
Initial Director's Survey for Contracted Slots Program

Roberta B. Weber
Deana Grobe

Initial Director's Survey for Contracted Slots Program

This Report was made possible by the generous funding from the Child Care Division of Oregon's Department of Employment. The contents are solely the responsibility of the authors and do not represent the official views of the funding agency, nor does publication in any way constitute an endorsement by the funding agency.

Contents

- Introduction..... 1
- Methods 2
- Findings..... 3
 - Contract Status For All Programs..... 3
 - OHSPK Program Results..... 4
 - OHSPK Program Models and Program Characteristics 4
 - Contract Status and Receipt of an Invitation to Participate..... 5
 - Perceptions of Program Benefits 7
 - Perceptions of Program Disadvantages 7
 - Experience of OHSPK Programs Who Are Receiving a Contract 8
 - Reasons Why OHSPK Programs Do Not Participate 10
 - Additional Comments Expressed by OHSPK Programs 11
 - OPQ Results 12
 - OPQ Program Characteristics..... 12
 - Contract Status and Receipt of an Invitation to Participate..... 12
 - Perceptions of Program Benefits 13
 - Perceptions of Program Disadvantages 13
 - Experience of OPQ Programs Who Are Receiving a Contract 14
 - Additional Comments Expressed by OPQ Programs 15
 - OHSPK and OPQ Program Revenue 17
 - All Revenue Sources..... 17
 - Primary Revenue Source 17
 - Variation of Revenue 18
- Discussion 19
- Concluding Thoughts and Recommendations 21

- Appendix A: Employment Related Day Care (ERDC) Reservation List History 23
- Appendix B: Improvements to DHS Head Start Contracted Child Care 24
- Appendix C: OHSPK Qualitative Responses Regarding Perceived Benefits and Disadvantages for Children, Families and Programs in the Contracted Slots Program 25
- Appendix D: OPQ Qualitative Responses Regarding Perceived Benefits and Disadvantages for Children, Families and Programs in the Contracted Slots Program 30

Introduction

With the launch of the Early Learning Initiative as a part of education reform, getting children ready for success in kindergarten has become a shared Oregon goal. As part of this effort child care and education partners expanded a program designed to ensure that low-income children receive stable, high-quality care and education. Numerous studies have documented short durations of participation in Oregon's Employment Related Day Care Program (ERDC)¹, thus threatening the building of stable adult/child relationships essential to healthy learning and development. Contracting for 12-month slots in programs of high quality is a strategy for providing low-income children access to stable, high quality care.

Since the early 2000s, the Department of Human Services (DHS) has contracted with providers of Oregon Head Start Prekindergarten (OHSPK) to ensure stable care in programs of documented quality to children whose parents meet ERDC eligibility requirements. Policies changes were often driven by revenue shortfalls, which also led to the creation of a Reservation List on which potentially eligible parents wait until the program could be opened for new entrants. A description of Reservation List polices is included as Appendix A. In fall 2012 the Contracted Slots Program was expanded to include Oregon Programs of Quality (OPQ) and the Contracted Slots policies were revised (See Appendix B). The quality of OPQ programs has been documented. OPQ is a forerunner of Oregon's Tiered Quality Rating and Improvement System (TQRIS) that enables child care and education programs to document the level of quality they offer.

In the three-year pilot, OPQ providers and OHSPK grantees may contract for 12-month child care slots for families eligible for the ERDC program. This expansion provides increased parental choice and access to continuous care in quality programs. Qualifying families must meet specific work hour requirements and require full time care for their children. Once eligible, families will receive 12-month continuous protected eligibility for full-time care while in these designated programs. The three key goals for the pilot are for:

- Children to have access to continuous quality care and education;
- Families to have continuity of quality child care and education to support their employment; and,
- Providers to have stable funding in serving low-income children in quality programs.

As partners put in place the piloting of the expanded Contracted Slots Program they determined an evaluation was essential in order to measure the extent to which the program is working as planned. Oregon State University (OSU) is providing an evaluation that in the first year focuses on how well the program is operating and asks:

- Of all eligible programs, what number participated in the pilot? Why and why not?
- Of participating programs, what number participated for the full year? Why and why not?
- For those who participated, what worked and what challenges were encountered in regard to the contracting process, reporting requirements, interactions with the agencies, and other operational aspects of managing the contract?

This report addresses the first question. The second and third questions will be answered in fall 2013.

¹ These studies can be found on the Oregon Child Care Research Partnership website at <http://health.oregonstate.edu/sbhs/family-policy-program/occrp-childcare-subsidy-publications>.

Impacts on stability of care, stability of parental employment, and on programs' enrollment will be measured in later stages of the evaluation. The evaluation is designed to inform decisions on the extent to which Contracted Slots is an effective approach for providing stable, high quality services to low-income children.

Methods

As part of the process evaluation for the Contracted Slots Program, OSU conducted an on-line survey of directors from all the Oregon Head Start Pre-Kindergarten programs (OHSPK) and Oregon Programs of Quality (OPQ). The purpose of this survey was to get initial perceptions on the value of the Contracted Slots Program and reasons for participating or not participating in the program. In addition, we collected program characteristics, contract status, challenges in negotiating a contract and recruiting children, and program revenue. We asked OHSPK programs about their program model, the combination of services they offered. Fifty-one programs (29 OHSPK and 22 OPQ) were invited to take part in the survey. A total of **48 completed** the on-line survey (28 OHSPK and 20 OPQ), two programs partially completed the survey (1 OHSPK, 1 OPQ), and one OPQ program did not respond. It was important to collect the data near the beginning of the contract year in order to capture program perceptions as near as possible to the time that they negotiated contracts for the 2012-13 year. Data collection took place in October 2012. Study design includes a second survey at the end of the contract year to capture program experience and to assess any changes in perceptions of the benefits and challenges of participation.

These preliminary findings are organized by first describing the contract status for all programs and whether or not they received an invitation to be in the Contracted Slots Program. From there the findings are presented separately for OHSPK and OPQ programs and cover the following topics:

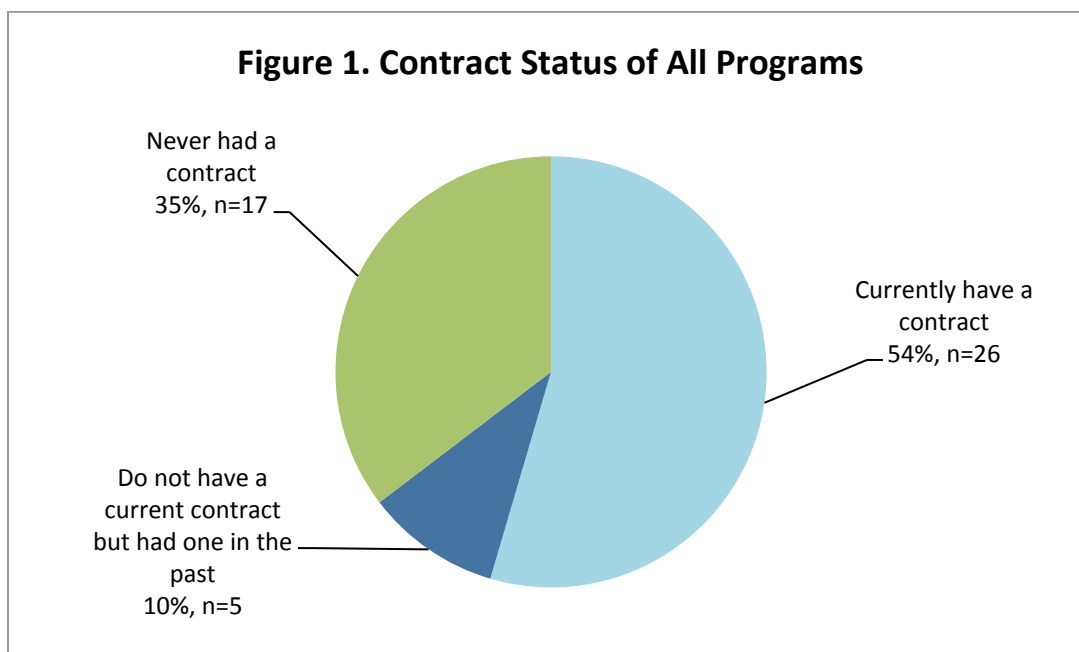
- Program characteristics,
- Contract status and receipt of an invitation to participate in the Contracted Slots Program,
- Perceptions of Program Benefits and Disadvantages by Contract Status,
- Findings from programs who are receiving a contract,
- Findings from programs who are not receiving a contract, and
- Additional comments from programs.

The last section of this report describes program revenue for both OHSPK and OPQ in the same section.

Findings

Contract Status For All Programs

Twenty-six (54%) of all OHSPK and OPQ programs report having or planning to have a contract to be part of the Contracted Slots Program (Figure 1)². Five (10%) programs do not have a current contract but had one in the past and 17 (35%) have never had a contract.



Sample size = 48

Overall, 63% (30 of 48) of all programs received an invitation to participate. Table 1 presents the results of how many programs received an invitation to participate in the Contracted Slots Program by contract status. Almost all (24 out of 26) of those programs who currently have a contract received an invitation, while more than 75% (13 out of 17) of those programs who have never had a contract indicated they did not receive an invitation.

Table 1. Receipt of an Invitation to Participate in the Contracted Slots Program for All Programs by Contract Status (N=48)

	Received an invitation	Did not receive an invitation
Currently have a contract	24	2
Do not have a current contract but had one in the past	2	3
Never had a contract	4	13

² Throughout this report we refer to programs that report having or planning to have a contract as having a contract.

OHSPK Program Results

OHSPK Program Models and Program Characteristics

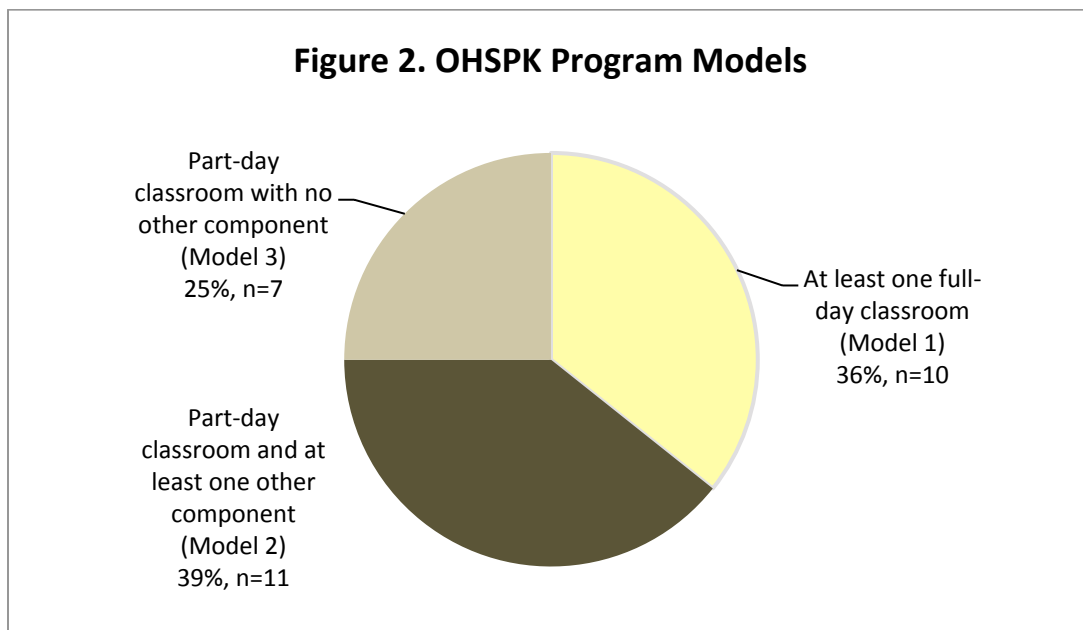
Head Start rules allow grantees flexibility in the design of services they offer. We asked providers to list all of the components they offer:

- Center (part day/part year, full year/part year, full day/full year),
- Home-based option.
- Combination program option.
- Family child care option. and
- Option variations we asked them to describe.

An analysis of responses led us to collapse the options into three OHSPK models:

- At least one full-day classroom (Model 1),
- Part-day classroom with at least one other option (Model 2), and
- Part-day classroom with no other option (Model 3).

As can be seen in Figure 2, use of all three models is common although Model 2 is the most frequently used and Model 3 the least frequently used.



Sample size = 28

Although each model is used by both small and large programs, on average programs using Model 1 have more facilities and serve more children (Table 2). Both Model 1 and Model 3 programs were more likely than Model 2 programs to serve subsidy children. Half of programs have agreements in place with non-OHSPK programs to deliver care and early education services to children enrolled in their program. There is no strong association between program model and the use of non-OHSPK programs to deliver some services.

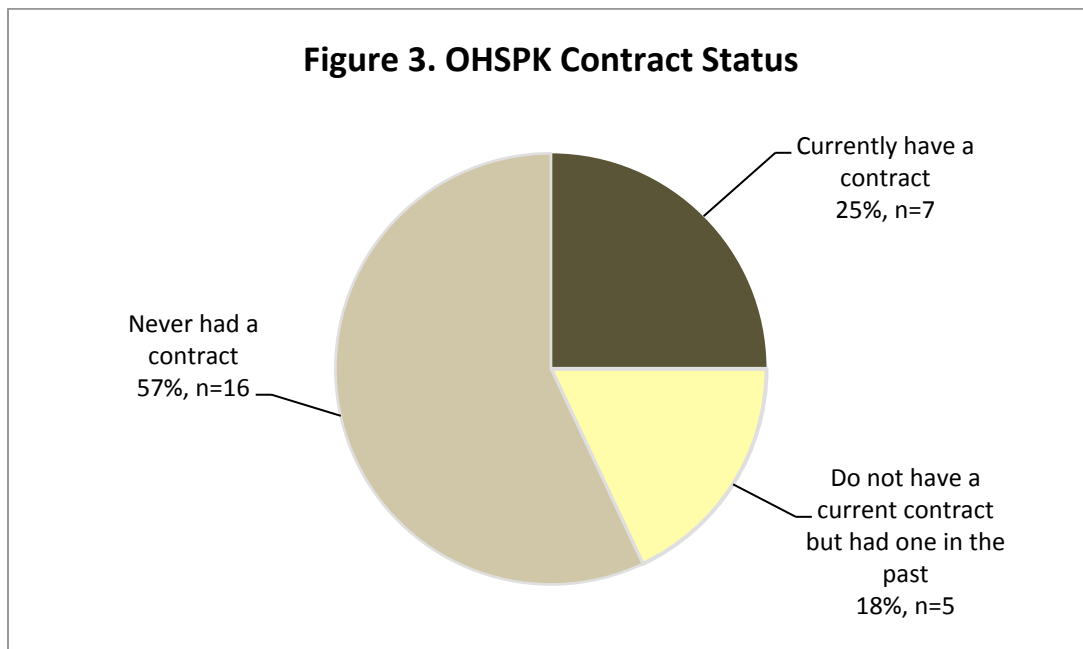
Table 2. Descriptive Information on Number of Facilities, Number of Children Served, Urban/Rural³Classification, Agreements with Other Service Providers, and Served Subsidy Children by OHSPK Program Models (N=28)

	Number of facilities	Number of children served (enrolled children 0-4)	Urban/Rural classification of the program headquarters	Agreement with non-OHSPK program to deliver services	Served a child on ERDC in past 12 months
<i>Model 1: At least one full-day classroom</i>	Mean=9.3 Median=6.5 Range: 1-24	Mean=728.8 Median=745.5 Range: 212-1215	Metro=5 Micro=4 Noncore=1	50%	90%
<i>Model 2: Part-day classrooms and at least one other component</i>	Mean=4.9 Median=1 Range: 0-25	Mean=445 Median=386 Range: 21-1104	Metro=8 Micro=1 Noncore=2	55%	40%
<i>Model 3: Part-day classrooms with no other component</i>	Mean=4.0 Median=3 Range: 1-9	Mean=232.3 Median=177 Range: 75-448	Metro=4 Micro=1 Noncore=2	43%	86%

Contract Status and Receipt of an Invitation to Participate

Of the 28 OHSPK who completed the survey, seven (25%) currently have a contract, five (18%) have had a contract in the past but do not currently, and 16 (57%) have never had a contract (Figure 3). All the programs that currently have a contract have at least one full-day classroom (Model 1), while those with part-day classroom with no other component (Model 3) have never received a contract (Table 3).

³ In this paper we use the term urban/rural when technically we should use the term metropolitan/nonmetropolitan.



Sample size = 28

Table 3. OHSPK Program Models and Status in the Contracted Slots Program (N=28)

	Currently have a contract	Do not have a current contract but had one in the past	Never had a contract
<i>Model 1: At least one full-day classroom</i>	7	2	1
<i>Model 2: Part-day classroom and at least one other component</i>	0	3	8
<i>Model 3: Part-day classroom with no other component</i>	0	0	7

Overall, 35% of OHSPK programs received an invitation to participate. Almost all of the OHSPK programs (5 of 7) who currently have a contract received an invitation to participate in the Contracted Slots Program (Table 4). The opposite was the case for those programs that never had a contract. Thirteen of the 16 (81%) programs who never had a contract indicated they did not receive an invitation to participate.

Table 4. Contract Status for OHSPK Programs and Whether or Not They Received an Invitation to Participate in the Program (N=28)

	Received an invitation	Did not receive an invitation
Currently have a contract	5	2
Do not have a current contract but had one in the past	2	3
Never had a contract	3	13

Perceptions of Program Benefits

Perceptions of the Contracted Slots Program benefits for children, families and programs were associated with receipt of a contract. Those who had never had a contract were the least likely to perceive program benefits (Table 5).

Table 5. OHSPK Perceived Benefits by Contract Status

	Currently have a contract (n=7)	Do not have a current contract but had one in the past (n=5)	Never had a contract (n=16)
Perceived benefits for:			
Children	100%	80%	50%
Families	100%	80%	69%
Programs	100%	60%	60%

Note: Not all programs reported perceptions for each category. Missing values are not included.

If programs indicated they perceived a benefit they were asked specifically what they felt benefits were for children, families and programs. A full reporting of perceived benefits is included in Appendix C. Here responses are condensed for ease of understanding. Programs regardless of contract status perceived the following benefits for children and families although, as noted above, programs that had never had a contract were less likely to see benefits.

- Stable, consistent care in a quality program, continuity of care,
- Financial stability for families,
- Affordable care, and
- Access to resources the program provides such as parent education.

When looking at perceptions of benefits for the program rather than for children and families, those with contracts reported substantially higher perceptions of benefits than did those in the other two groups (Table 5). However, when asked specifically what these benefits were all three contract status groups indicated similar benefits for programs:

- Consistent payment or stability of funding, and
- Stable enrollment and slot usage.

Perceptions of Program Disadvantages

Few (14%) currently contracted OHSPK programs reported perceived disadvantages for children and families, but 43% perceived disadvantages for programs (Table 6). Those who do not have a contract but had one in the past and those who never had a contract were far more likely to report disadvantages for children and families. This difference in perceptions was also found when focusing on disadvantages for programs. Eighty percent of those who had a contract in the past but not currently and 50% of those who never had a contract perceived disadvantages to the program associated with being in the Contracted Slots Program whereas only 43% of those with current contracts did so.

Table 6. OHSPK Perceived Disadvantages by Contract Status

	Currently have a contract (n=7)	Do not have a current contract but had one in the past (n=5)	Never had a contract (n=16)
<i>Perceived disadvantages for:</i>			
Children	14%	40%	25%
Families	14%	60%	38%
Programs	43%	80%	50%

Note: Not all programs reported perceptions for each category. Missing values are not included.

Qualitative responses on what the programs felt were the disadvantages to being in the program for children, families and programs were collected and collapsed (see Appendix C for the full reporting). The primary disadvantage for children and families reported by all three groups was that the qualifying criteria were too narrow. The programs expressed concern about what would happen when parents were no longer eligible. Two programs in the current group described their perceived disadvantages for programs. One felt a disadvantage to the program was the cost of paying providers beyond the hours that a child was in a OHSPK classroom. The other believed it all "boils down to the level of monitoring that needs to exist to oversee that the child care providers with whom they contract are following Head Start Performance Standards and the procedures set by the participating program." This program felt this was a "huge stumbling block and has resulted in programs being cited in non-compliance from the Federal Review." Those who are not currently receiving a contract but have in the past and those who have never received a contract expressed a few disadvantages for programs: (a) eligibility requirements are difficult to navigate, (b) funding is less than the cost of running these programs, and (c) the cost of monitoring and added paperwork results in high costs associated with participation in the Contracted Slots Program.

Experience of OHSPK Programs Who Are Receiving a Contract

For those OHSPK programs who have a contract we asked about (a) the factors they took into account when setting the number of slots in their contract, (b) the level of difficulty their program experienced in getting a contract, and (c) the level of difficulty their program experienced in recruiting children into contracted slots. The findings of each are discussed below.

A. Factors programs took into account when setting the number of slots in their contract included:

- Number of available slot openings in program,
- Past year's slot usage, trends in enrollment,
- Number of current families on ERDC and the number of families willing to sign the contract,
- Program budget,
- Program wait list, and
- Potential that ERDC policy changes will make it difficult to meet contract obligations.

One program expressed the following concern when answering this question:

We actually tried to reduce the amount of contracted slots with DHS and it stayed the same even though there are not enough families that are qualified for ERDC with the new guidelines and requirements. We will probably not achieve the minimum enrollment. When the requirements at DHS were more

conducive to qualifying families for the contract, it was a very beneficial partnership. With the changes, we have had to close one of our full day full year locations because not enough families qualify to be on the contract.

B. How OHSPK programs rated the level of difficulty in getting a contract.

Six of the seven OHSPK programs who currently have contracts rated the level of difficulty in getting a contract on a scale from 1 not difficult to 5 very difficult. One response was missing for this question. The mean score was 2.17 (std. dev. = 1.17) with a range from 1-4. Two programs reported a one and four programs reported a two or higher. Those programs that answered greater than 1 were asked "what were the challenges in negotiating the contract" and "what helped you overcome the challenges in negotiating the contract". Only one of the four programs that reported a 2 or higher provided a qualitative response. Their response follows:

Challenge: "The negotiation occurs way too close to the end of the previous year contract and they usually want us to sign the document the very last day of the contract period which is an inappropriate expectation when we should be having a conversation about capacity and whether families are going to be qualified to be on the contract to be realistic in planning."

Solution: "It would help if conversations started sooner in the year prior to the contract expiration date. What helped us to overcome it is that the DHS staff was pleasant to work with."

C. How OHSPK programs rated the level of difficulty in recruiting children into the contracted slots.

Similar to above, six of the seven programs who currently have contracts rated the level of difficulty in recruiting children based on the same 1-5 scale. One response is missing for this question. The mean score was 2.67 (std. dev. = 1.37) with a range from 1-4. Two programs reported a one, two programs reported a three, and two programs reported a four. The challenges indicated by those who rated the level of difficulty greater than 1 were as follows:

Challenge: "Often parents don't want to sign the contract because they are having a relative take care of their child for the hours that Head Start classrooms are not operating. This means that to sign the contract the relative would have to meet the qualifications or they would have to change providers."

Solution: "We just keep working with families until they are willing to do the contract with us."

Challenge: "Families work hours do not always match program hours. To truly fill the child care need in our community, programs would need to offer care 24/7."

Solution: "Our program funds additional slots that are not contracts, so has flexibility in meeting childcare needs for families that do not meet contract requirements."

Challenge: "Families losing eligibility for ERDC after selection for slots."

Solution: "Our program funds additional slots that are not contracts, so has flexibility in meeting child care needs for families that do not meet contract requirements."

Challenge: "The past two years have been the most difficult – meeting the child care needs of families for the hours they work – which include nights, weekends, and 12 hour days during parts of the year. Many times when they apply they are working seasonal jobs as we are a very agricultural community

and their income is too high. But since the work is seasonal they go into lower paying jobs off season and they meet low income status."

Solution: "Still having difficulty this year. And the economy has many of our families working too much part time to qualify."

Reasons Why OHSPK Programs Do Not Participate

The most frequently indicated reasons for not participating in the Contracted Slots Program cited by those who have never had a contract and those who currently do not have a contract but did in the past was that *ERDC funding is unstable* (Table 7). A high percentage of those who do not have a current contract but had one in the past (60%) also indicated *participation in contracted slots is too costly to administer* and *it is hard to manage enrollment* as reasons for not pursuing a contract this year. More than a third in both groups reported that *the majority of families we serve have an unemployed parent*

Table 7. Reasons Why OHSPK Programs Have Never Participated or are Not Participating in the Contracted Slots Program This Year.

Reasons	Percent Who Indicated a Particular Reason	
	<i>Programs who have never had a contract (n=16)</i>	<i>Programs who do not have a current contract but had one in the past (n=5)</i>
ERDC funding is unstable	40%	60%
Participation in contracted slots is too costly to administer	27%	60%
It is hard to manage enrollment	13%	60%
The majority of families we serve have an unemployed parent	33%	40%
It is difficult to staff full-day, full-year model	27%	40%
Could not find quality programs for community placements	13%	40%
It is difficult to stay fully enrolled in the summer months	20%	40%
Not interested in offering full-day, full-year model	27%	20%
Families we serve do not need full-day care	27%	20%

Other Reasons reported by those who never had a contract include:

- "We don't have our own classrooms. We contract with preschools to enroll our children."
- "Funding issues."
- "Not within our mission."
- "With the advent of Head Start designation renewal, child care partnerships have become too risky."
- "Local options for ERDC are available for families to choose in the community."
- "We have not thought about it as an option."
- "We have never been approach by DHS before although our program use to contract with child care providers to do part-day Head Start using HS Federal dollars and there were significant concerns regarding compliance to HS regulations and the cost of monitoring for compliance."

Other Reasons reported by those who do not have a current contract but had one in the past:

- "We have had staff changes that have delayed our moving forward with applying for Contracted Slots."
- "Difficult to find families who qualify."

Additional Comments Expressed by OHSPK Programs

- "It is a valuable program for both Head Start/EHS and will be particularly for child care centers. How to assess eligibility (income) needs to be looked at for those programs located in agricultural communities where income varies seasonally."
- "Please consider more flexibility on who can participate – not just TANF leavers. A consistent funding stream is critical – having a "wait list" status that is turned off and on several times per year due to limitations in funding makes it very hard for programs to provide full-day services. Also, there needs to be cost-of-living increases in ERDC slot costs – programs have ongoing increased cost of living adjustments such as salaries, fuel, utilities, etc. yet the ERDC reimbursement rate for slots remains static. This means we have to use federal funds to make up the difference. Over time this has become cost prohibitive."
- "This has never been an option in the three counties served (Columbia, Clatsop & Tillamook)."
- "It would be great if we could clear our OPK/Head Start waiting lists and still have capacity to do this too. It just takes money."
- "It is confusing in the past has been negative to the provider when payments denied AFTER service was given."
- "We would like the opportunity to find out more about the contracted slots program."
- "We would like to see additional slots offered for Early Head Start families."

OPQ Results

OPQ Program Characteristics

The 20 OPQ programs average 4.5 facilities with 32 children between ages 0-4 (Table 8). The range of facilities spans from 1-20 while the number of children served between the ages of 0-4 ranges from 1-130. All OPQ programs are in a metro area and 75% have served a subsidy child in the past 12 months.

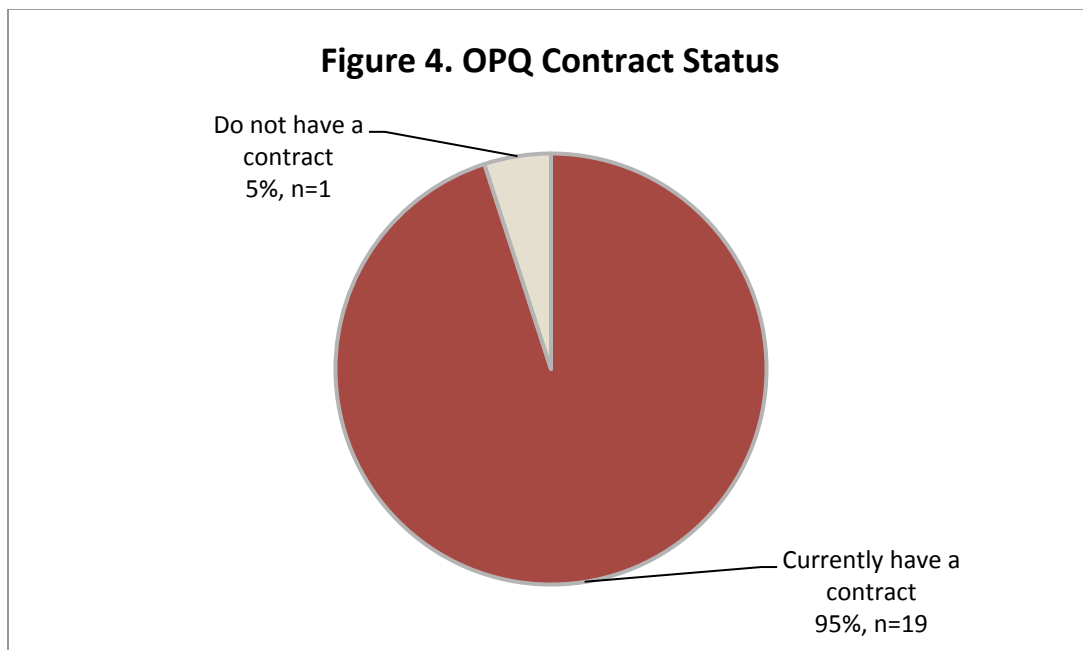
Table 8. Descriptive Information on Number of Facilities, Number of Children Served, Urban/Rural Classification, and Served Subsidy Children by OPQ Programs (N=20).

	Number of facilities	Number of children served (enrolled children 0-4)	Urban/Rural classification of the program headquarters	Served a child on ERDC in past 12 months
<i>Oregon Programs of Quality</i>	Mean=2.3 Median=4.5 Range: 1-20	Mean=22.5 Median=32.0 Range: 1-130	Metro=20 Micro=0 Noncore=0	75% ^a

^a The majority (71%) have served 1-3 subsidy children.

Contract Status and Receipt of an Invitation to Participate

Of the 20 OPQ's who completed the survey, nineteen (95%) currently have a contract and one does not (Figure 4). All OPQ programs received an invitation to participate in the Contracted Slots Program.



Sample size = 20

Perceptions of Program Benefits

A high percentage of all OPQ programs perceived benefits for children, families and programs associated with the Contracted Slots Program (Table 9).

Table 9. OPQ Perceived Benefits by Contract Status

	Currently have a contract (n=19)	Never had a contract (n=1)
<i>Perceived benefits for:</i>		
Children	79%	100%
Families	84%	100%
Programs	79%	100%

If programs indicated they perceived a benefit they were asked specifically what they felt that benefit was for children, families and programs. We condensed the responses for children and families and for programs by contract status (see Appendix D for a full report). The most commonly cited responses for children and families were:

- Stable care in a quality program over 12 months,
- Consistency of a slot in a high quality program,
- Affordable care for families, and
- The ability for children and families to develop nurturing relationships with providers.

The main benefit cited for programs was the consistency of payments and stable enrollment.

Perceptions of Program Disadvantages

About a quarter of OPQ programs reported perceived disadvantages for children and families, but most perceived disadvantages for programs (Table 10).

Table 10. OPQ Perceived Disadvantages by Contract Status

	Currently have a contract (n=19)	Never had a contract (n=1)
<i>Perceived disadvantages for:</i>		
Children	26%	0%
Families	21%	0%
Programs	63%	100%

Qualitative responses on what the OPQ programs felt were the disadvantages for children, families and programs to being in the program were collected and collapsed (see Appendix D for a full report). The primary disadvantages reported for children and families was that families needed to learn a new process and that there was a lack of part-time slots and slots during non-traditional work hours. The primary disadvantages for programs included:

- More paperwork, learning a new system;
- Unable to fill spots due to inability to advertise (especially the \$27 copay); and
- Low payment rate.

Experience of OPQ Programs Who Are Receiving a Contract

For those OPQ programs that have a contract we asked about (a) the factors they took into account when setting the number of slots in their contract, (b) the level of difficulty their program experienced in getting a contract, and (c) the level of difficulty their program experienced in recruiting children into contracted slots. The findings of each are discussed below.

A. Factors programs took into account when setting the number of slots in their contract.

- Number of potential families that may need help,
- Number of DHS families program currently has,
- Number of DHS families in each age group in the past,
- Estimate of how many DHS families would sign a contract,
- Ratio of families with DHS benefits to families without DHS benefits,
- Size of program and how many openings they may have for each age group,
- Number of slots the program could afford dedicating to this contract, and
- Having existing family on DHS subsidy switch to apply for this program.

B. How OPQ programs rated the level of difficulty in getting a contract.

The 19 OPQ programs who currently have contracts rated the level of difficulty in getting a contract on a scale from 1 not difficult to 5 very difficult. The mean score was 2.11 (std. dev. = 1.04) with a range from 1-4. Those programs that answered greater than 1 (not difficult) were asked "what were the challenges in negotiating the contract" and "what helped you overcome the challenge in negotiating the contract." Their responses follow:

Challenge: Several indicated similar challenges – “complicated bureaucracy!”, “finding the time to do all the paperwork”, “paperwork – getting signed up on the state system”, “the paperwork was at times tedious”, “computer issues”.

Solution: "Persistence", "email support and phone calls to Kelly Wilfong", "knowing that low income families will benefit from it".

Challenge: "Some of the language in the contract forced us to change our policies and procedures. There were also some items in the contract we had to negotiate that took some time."

Solution: "Discussion, understanding what was negotiable and what was not."

Challenge: "Understanding if I do or don't apply for a certain number of slots at the beginning can I change it later. Heard no at first and later yes – it could be changed later."

Solution: "More understanding of the rules."

C. How OPQ programs rated the level of difficulty in recruiting children into the contracted slots.

Similar to above, the 19 programs who currently have contracts rated the level of difficulty in recruiting children based on the same 1-5 scale. The mean score was 3.16 (std. dev. = 1.21) with a range from 1-5. The challenges indicated by those who rated the level of difficulty at a 2 or higher were as follows:

Challenge: "The two families who were already enrolled in our school were thrilled about the contracted slots. However, we find it very challenging to find new families. We are not familiar with the different social service agencies who may be referring families to this sort of program. So, targeting a message to potential DHS clients is very hard for us."

Solution: "We are still struggling with this."

Challenge: "Not knowing where to start and not having a whole lot of ERDC families that worked 25 hours per week. We get a lot of jobs program families."

Solution: "We are still struggling with this a bit."

Challenge: "The calls I have received for DHS openings are for part-time only. Am I allowed to state that the DHS co-pay is \$27. I am unsure of the rule and have carefully not stated this on my ad."

Solution: "I have placed an ad in Craig's List listing a low co-pay for DHS applicants."

Challenge: "We just aren't getting any children into our contracted slots."

Solution: "DHS having a list of programs with open enrollment and helping to recruit families into open slots."

Challenge: "Not able to openly market these slots."

Solution: "Existing families receiving DHS in our program help fill some of these slots."

Challenge: "We need to increase our communication with our local DHS office who is unaware of this program."

Solution: "Word of mouth from our current eligible families. Our local CCRR is aware of our participation in the contracted slots program."

Challenge: "Marketing."

Solution: "Reducing tasks for Director to market slots."

Challenge: "Cultural bias to family care for young children over center care. Fluctuating work schedules. Misunderstanding of co-pay and balance of tuition due."

Solution: "Attention to introductions and trust building between families and staff."

Challenge: "Our program has a hard time reaching ERDC families to enroll because first impression is we are too expensive."

Solution: "I have not been able to recruit any children who qualify for ERDC, so far it feels like a lot of work with no results."

Additional Comments Expressed by OPQ Programs

- "We would love some help in connecting with families who may need high quality child care. It would also be great to have a list of possible referral agencies to help these families with other needs."
- "It would be helpful if DHS was able to refer families to the schools with contracted slots, but I don't know if this is possible."
- "To work so hard to be OPQ and I understand that we want to offer wonderful programs to ALL children and the focus is DHS families, but...we have to remember that these programs are expensive to run: STAFF, HOUSING COST, ETC. I remember hearing that about the \$25 co-pay

that these parents will be asked to pay and one of the heads of OPQ said, 'There will be a \$25 copay, perhaps you'll choose to collect it or not?' How can we choose not to and also ask that they pay the additional costs of their child's tuition in our programs. It frustrated me that's all...and the families that are currently DHS in my program have questioned this as well. And I truly feel as if we are not the least expensive we are by no means the most."

- "With so few families being offered ERDC it is really challenging for families barely making their tuition especially higher tuition for quality programming."
- "The introductory meeting was very informative and helpful. It would have been useful to have another meeting or site visit with instruction on application process and elements of the contract. All contract personnel related to this project have been very helpful!"
- "We are making good use of the information flyer that was sent out in August. Thank you!"
- "I understand that there are not enough programs to meet the demands for all ERDC families to be enrolled in a contracted slot but for home child care it is very difficult to make connections to families that qualify for the low co-pay contract without just making it obvious to them that they can afford to come here for almost 'free'."

OHSPK and OPQ Program Revenue

All Revenue Sources

Sources of revenue varied by whether a program's participation in the Contracted Slots Program was based on being an Oregon Head Start Prekindergarten Program or an Oregon Program of Quality (Table 11). All but one of the OPQ programs relies on parent fees and tuition whereas only two OHSPK programs do. None of the OPQ programs receive federal or state Head Start Prekindergarten dollars whereas all of the OHSPK programs do. OHSPK programs were more likely to participate in the Child and Adult Food Program (61% versus 35%) and to receive other grants (39% versus 10%). Slightly more OPQ programs reported revenue from subsidy vouchers (35% versus 25%).

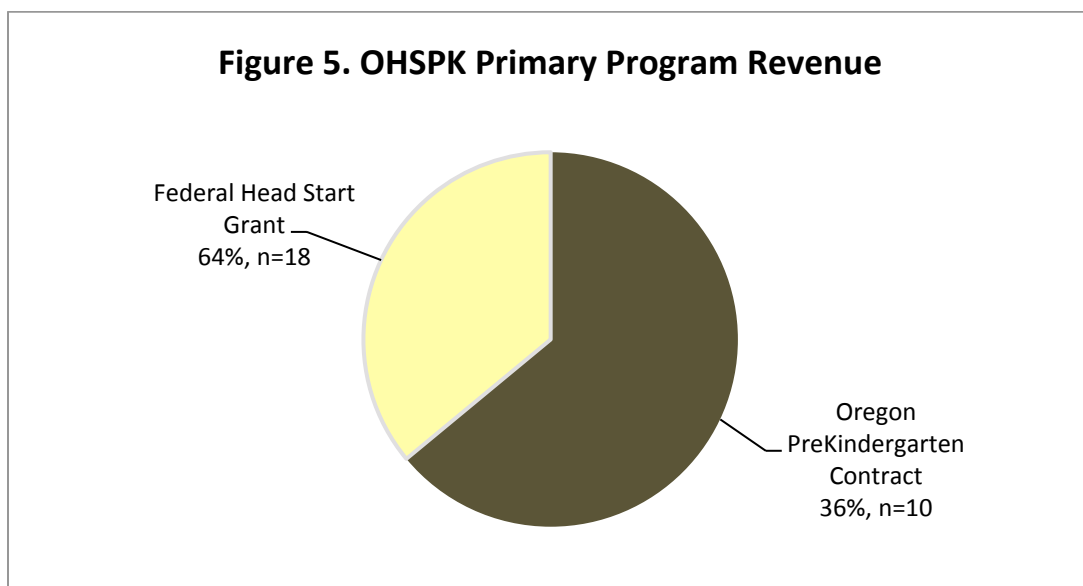
Table 11. Percent of Programs With Revenue From the Following Sources.

	OHSPK (n=28)	OPQ (n=20)
Oregon Prekindergarten contract	86%	0%
Federal Head Start grant	79%	0%
Child and Adult Care Food Program	61%	35%
Other grants	39%	10%
DHS contracted slots	25%	50%
DHS subsidy payments	25%	35%
Parent tuition and fees	7%	95%

Note: It appears that some of the OPQ programs that either had or were negotiating to participate in the Contracted Slots Program did not report it as a source of revenue.

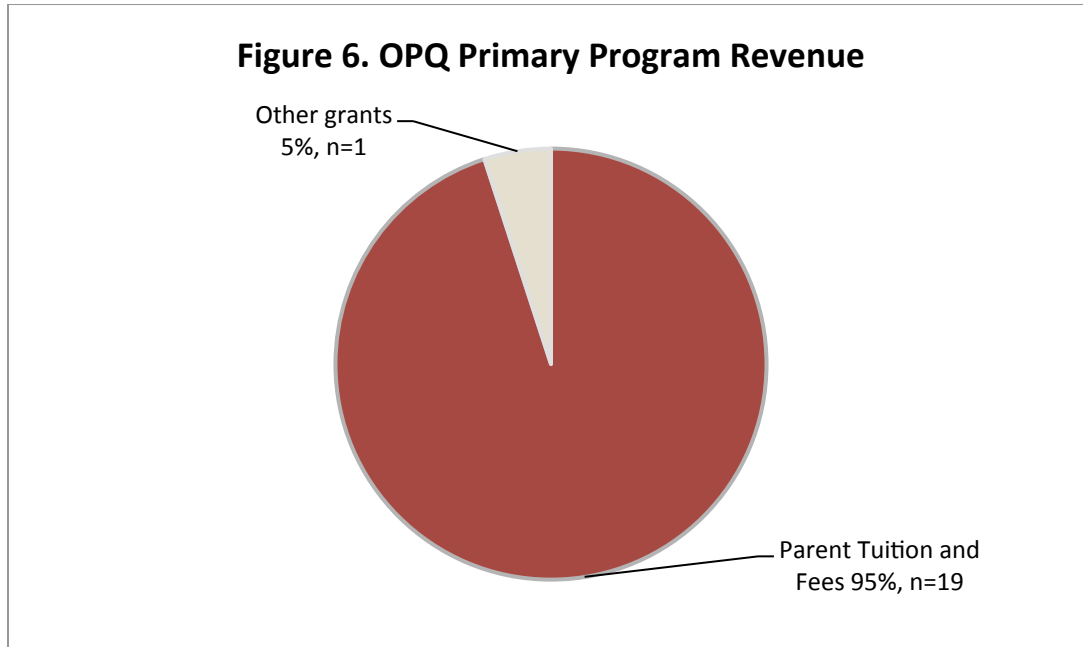
Primary Revenue Source

As expected, the primary revenue for OHSPK programs is either Federal Head Start grants (64%) or State OPK contracts (36%) (Figure 5).



Sample size = 28

The majority (95%) of OPQ's revenue comes from parent tuition and fees (Figure 6). One program indicated their primary funding comes from other grants but did not specify what these grants were. Overall, a third (35%) indicated they receive revenue from the food program, 50% from DHS contracted slots, 35% from DHS subsidy, and 10% from other grants (Table 11).



Sample size = 20

Variation of Revenue

Table 12 breaks out primary program revenue sources by OHSPK program models. All programs that have at least one full-day classroom receive their primary revenue through Federal Head Start grants. Programs with part-day classrooms and at least one other component were almost evenly split between a Federal Head Start grant and OPK contract as their primary revenue source. Those with part-day classrooms with no other component were likely to have a state contract as their primary source of revenue.

Table 12. Primary OHSPK Revenue by Program Model.

	Federal HS Grant	State OPK Contract
<i>Model 1: At least one full-day classroom (n=10)</i>	100%	
<i>Model 2: Part-day classroom and at least one other component (n=11)</i>	55%	45%
<i>Model 3: Part-day classroom with no other component (n=7)</i>	29%	71%

Overall, although 100% of programs receive a Federal Head Start or Oregon Prekindergarten grant, only 64% of programs reported receiving both. As was shown in Table 11 above, 61% of OHSPK programs receive revenue from the Child and Adult Care Food Program (CACFP) whereas only 36% of OPQ programs do. OPQ programs were more likely than OHSPK programs to receive funds from DHS voucher program (35% versus 25%). The biggest difference is in receipt of parent fees with 95% of OPQ programs reporting income from parents compared to 7% of OHSPK programs.

Discussion

The initial survey of Directors was designed to answer the questions: a) Of all eligible programs, what number participated in the pilot? b) Why and why not? We have a high level of confidence that the findings represent the views of all eligible programs because 48 of 51 eligible programs completed the survey. The survey captures perceptions of eligible programs at the beginning of a contract year.

Participation in Contracted Slots

Overall, 54% of all eligible programs negotiated a contract with DHS; 25% of OHSPK and 95% of OPQ. In a related vein, 63% of all eligible programs reported receiving an invitation to participate, 35% of OHSPK and 100% of OPQ. Both receipt of an invitation and negotiating a contract are associated with the OHSPK program model; those with full-day centers are the most likely to have received an invitation and negotiated a contract. A key unknown is if having access to a contract influences the decision to have a full-day center or if the contract is only of interest to those who already have a full-day center.

Perceived Benefits and Disadvantages

Perceptions of the benefits of participation vary by type of program and by group receiving the benefit (child, family, or program). One hundred percent of OHSPK programs with contracts perceived benefits for children, families, and programs whereas between 79% and 84% of OPQ programs with contracts perceive benefits of participation. OHSPK programs without contracts are less likely to perceive benefits. From 50% to 80% of programs report perceived benefits for children and families and only 60% see benefits for programs. Actual perceptions of benefits for children and families are the same for OHSPK and OPQ regardless of whether they have a contract or not and include:

- Stable care in a quality program,
- Affordability and financial stability for families, and
- Continuity or the ability of children and parents to establish nurturing relationships with staff.

OHSPK also report access to resources such as parent education as a benefit. Programs also share perception of benefits for programs:

- Consistency of payment or stability of funding, and
- Stable enrollment.

Perceptions of disadvantages mirror those of benefits with those with contracts the least likely to perceive disadvantages for children and families (only 14% of OHSPK and about a quarter of OPQ see any disadvantages for children and families). Up to 60% OHSPK without contracts see disadvantages for children and families. Programs are more likely to perceive disadvantages for programs than for children and families. Perceptions of disadvantages for a program are high; almost half of OHSPK with contracts (43%) perceive disadvantages for programs and up to 80% of those without contracts do. Almost two-thirds (63%) of OPQ programs with contracts perceive disadvantages for their program associated with participation in the Contracted Slots Program.

Unlike perceptions of benefits that are shared, perceptions of disadvantages vary by whether the program is OHSPK or OPQ. OHSPK perceive the major disadvantages for children and families is that qualifying criteria are too narrow and they express concern for families when they lose eligibility. OPQ perceive the primary disadvantage for children and families to be the need to learn a new process and a

mismatch between hours of care needed and what their program offers. For programs, OHSPK report disadvantages as the need to pay other providers when their program is not in operation and monitoring so as to avoid re-competition. OPQ report added paperwork and not being able to market the Contracted Slots Program as disadvantages.

Contracting Process

All programs use a variety of factors in estimating the number of slots they could fill such as available slots, past usage (either ERDC for OPQ or past experience in the program for OHSPK), and other ways to estimate demand. Both weighed impacts on their program with factors such as instability of ERDC funding and the number of slots they could afford to devote to this program. The primary reason that OHSPK programs do not participate in Contracted Slots is the instability of ERDC funding.

Both OHSPK and OPQ report little difficulty in getting a contract (average score of slightly over 2 on a scale of 1 to 5 with 5 being the most difficult). Programs report that the helpfulness of DHS staff enabled them to overcome any problems encountered. Suggestions to improve the contracting process include:

- Start the contract process months prior to expiration of current contract,
- Provide clarity on what is and is not negotiable,
- Continue introductory meeting and possibly hold an additional meeting, and
- Provide more education on the rules.

Recruitment

Both OHSPK and OPQ report higher levels of difficulty in recruiting children (2.7 for OHSPK and 3.2 for OPQ on a scale of 1 to 5 with 5 being the most difficult). OHSPK report a poor fit between family needs and desires and what is offered. They also report family's loss of eligibility which the program resolves by moving the family onto OHSPK funding. OPQ report challenges with finding families who qualify and not being able to market the program. Suggested solutions include:

- Clarity on what and where programs can advertise, e.g., whether or not programs can market the \$27 copay,
- Having the R&Rs and DHS actively market the availability of contracted slots,
- Help connecting with eligible families, and
- Helping families overcome the idea that quality programs are too expensive for them.

Programs express frustration that providing quality services is expensive and that those higher fees may discourage low-income families from trying to use their services. One program expressed frustration that staff seem to believe they should not collect fees greater than what DHS pays. In a similar vein an OHSPK reported the challenge of serving these children when DHS payment rates lag far behind cost increases they must meet.

Revenue

Programs report receiving revenue from seven different sources with the primary sources being federal or state grants for OHSPK and parent fees for all but one OPQ. The primary revenue source for all OHSPK with a full day classroom is federal Head Start whereas 71% of programs with only part-day classrooms are primarily funded with state OPK funds. OHSPK are far more likely than OPQ to participate in the Child and Adult Care Food Program (61% to 35%). Overall, OPQ have fewer revenue sources than do OHSPK.

Concluding Thoughts and Recommendations

This report captures perceptions of directors of programs that are eligible to participate in the Contracted Slots Program. Although the perceptions may not match program leader's understanding of current policy and practice, they do describe how Contracted Slots is perceived by a key audience, eligible directors of eligible programs.

Both OSHPK and OPQ report being supported by DHS staff with whom they work in the Contracted Slots Program. Yet only a small percent of OHSPK participate in the program and filling slots is a problem for both OHSPK and OPQ. This inability to fill slots threatens continued participation in the program. As one OPQ director said, "...it feels like a lot of work with no results." Although participation is overwhelmingly perceived by those with contracts as beneficial for children and families, it is commonly perceived as having disadvantages for programs. Instability of ERDC funding is perceived to be the major barrier to participation by OHSPK.

Following is a list of issues that emerge from the responses of directors of OHSPK and OPQ programs. Each issue is followed by recommendations for next steps.

- Almost all eligible OPQ participate in the Contracted Slots Program but only 25% of OHSPK do. There appears to be a lack of clarity about program eligibility for OHSPK programs. A substantial portion of OHSPK did not know of the Contracted Slots Program and/or did not receive an invitation to participate. Can a program with a part-day option participate if they provide full-day services through community partnerships? What makes a program ineligible? Clarify what makes an OHSPK eligible and market to all eligible programs.
- Having a full-day center is associated with participation by OHSPK. It is not clear that access to contracted slots leads to offering full-day services to Head Start eligible families or that having a full-day option leads to participation in the Contracted Slots Program. It seems important to probe this issue in the next survey.
- The supportiveness of DHS staff appears critical to bringing the vast majority of OPQ into the Contracted Slots Program. Continued dedication of staff to this project seems essential.
- Appreciation for the partners meeting, a request for an additional meeting, and information on community resources could be pursued. Such meetings could include information on community resources needed by low-income families and how to make such referrals.
- The majority of OHSPK and OPQ perceive the Contracted Slots Program to have multiple benefits for children and families, primarily stable care in high quality facilities. But programs see disadvantages to programs associated with participation. Addressing these perceived disadvantages for programs seems essential to the program's success.
- Instability of ERDC funding is reported as the primary barrier to OHSPK participation. It seems critical to come up with strategies to ensure stable funding for the Contracted Slots Program.
- OHSPK appear to lack information, especially accurate information, about the program. Once eligibility is clear, an education strategy would be an important next step.
- The reported OPQ struggle to fill their slots appears related to confusion about acceptable recruitment strategies, especially marketing of contracted slots. Clarity on what can be marketed and a cost-effective strategy for bringing families into the program seems critical to the success of the Contracted Slots Program.

- A lack of clarity on desired size of the Contracted Slots Program emerges from the discussion of how programs decided on the number of slots. The goals for the program appear to be well understood by programs but whether the goal is to grow the program does not appear clear. Clarity on the desired size of the Contracted Slots Program and the desired number of slots per program is important especially in regards to marketing the program.
- Diverse funding stabilizes child care facilities. OPQ programs have limited revenue sources. Only about a third participate in the Child and Adult Care Food Program (CACFP). The next survey should explore reasons for such low participation in this stable public funding source. Education strategies could focus on enrollment in CACFP and access to other revenue sources.

OSU will re-survey directors of OHSPK and OPQ in summer 2013 at the end of the first year of this pilot program.

Appendix A: Employment Related Day Care (ERDC) Reservation List History

Based on Legislative action in response to Oregon's budget crisis, the ERDC reservation list was implemented in October 2010 capping the case load at 10,000. As of that date, any new applicants (including families who had a break in benefits of more than 30 days) were required to have received cash assistance – REF (Refugee), SFPSS (State Family Pre-SSI/SSDI) or TANF (Temporary Assistance to Needy Families) – in Oregon in the prior 3 months. Those who did not meet these or any other ERDC eligibility requirement were denied and added to the reservation list.

Budget issues continued, and the ERDC caseload maximums were set:

- July 2011 through December 2011: 9,000 cases
- January 2012 through December 2012: 9,500 cases
- January 2013 through June 2013: 10,000 cases

These caps were set with the understanding that Legislative Assembly in February 2012 would consider allocation of \$5.7 million to fund a monthly average of 9,500 cases during the biennium. However, the Legislative Assembly decreased the caseload cap to 8,500 in March 2012.

Beginning September 2012, families who were enrolled and participating in a contracted slot with Oregon Head Start Pre-Kindergarten or Oregon Program of Quality were exempt from the reservation list.

In the current Governor's Recommended Budget, DHS purposes to increase the caseload cap from 8,500 to 9,000. DHS continues to support low-income working families with access to safe, stable, quality child care.

Appendix B: Improvements to DHS Head Start Contracted Child Care

Effective September 2012, planned improvements were made to Head Start contracts. Expanding contracted slots allows more children access to quality programs and continuity, which is a priority. The following improvements were made last year to enhance the contracts based on feedback received from local DHS and Head Start programs. These changes include:

<i>Improvements beginning in September 2012.</i>
<ul style="list-style-type: none">• Eligibility look back- Allowing for entrance into a contracted slot without a new application when eligibility had been determined within the current or previous 3 months.• Parent work hours- Parents are required to work a minimum of 25 hours a week. Families appropriate for the slots agree to meet the minimum requirement of 136 hours a month.• Payment process- Billing forms are sent directly to DHS Direct Pay Unit (DPU) for review and payment processing. This helps to expedite the payment.• Proration of payments- There is no proration of payments. Consistent payments provide more stable funding. The child is expected to attend 136 per month.
<i>Previous contract years</i>
<ul style="list-style-type: none">• Eligibility look back- Entrance into a contracted slot without a new application when eligibility had been determined within the current month.• Parent work hours- The previous contract required parents to work a minimum of 32 hours a week to be eligible for the contract. This has been lowered to 25 hours a week. Lowering the minimum work hours allows a larger number of families to be potentially eligible for a contracted slot.• Payment process- In the previous contract, billing forms were sent to the local DHS staff member for review prior to being sent to DPU.• Proration of payments- The previous contract prorated payment if the average attendance dropped below 136 hours a month.

Appendix C: OHSPK Qualitative Responses Regarding Perceived Benefits and Disadvantages for Children, Families and Programs in the Contracted Slots Program

Note: When multiple respondents expressed basically the same comment we describe in general what was expressed and included a count of how many programs indicated that comment.

OHSPK – Qualitative Responses Regarding *Perceived Benefits for Children and Families* by Contract Status

	n	Response Category
Currently Have a Contract	10	Stable / Consistent care / Education in a quality program over 12 months. Continuity of care. - A greater likelihood that families will keep their child in the same school due to the subsidy.
	4	Financial stability / Support for families. Financial relief of copay amounts. Lower childcare co-pay cost.
	1	Utilizing this method in our rural areas would potentially ensure that we are serving children in areas where we cannot support opening an entire center.
	1	Parents receive this care outside of Head Start hours free of charge.
	1	Knowing that as they move in and out of employment they will have stable child care in a quality center.
	1	Families would benefit from the supports that Head Start would make available to the child care provider.
	1	Additional program services not offered elsewhere.
Do Not Currently Have a Contract but Had One in the Past	7	Stable child care environment / Consistency of quality care / Individualized attention to children with a low staff to child ratio
	2	Parents are able to be employed while the children are cared for.
	2	Financial benefits / High quality childcare for free
	1	Parent education and support to reach their goals. High-quality positive relationships with the EHS staff. Opportunities to participate in parent meetings and policy council.
Never Had a Contract	9	Stable, high quality child care / Supports consistency of care / Assist children in becoming school ready
	4	Ability to provide full day educational services
	3	Affordable care
	3	Gives parents full-time care so they can work or attend school. Decreased worry and concern about provider getting paid.
	1	Increased accessibility to high quality early education program.
	1	Increased access to high quality family support program
	1	Ability to offer a resource to some families that do not have such resources
	1	Gives them resources and information as a parent of a preschool child
	1	Perhaps the opportunity for families to enroll in programs in their neighborhoods

Note: Several respondents had multiple response categories.

OHSPK – Qualitative Responses Regarding *Perceived Benefits for Programs* by Contract Status

	n	Response Category
Currently Have a Contract	3	Consistent payment / No need to bill or work with families on payment issues / Stable financial support in order to improve the quality of the center
	2	Stable enrollment and slot usage / Full enrollment
	1	Helps programs off set cost involved in proving quality child care services
	1	They would receive supports to maintain HS standards and would have access to specialists within the HS program to ensure that children in contracted slots receive the full range of HS services and supports. The other children will benefit by association.
	1	After paying the fees for children who receive care outside of the Head Start hours the program does make a small profit from the contracted slots.
Do Not Currently Have a Contract but Had One in the Past	1	Consistency in enrollment and funding
	1	It provides additional funding for high cost services and allows programs to provide the needed services in their community.
	1	Ability to more holistically support the needs of children and families
Never Had a Contract	2	Steady income / Stability of funding
	1	Assurance of slots filled
	1	Ability to serve more high needs families
	1	Efficient management of ERDC revenue
	1	I am not sure. If EC programs are to be able to afford to participate, the CS would need to pay for slots whether they are used or not, and at or near the EC program's advertised rate, to avoid setting up a system in which the EC program "subsidizes" the CS program through lost income. Is it thought that contracting slots is a more appropriate way to get eligible children into programs that demonstrate quality?

Note: Several respondents had multiple response categories.

OHSPK – Qualitative Responses Regarding *Perceived Disadvantages for Children and Families* by Contract Status

	n	Response Category
Currently Have a Contract	1	Transitions throughout the day if parents work extended hours that program cannot cover.
	1	Families working non-traditional hours have a hard time fitting into the contract requirements
Do Not Currently Have a Contract but Had One in the Past	2	The qualifying criteria is too narrow.
	1	When parents no longer meet eligibility requirements, children are no longer eligible for the service – this is disruptive to continuity of care.
	1	When parents are no longer eligible due to losing their job, reduction in work hours etc. they need to find new care for their child which is stressful
	1	Families have a lot of paperwork to complete in order to be in the program and sometimes there is a lack of flexibility in hours of available care
Never Had a Contract	2	The stability of the funded slot can be worrisome to families and if requirements for their participation are labor intensive on their part it may be too much for them to cope with
	2	Inadequate funding level

	1	Long day for the child.
	1	Low quality childcare or education opportunities are the only programs available in their area, therefore the child doesn't benefit in becoming school ready
	1	Contracting slots may result in limiting child access, or making children "token" participants. Once a program's CS slots are filled, what happens for the next eligible child who would like to enroll? Also, programs that have not formerly served this population of eligible children may need to be oriented to the "culture" of eligible children & families. That is, we would not want children to be identified as "our contracted" children. Does that make sense? We would want participating programs to have an ethic of welcome for all children from the wide range of backgrounds and SES, and not have the children be tokens in the EC program's business plan.
	1	Possible high copay, low quality options
	1	They have to pay a co-pay, as I understand it
	1	Maybe. I am a supporter of identifying a variety of funding streams so a variety of families can participate in a program. The core element is that participating programs must have a mission and ethic of welcome for all, and that how a family pays for their child's participation should be invisible in the classroom.

Note: Several respondents had multiple response categories.

OHSPK – Qualitative Responses Regarding *Perceived Disadvantages for Programs by Contract Status*

	n	Response Category
Currently Have a Contract	1	Cost that MCCDC must pay providers beyond the hours that a child would be in a HS classroom.
	1	It all boils down to the level of monitoring that needs to exist to oversee that the child care providers that have contracted slots are following Head Start Performance Standards and the procedures set by the participating program. This is a huge stumbling block and has resulted in programs being cited in non-compliance from the Federal Review. In this political climate it is extremely important for programs to have total control of the performance of their program and to know that operations are effectively addressing all areas. When slots are contracted, it is one step removed from the typical monitoring process. It takes very intentional partnerships and child care providers that understand the full depth of their participation. This can be typical in Head Start programs that have delegate agencies subcontracted with. It is much harder to impose regulations on a subcontractor than it is to just do it yourself. That is the reality. That is why these partnerships require a special level of collaboration and communication. They are important but hard to justify when it could place your program in redesignation (at least that is the fear of committing to such a partnership). It is still a positive thing to pursue if there is a need to embed it within your program.
Do Not Currently Have a Contract but Had One in the Past	2	The children qualify locally and then are determined unqualified after services are provided; eligibility requirements are also difficult to navigate
	1	The funding from the contracted slots is less than the actual cost of the staffing of the program
	1	The paperwork adds more administrative costs
	1	Funds do not cover costs adequately.
	1	The lack of flexibility in the number of hours that families have to participate in order to receive funds especially in rural communities.

	1	When partnering with programs, any deficiencies in those programs (including CACFP findings) will negatively affect our program.
	1	<p>One of our Head Start requirements is to conduct a community assessment every three years with annual updates. We just completed our full community assessment two months ago. As part of this process, EHS surveyed 127 EHS parents and Head Start parents with infants and toddlers. We also analyzed our data on parents who dropped from the program. The purpose was to identify the EHS service options that best meet the needs of families. We also asked parents if they are receiving ERDC. Overall, our results showed that the highest need identified by parents was “part-time” childcare (60%), our toddler service option (58%) and then full-time childcare (50%). However, 80% of the families reported they did not receive ERDC. In reviewing our drop data, we have had 17 parents drop from our full-day childcare option over the past 18 months (we have a total of 8 slots available in full-day childcare). The primary reason parents dropped was that our childcare hours do not match their work schedules (82%). Now that ERDC is limited to families leaving TANF, we find that parents have very diverse work schedules that include evening and weekend hours and split shifts. And then these schedules can change weekly. As a program, we cannot plan and budget for services across such a wide and diverse span of time. Last year, we made the decision to try and continue even though these rules have made it so difficult to find families on ERDC that match our service hours. We thought surely we could find 8 children we could serve. Our local DHS office partners put a tremendous effort into helping us find families, meet with DHS caseworkers to talk about EHS and recruit parents, mailings to eligible families etc. We spend a great deal of time trying to find eligible families when a child drops during the year and we have a full-day childcare opening. Our Head Start regulations require we fill a slot within 30 days and there have been several times that we come very close to that 30 day limit as it’s so hard to find eligible families. As a matter of fact, I am listening right now to a conversation my administrative assistant is having with a parent interested in our full-day childcare program that I have heard countless times before. They are not currently on ERDC and have not left TANF in the past three months – so they don’t qualify for ERDC and cannot access our childcare service. I mentioned earlier in this email that “part-time childcare” was the highest need reported by parents. This is to meet the needs of parents in school or working part-time. We have received many calls this past year from parents now in school needing part-time care that we can’t serve under the DHS contract. Our local community college enrollment has significantly increased and we are seeing their need for part-time childcare. Also, many parents only work part-time and don’t need full-time childcare (which we define as 35-40 hours per week). For these reasons, our Board and Policy Council has approved the proposal to end our full-day childcare option and provide two classes of “part-day childcare” that will serve children 4 hours per day 4 days per week. Under this option we will prioritize parents who are in school or working. We plan to make this change at the beginning of our program year in September 2012. For the sake of the families needing childcare in our community, I certainly hope that ERDC can open up again to include low-income families who are working and not necessarily TANF leavers.</p>
Never Had a Contract	4	High cost monitoring; hard to manage; paperwork
	4	Low reimbursement for contracted slots; reimbursement to programs is not good so programs struggle trying to keep the program going.
	3	Restrictive regulations; requirements that did not work for the program including having parents pay a co-pay; restrictions and limitations could affect programs' ability to

		manage their centers
	2	Finding qualified staff is hard
	1	If the slots are not stable it can cause financial and staffing issues with the participating program
	1	Many programs are giving up full day because they cannot find families who are receiving ERDC so their slots are not filled.
	1	Not enough money in the system to pay for what we do already.
	1	Finding families who received ERDC is also getting more and more difficult
	1	Child care partnerships are risky and difficult to maintain/ensure quality and compliance.
	1	Maybe. EC programs (who often operate on the proverbial shoe string) need to be able to fit the CS program plan into their business model. Programs need to know what they can count on. CS slots should be paid slots whether or not they are continuously used; otherwise the funding should simply be connected to families to use where-ever.

Note: Several respondents had multiple response categories.

Appendix D: OPQ Qualitative Responses Regarding Perceived Benefits and Disadvantages for Children, Families and Programs in the Contracted Slots Program

Note: When multiple respondents expressed basically the same comment we describe in general what was expressed and included a count of how many programs indicated that comment.

OPQ – Qualitative Responses Regarding *Perceived Benefits for Children and Families* by Contract Status

	n	Response Category
Currently Have a Contract	22	Stable care in a quality program over 12 months / Consistency of a slot in a high quality program / Guaranteed slot for a year - The greater likelihood that families will keep their child in the same school due to the subsidy.
	8	ERDC families could afford program with low monthly co-pay / The low \$25 copay even if older children attend other program / Cost of child care will be reduced
	2	Develop nurturing relationships with providers.
	2	Part of a community where families and caregivers work together for their child well-being. / Helps to encourage families to get more engaged with the school knowing their child will be here for a while.
	1	Economic diversity in the classroom.
	1	Some guarantee of stable subsidy for the families with ERDC funding.
	1	If they change jobs or have temporary jobs they will benefit from the slot being held open for them.
Never Had a Contract	1	Stability in care

Note: Several respondents had multiple response categories.

OPQ – Qualitative Responses Regarding *Perceived Benefits for Programs* by Contract Status

	n	Response Category
Currently Have a Contract	13	Consistency/stability in payments and enrollment, steady income; makes it less likely that we will have a mid-year drop; ability to move in and out of slots during the year; increased enrollment.
	2	Satisfaction of benefitting families as an incentive of OPQ award. Serving low income families with quality care.
	1	Economic diversity of clients.
	1	One of our goals is to increase diversity and these slots enable us to reach out to lower income families and share our quality program with more deserving children.
	1	Ability to save the slot for the parent to return within 60 days.
	1	Receiving funds to offset parent costs for childcare for low income families.
Never Had a Contract	1	Assurance of slots filled and payments

Note: Several respondents had multiple response categories.

OPQ – Qualitative Responses Regarding *Perceived Disadvantages for Children and Families* by Contract Status

	n	Response Category
Currently Have a Contract	2	Learning a new process
	1	There is not a part-time slot available and many children can't benefit from this program.
	1	There may be a lot of working parents that don't know about this program and may think that they don't have the option.
	1	Still not being able to afford the difference between what DHS pays and what the high quality program charges
	1	Families who work less hours than full time do not qualify; families working non-traditional hours have a hard time fitting into the contract requirements
	1	Families do not have a way of knowing about the low co-pay so they stay in substandard programs. Families do not know that this opportunity is available.
Never Had a Contract		

Note: Several respondents had multiple response categories.

OPQ – Qualitative Responses Regarding *Perceived Disadvantages for Programs by Contract Status*

	n	Response Category
Currently Have a Contract	3	Learning a new system, more paperwork, training time
	3	We cannot advertise that we only charge a \$27 co-pay for the entire family. We have to wait for an ERDC family to contact us; unable to fill spots due to inability to advertise; there is no way to tell parents about the low co-payment so that parent will look at a program they would otherwise consider too expensive.
	1	Low payment
	1	Working with DHS families can be challenging. Waiting 5-6 weeks to be paid for much of the care given. Having parents still not be able or willing to pay for the difference of what DHS pays and what our program feels are necessary additional costs to run a high quality program.
	1	May take a while to find qualifying families
	1	For myself I saved two slots for this program. So in the beginning I was out some money by holding the spots since we enroll in March through June for September and the program didn't begin until September and by the time I get all enrolled it will be October. But I was thinking in the long run it would be worth it to be in this program.
	1	OPQ programs are not allowed any absent days when the child might be ill. A quality program should be allowed at least one week vacation from the kids and a few professional days without being penalized. Your program is not set up for any days off, period. I do not consider this professional or recognition of a quality program.
	1	Possible future disadvantage if contracted slots are vacated frequently due to a families' inability to meet requirements of program
Never Had a Contract	1	Contract has many legal requirements that may be difficult for some providers, private pay families may offer more money, providers must market their own empty slots, provide may not be paid for all time off/vacations.

Note: Several respondents had multiple response categories.

For information about this report, contact:

Oregon Child Care Research Partnership,
OSU Family Policy Program
Waldo Hall Rm 304
Corvallis, Oregon 97331-6406
Telephone: (541) 737-9243
Email: bobbie.weber@oregonstate.edu