency Child Care Regulations were in place to protect public health and prioritize care for essential workers; and (c) Emergency ERDC policies were in place to streamline processes and protect the finances of parents and providers.

At the time interviewed, all but one interviewed providers were open (some had shut down in the spring but were back open) and the licensed providers were working under the Emergency Child Care regulations, including stable group size requirements, increased sanitization, and other health policies. Four parents were unemployed and looking for work, and the other parents were concerned about maintaining full employment. BEWs were working remotely and implementing emergency policies for a range of programs, including ERDC.

**COVID-19 is a Barrier to Child Care Access.** COVID-19 has created a significant barrier to accessing child care. Across Oregon, a substantial proportion of regulated child care settings closed (some permanently) and those who were open were struggling to stay afloat financially. Many families were keeping their children home and providers were encountering increased costs associated with implementing the Emergency Child Care Regulations (e.g., increased staffing and sanitization needs). Providers shared that to survive financially they were spending down savings accounts and increasing their rates in the fall. A few providers spoke to being afraid they would be unable to afford to continue serving ERDC families, as their financial situation had gotten to the point where delayed payments were threatening their ability to keep their doors open.

Parents also had concerns about their ability to access care. Parents largely reported that they either lost their jobs due to the pandemic or had hours significantly reduced. Parents, providers and BEWs each expressed concern about what this public health emergency means for the child care supply as a whole considering it was inadequate before this crisis. Acknowledging Oregon as a child care desert prior to COVID, one Eastern Oregon home

provider described the current situation saying, *“It went from a Sahara Desert to quicksand. I mean that’s the only analogy I can think of because it was bad, [now] it’s so much worse.”*

**ERDC Emergency Policies are Benefiting Parents, Providers, and BEWs.** Overall, parents and providers reported that the emergency ERDC policies (e.g., waived copay, increased eligibility, and changes to billing process) have helped them stay afloat financially. Providers and parents both spoke to their appreciation of the policies. For example, a couple of providers felt that these policies sent a message of support and appreciation to the child care workforce. Providers were especially thankful about the Emergency ERDC policies in light of the Emergency Child Care Regulations that had increased their operation costs, while decreasing how many children could attend (particularly among larger capacity providers). Participants expressed uncertainty about how long the emergency policies would last, noting that they were waiting month to month to find out if the policies would be extended. Many shared that they hope that some of the ERDC policy changes will stay in place; parents and providers like how the process is more straightforward and reduces financial and administrative burden for all involved. In the next few sections we provide some specifics about most commonly discussed Emergency ERDC policies: waived copay, increased income eligibility, attendance requirement, and billing forms.

**Waived Copay.** When asked about what has changed about the ERDC program during COVID, nearly all participants spoke to their happiness with the waved (\$0) copay.

Providers spoke to financial security of knowing that they would receive a payment for an absent child who would otherwise be attending, and also increased positive interactions with parents. Indeed, providers spoke to how collecting even a modest \$25 copay was often difficult. The waived copay has also improved parent-provider relationships.

Parents who were currently participating in the program also spoke to the benefit of not having a copay right now, especially considering many were unemployed or had reduced hours due to COVID-19. Parents discussed how not having the copay has provided a helpful buffer to cover bills when they were struggling to make ends meet.

While acknowledging benefits, parents and providers also expressed concern about how they were going to cope financially when the copays return. Parents reported being concerned about how they would cover child care costs, considering that right now they were just getting by. One parent who applied before COVID, but found her copay was higher than the cost of care at that point, was able to reapply during COVID and is now using it to cover child care expenses. She is thankful for the support, although is concerned about how she will afford child care when the waived copay ends. Many expressed how helpful this change has been and expressed a wish that it would stay this way.

**Increased Income Eligibility.** Parents and providers spoke to how increased income eligibility has been helpful. At least one provider spoke to how the higher income eligibility had brought in some new families. Enrollment of these new families has helped make up for financial losses associated with other enrolled families who left due to COVID; this, in turn, stabilized their enrollment numbers.

**Attendance Requirement.** Providers also described the benefits of adjusting the attendance requirement for enrolled children. They reported that the payments based on enrollment rather than attendance has helped them stay afloat financially as many providers, especially larger capacity facilities, saw declined enrollments and lost tuition as they had to close for a short time and/or reopen with restricted enrollment numbers.

There was, however, confusion about the new policies. For example, two providers talked about how they struggled to interpret the attendance policy in situations where their facility was closed or tuition was reduced for those not currently attending but wanted to hold their spot. These two providers were concerned about doing right by both families and the state's "tax dollars." Thus, they struggled to decide if it was ethical to charge the state for care at the regular rate when they were not charging that rate to other families who were not attending the program. Both ended up either not charging the state when the facility was closed or charging the reduced rate to be equal to private pay families.

Although providers appreciated the continued payments, many expressed frustration with a short notice when a family becomes ineligible for the next month. There was a sense of confusion about what triggers a family to become ineligible. Some understood that it was after 2-3 months of not attending but were not confident about when this would happen. Similar to pre-COVID times, they reported that they lost the income quickly.

**Billing Forms.** Another emergency policy change that was seen as a benefit from the provider perspective was being able to email the billing forms and not get parent signatures. Providers reported that these two changes reduced the burden and required less communication (e.g., phone calls) with DPU. Indeed, one provider stated that it is "*Also nice to not have to reach out to DPU all the time*" about the billing process. That said, however, some mentioned that they struggled to get ahold of DPU and that payments were late; there was a sense of more patience with the delays during COVID as most processes are taking longer.

Overall, participants agreed that the COVID-19 realities have created additional barriers to child care access. The emergency policies put in place for the ERDC program were reported as largely beneficial for parents, providers, and BEWs.



## IV. CONCLUSION AND NEXT STEPS

Overall, parents, providers, and BEWs with ERDC experience expressed great appreciation for the program, while highlighting many barriers to navigating the program. This report summarizes seven of the most commonly discussed barriers that were reported across all three populations (parents, providers, and BEWs). They include:

1. parents' lack of program awareness
2. parents' reluctance to apply
3. complicated processes hinder participation
4. communication challenges
5. parents' high out-of-pocket costs
6. providers' challenges to receiving adequate compensation
7. parents' challenges in finding and securing a provider

Within each theme, study participants addressed both barriers to using ERDC and shared ideas for improvement regarding how to address these barriers for decision makers. The report aimed to provide an in-depth analysis and give voice to participants' lived experiences with the program.

Finally, when critically evaluating the ERDC program, it is important to connect back to the dual-generational aims of the 1990 Child Care and Development Block Grant (CCDBG) and the 2014 CCDBG Reauthorization Act emphasis on child care safety, quality, and continuity. Interviews reflected this greater understanding the program as a dual-generational program; study participants view ERDC as not only a critical work support, but one that supports development through increasing access to quality care settings. A quote from one provider is appropriate to conclude this report. She spoke to this need to focus more on children's needs and the long-term societal benefits of building a strong child care subsidy system. She explains that with the child as the focus:

*"...you just have a 3-year-old that we want to turn into a 30-year-old father who makes great decisions and has a great career and loves his family and is really self-sufficient...We can't wait until he's 20 and then decide we're gonna put him in some sort kind of program. It starts here [early childhood]."*

### **Next Steps: Future Research Directions to Inform Policy Decision-Making**

This study increases understanding of the lived experiences and perceptions of persons involved in Oregon's ERDC program, but there is more that can be learned. Following is a brief description of additional studies that could extend this understanding further.

**Rural Oregon Report.** Given the often expressed concerns about rural Oregon, rural participant experiences and perceptions could be pulled into its own report. This study ensured that their voices

were included, but their views are woven into all of the findings. A report focused on rural parents, providers, and BEW could capture the experiences of this important group of Oregonians.

**In-Depth Interviews with Additional Priority Populations.** Some parents face even more challenges in accessing ERDC than captured here. In the 2014 Reauthorization of CCDBG, federal policy makers call on states to target four priority populations, including: (1) families that work nonstandard hours, (2) families with infants and toddlers, (3) rural populations, and (4) children with special needs<sup>10</sup>. As we did not explicitly ask about these priority populations (with the exception of rurality) in the interviews, the present study is unable to go into great detail, but we do touch on the needs of these populations when they arose in the conversation.

Other important populations underrepresented in the current study are parents, providers, and BEWs who identify as persons of color, people who speak languages other than English, and people belonging to non-dominant cultures.

To create equitable solutions to Oregon's child care system challenges, it is necessary to gain more insight into the lived experiences, needs, and preferences across diverse populations.

**Representative Survey.** Semi-structured interviews provide depth of understanding; surveys provide breadth. Surveys can determine how a representative group of participants perceive a program. In-depth interviews were an essential first step before creating a survey about ERDC. Interviews are key to discerning how language is used and to identifying key issues associated with participation in the program that might otherwise be unknown. An example of nuances in language is that participants used different terms to denote ERDC. At the start of each interview, we asked the participant what they called the program. We ended up with over nine answers. If we were to send out a survey asking about a parents' ERDC experience, many are likely to say that they do not know what the program is. Further when asking questions about enrollment, we found that the answers were not straight forward. Some providers interpreted the question as their "licensed capacity," whereas others interpreted the question as their total enrollment. These nuances are important in order to collect accurate, representative, and meaningful information about ERDC experiences..

## **Conclusion**

In sum, we recommend that this report be used as an important piece of evidence that contributes to state level decision-making around the ERDC program and child care system as a whole. We hope this report will be used as a tool to spark and guide conversations around both existing barriers and potential solutions with stakeholders at different levels.

<sup>10</sup>[https://www.urban.org/sites/default/files/publication/99150/increasing\\_access\\_to\\_quality\\_child\\_care\\_for\\_four\\_priority\\_populations\\_report\\_3.pdf](https://www.urban.org/sites/default/files/publication/99150/increasing_access_to_quality_child_care_for_four_priority_populations_report_3.pdf)



## V. APPENDIX

### Summary of Barriers to using Child Care Subsidy

Barrier	Summary of Barrier	Participant ideas for improvement
1. Parents' Lack of Program Awareness	<ul style="list-style-type: none"> <li>Potentially eligible families do not know about program and often learn about it when applying for another DHS self-sufficiency benefit</li> <li>Parents are not aware that relatives (e.g., grandma) can receive ERDC payments if listed.</li> </ul>	<ul style="list-style-type: none"> <li>Participants suggested adjusting outreach strategies with simpler messaging around program purpose, who it is for, and how to apply.</li> <li>Participants suggested increase marketing around how program can be used to help cover informal care arrangements (family, friend, or neighbor).</li> </ul>
2. Parents' Reluctance to Apply	<ul style="list-style-type: none"> <li>Distrust of government and stigma associated with public assistance are most common reported reasons why parents don't apply.</li> </ul>	<ul style="list-style-type: none"> <li>Parents and Providers suggested a reframing of the program as one that invests in children and families, rather than a "welfare" program.</li> </ul>
3. Complicated Processes Hinder Participation	<ul style="list-style-type: none"> <li>The <b>application</b> process is overwhelming, and "too complicated" especially for parents without prior experience with state assistance.</li> <li>The <b>billing</b> process is cumbersome. And, if an error or other issue occurs, it is hard to identify and fix the problem.</li> <li>The <b>payment</b> process is challenging because payments occur after a month ends and are often delayed. Delay is longer for coverage for children with disabilities who have an enhanced rate.</li> </ul>	<ul style="list-style-type: none"> <li>Participants suggested providing parents with more individualized support to complete the <b>application</b> process and find efficiencies to simplify process.</li> <li>Participants suggested simplifying the <b>billing</b> process and moving it online to improve efficiency .</li> <li>Providers suggested upfront <b>payments</b> at the beginning of the month to increase financial security and increase number of children on ERDC willing to serve.</li> </ul>
4. Communication Challenges	<ul style="list-style-type: none"> <li>Parents and providers spoke of struggling to get ahold of DHS about questions and get calls back.</li> <li>Parents talked about receiving inconsistent messaging across workers and departments (e.g., DHS &amp; DPU).</li> <li>Parents were unclear about the specifics of their case, including when they could start using care and how long their child care would be covered for.</li> </ul>	<ul style="list-style-type: none"> <li>Providing families with a central contact person that knows a family's case would help reduce the "run around" leading to inconsistent answers.</li> <li>Participants encouraged finding ways to increase communication between parents and experienced caseworkers, who can clarify the case details they may have missed at first and provide additional advice on how to avoid common pitfalls of system.</li> </ul>

## Summary of Barriers to using Child Care Subsidy (cont.)

Barrier	Summary of Barrier	Participant ideas for improvement
5. Parent’s High Out-of-Pocket Costs	<ul style="list-style-type: none"> <li>• Copay is difficult for most families to pay, especially for parents at the higher end of income eligibility. Fear of a larger copay factors into a parents willingness to increase hours or take a raise at work.</li> <li>• Parents are unclear about how copay is calculated and how program deals with changing hours of employment.</li> <li>• Predictable costs beyond copay (e.g., additional tuition) are unaffordable and challenging for parents to afford and providers either let slide or struggle to collect.</li> <li>• “Surprise” bills to parents for hours ERDC will not cover are common, particularly at beginning of using program (e.g., parent uses more hours than approved for, or extensive child absence), in turn, straining parents and provider finances</li> </ul>	<ul style="list-style-type: none"> <li>• Participants suggested a reduction in copay rates, especially for families at the higher end of income eligibility.</li> <li>• Parents asked that copay calculations consider living expenses like housing and transportation (gas money).</li> <li>• Participants suggested improving communication about other policies around changing work hours with parents.</li> <li>• Providers suggested a critical evaluation of the policies and processes that create “surprise” bills for parents (the absent day and billable-hour policies).</li> </ul>
<b>6. Providers’ Challenges to Receiving Adequate Compensation</b>	<ul style="list-style-type: none"> <li>• Providers often charge at or below ODHS reimbursement rate because it is what parents can afford. They would like to charge more, but feel stuck.</li> <li>• Differences in reimbursement rates were questioned by providers in terms of fairness, including: rural vs. urban providers, types of care, and hourly vs. part-time/full-time rates.</li> </ul>	<ul style="list-style-type: none"> <li>• Providers expressed need for higher levels of compensation to sustain their businesses as the cost to run their business does not match the price charged to parents, nor the reimbursement rate.</li> <li>• A close examination of reimbursement rate setting with an eye toward fairness was called for by providers.</li> </ul>
<b>7. Parents’ Challenges in Finding and Securing a Provider</b>	<ul style="list-style-type: none"> <li>• Families searching for a provider struggle to get current and detailed information about their child care options.</li> <li>• A family’s ability to find and secure a provider is limited by how many child care providers accept ERDC and fit a family’s needs and preferences.</li> <li>• Providers who restrict how many children they will serve on subsidy describe a moral dilemma – they want to serve more children using subsidy, but are afraid they won’t get paid.</li> </ul>	<ul style="list-style-type: none"> <li>• Parents expressed need for more current and detailed information about child care facility options when searching for a provider.</li> <li>• Providers recommended adjusting system to better guarantee payment.</li> <li>• Increase respect given to providers through higher wages.</li> </ul>