
Evaluation Study

**Contracted Slots
Pilot Program
Evaluation**

Final Report

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Acknowledgments

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Introduction

The Contracted Slots Pilot program grew out of and aligns at both state and national levels with changes related to delivery of early learning services to historically underserved children and families. These changes provide the context in which the pilot program was designed and implemented. Strengthening the early learning sector by bring programs together in one organization is a foundational change. Oregon created the Early Learning Council in 2011 and consolidated early learning services in the new Early Learning Division in 2013 to achieve three major goals:

- Children ready for success in kindergarten,
- Stable and attached families, and
- Aligned, coordinated, and family-friendly services.

During this same time period, at the national level an emphasis on improving the quality of early care and education has been growing. The following national initiatives are integral parts of Oregon initiatives: Race to the Top grants, Quality Rating and Improvement Systems (QRIS), Early Head Start-Child Care Partnerships, and reauthorization of the Child Care and Development Block Grant. These state and federal initiatives are the context in which the State launched the Contracted Slots Pilot program.

State budgetary issues were also part of the context. A 2010 budget shortfall led the State to institute a Reservation List on which potentially eligible parents waited until the subsidy program, Employment Related Day Care (ERDC), could be opened for new entrants. A description of Reservation List polices is included as Appendix A. During this time Department of Human Services (DHS) staff were overwhelmed with budget cuts at time of rising caseloads for a variety of programs they administered.

Within this context, in 2012 early learning partners created the Contracted Slots Pilot program designed to ensure stability for children in highly rated early learning programs. Numerous studies had documented short durations of participation in ERDC¹, thus threatening the building of stable adult/child relationships essential to healthy learning and development. This Pilot program focused on provision of stable care in facilities of documented quality for children who qualified for ERDC. Contracting for 12-month slots in programs of documented quality was a strategy for providing children and families experiencing low incomes with access to stable, care of documented quality. The Contracted Slots Pilot program was designed and implemented as a partnership of ELD and DHS and piloted from September 2012 through August 2015.

Since 2000 DHS had contracted with providers of Oregon Head Start Prekindergarten (OHSPK) programs to ensure stable care in programs of documented quality to children whose parents met both Head Start and ERDC eligibility requirements. In the fall of 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 had been documented. OPQ was a forerunner of Oregon's Quality Rating and Improvement System (QRIS) that enables child care and education programs to document the level of quality they offer. The expansion of contracting to include community-based programs of documented quality (OPQ programs) provided families' increased access to continuous care in quality programs.

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

The three key goals for the three-year pilot were:

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

OPQ providers and OHSPK grantees could contract for 12-month child care slots for families eligible for the ERDC program if they also met additional criteria listed below. If a parent exited the program, the provider was paid for the slot for 60 days so that the parent could return or another parent could fill the slot. Family copays were limited to \$27 per month, and the family received 12-month continuous protected eligibility for full-time care while in these designated programs, and they were not placed on the DHS Reservation list. Other criteria for the family included:

- Have a child between the age of 0 and 5 or 0 and 6 depending on OPQ or OHSPK.
- The parent was employed for a minimum of 25 hours per week.
- Work hours match the early learning program's business hours.
- The child needed full-time care, that is, attended the contracted program for a minimum of 136 hours per month.

A rule change in 2014 made TANF families as well as ERDC families eligible to participate. At the onset of the program protected eligibility was a relatively new concept and partners assumed it meant that once enrolled in a Contracted Slot the child could remain for at least 12 months.

As partners created the Contracted Slots Pilot program they implemented an evaluation study in order to measure the extent to which the program worked as planned and achieved its goals. Oregon State University (OSU) provided the evaluation designed to inform decisions on the extent to which Contracted Slots was an effective approach for providing stable, services of documented quality to children and families experiencing low incomes.

This paper reports the overall findings for the entire evaluation study which includes assessments of both (a) how well the Contracted Slots Pilot program operated as designed and was received by participants [Process Evaluation], and (b) the impact of the program on children, families and providers [Impact Evaluation]. It includes a synopsis of findings from two reports already completed for the evaluation study and a comprehensive recommendations section.

Evaluation Research Questions and Logic Model

RESEARCH QUESTIONS

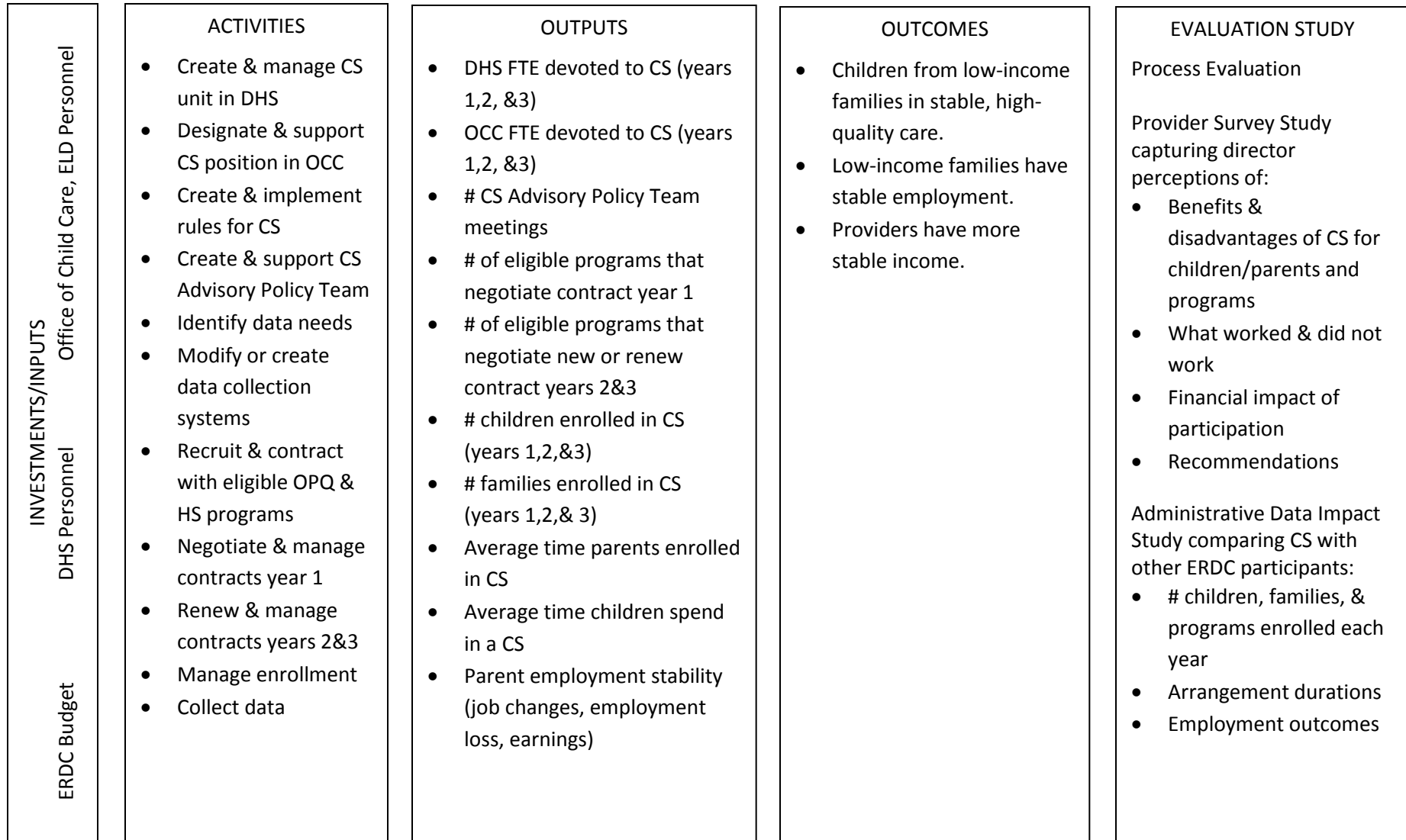
1. To what extent did participants and other stakeholders understand the purpose and goals of the Contracted Slots Pilot program?
2. To what extent did the implemented program meet expectations of those engaged in designing and implementing it?
3. Who participated in the Contracted Slots Pilot program?
4. To what extent did the Contracted Slots Pilot program achieve its goals? To what extent did the stakeholders perceive the program as meeting its goals?
 - A. Impact on children
 1. How long did children participate in the contracted early learning program? What percent remained for 12 months? How did the length of participation in the Contracted Slots Pilot compare with length of participation for a similar set of children receiving an ERDC subsidy who did not participate?
 2. How much time did participating children spend in the program?
 3. For children who exited prior to the end of the second year of the pilot study, why?
 - B. Impact on families
 1. To what extent were parents stably employed during the 12 month period?
 2. What percent of parents experienced job changes, employment loss, and/or spells of unemployment?
 - C. Impact on programs
 1. What impact on recruitment and enrollment did participation in the Contracted Slots Pilot program have on participating programs?
 2. What impact on budgets did participation in the Pilot have on participating programs?
5. How was the program perceived by parents, directors of eligible programs, and those engaged in implementing the pilot?
6. What challenges emerged as the program was implemented?

LOGIC MODEL

As can be seen in the logic model that follows, the Contracted Slots Pilot program was designed in line with the state Early Learning goals: (a) children ready for success in kindergarten, (b) stable and attached families, and (c) early learning services are aligned, coordinated, and family friendly. Collecting data was integrated into program activities so that the three-year pilot program could be evaluated. Program outputs and outcomes were listed as were the cluster of evaluation strategies used, including a process evaluation, participant survey study, and an impact study.

Figure 1. Contracted Slots (CS) Pilot Program Logic Model

Goals – Children ready for success in kindergarten, stable and attached families, and aligned, coordinated, and family-friendly early learning services.



Pilot Project Timeline and Data for Program Evaluation

The Contracted Slots Pilot program was a three-year project that began in September 2012 and ended in August 2015 (see Figure 2). The evaluation study of the Contracted Slots Pilot program was conducted within this same time period. This study used several different strategies to obtain the data needed to answer the research questions. We collected data from Directors at the time the program was launched and again at the end of the first year of the program (Initial and Post Directors Survey shown in gray shading in Figure 2). The dark green boxes in Figure 2 represent the program specific data and DHS administrative data that were received after the first and second years of the pilot to study program impacts on stability of care, stability of parental employment, and stability of programs' enrollment. Lastly, in-depth interviews were conducted with key stakeholders in the winter of 2015 to determine how well the program operated as designed and was received by participants (shown in light green box).

Figure 2. Pilot Project Timeline and Data Sources for Program Evaluation

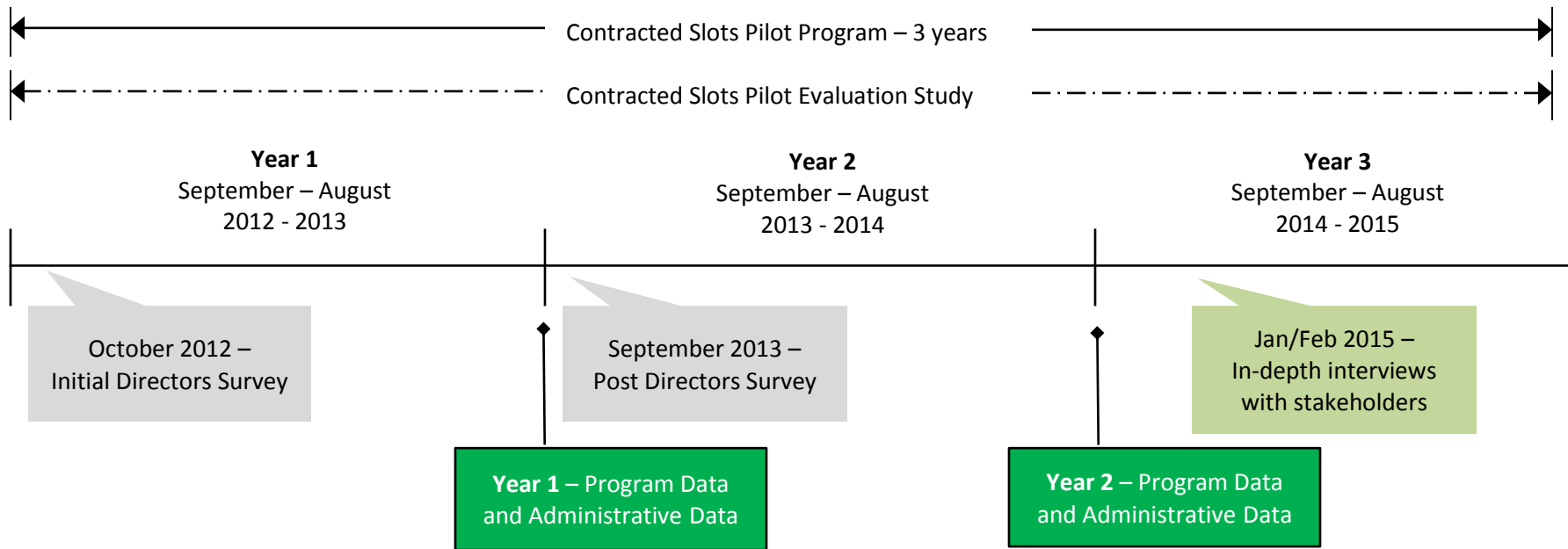
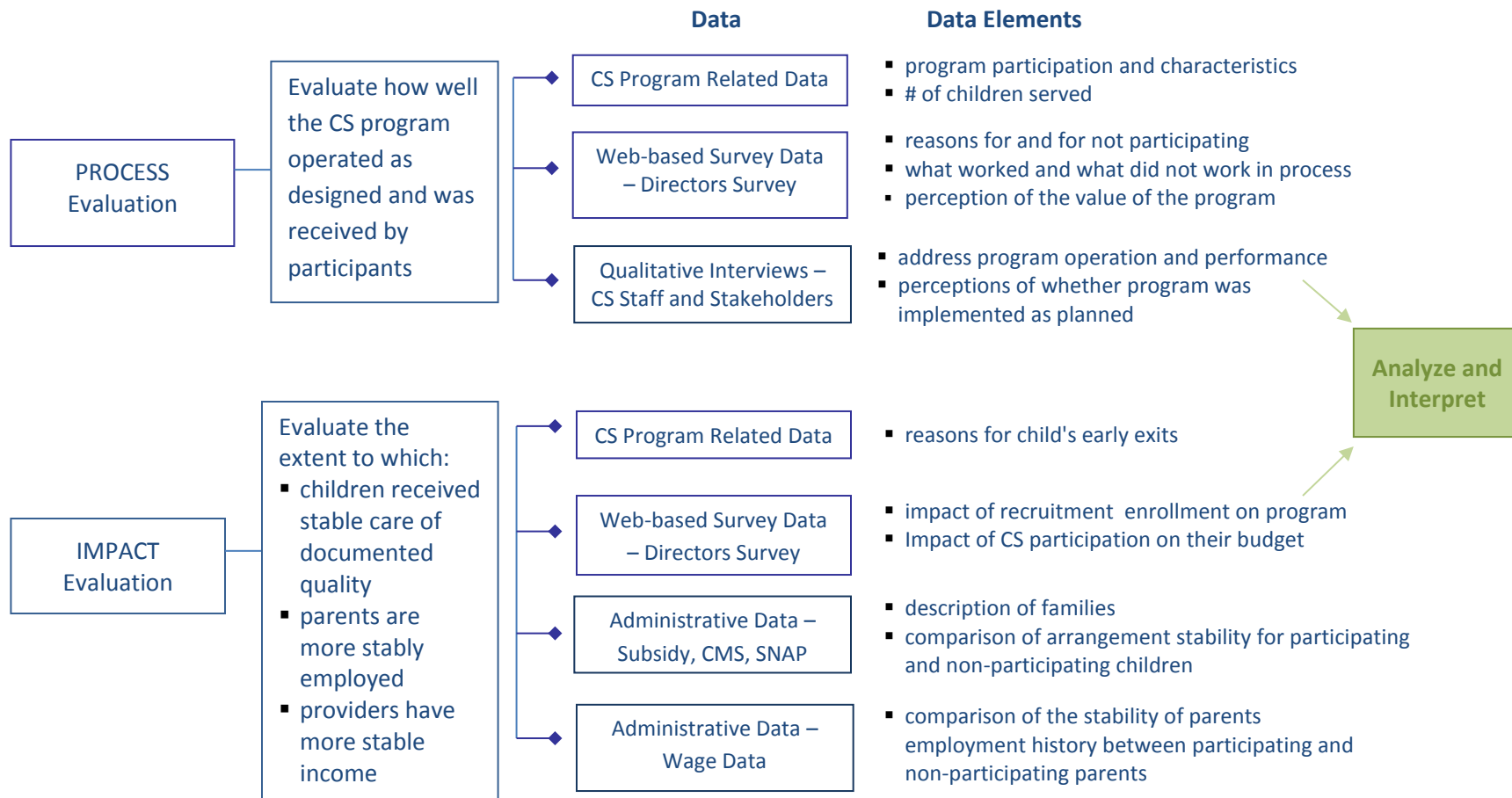


Figure 3 illustrates which data and specific data elements were used to answer the overall research questions. For example, for the impact evaluation we will be analyzing administrative wage data from the Oregon Employment Department to compare the stability of parents' employment history between

participating and non-participating parents in the Contracted Slots Pilot program. A comparison of findings across these data sources allowed us to evaluate the overarching questions of whether the program operated as designed and the impact of the program on children, families, and providers. The next section will discuss the details of these data sources and data collection methods.

Figure 3. Link Between the Overall Research Questions, Data, and Data Elements



Data Sources

This study used multiple sources of Oregon administrative data to determine the extent to which participating in the Contracted Slots Pilot program resulted in children and families with low incomes experiencing stable child care and early education of documented quality. The primary source of data was the child care subsidy program provided by the Oregon Department of Human Services (DHS). These data included information on the circumstances of the family and characteristics of the child as well as the type of care provider. The population of interest included 7,835 families with at least one child who entered the child care subsidy program between September 2012 and August 2014. These families included both those who participated (received a contracted slot) and did not participate (received a voucher) in the Contracted Slots Pilot program. The subsidy data were linked with data from several other administrative data sources: (1) the Client Maintenance System (CMS) database to provide more detailed data on family characteristics, provided by DHS; (2) Supplemental nutrition assistance program (SNAP) database, provided by DHS; and (3) employment and earnings information from the Unemployment Insurance system, provided by the Oregon Employment Department. The quarterly UI wage data were obtained in order to answer questions on the extent to which parents (both those who received a contracted slot and those who were on a voucher) were stably employed during the 12 month period.

We also received additional data on the children and parents who participated in the Contracted Slots Pilot program. These variables included: parent scrambled identification number, study-related child identification number, program identification number, contract start and end date, hours of care per month, and reason for exit if the child exited before the end of the contract period. These data were only provided for families who completed a signed consent to release their data.

Data Collection Methods

This study used two different data collection strategies to collect data from programs and key stakeholders. Initial and post on-line surveys were conducted with Directors from Oregon Head Start Pre-Kindergarten programs (OHSPK) and Oregon Programs of Quality (OPQ). In-depth interviews were conducted with key stakeholders and staff of the Contracted Slots Pilot program. The details of these strategies are discussed below.

INITIAL DIRECTORS SURVEY

As part of the process evaluation for the Contracted Slots Pilot program, OSU conducted an on-line survey of directors from all the Oregon Head Start Pre-Kindergarten programs (OHSPK) in Oregon and Oregon Programs of Quality (OPQ) (participating and not participating). The purpose of this survey was to get initial perceptions on the value of the Contracted Slots Pilot 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. Although the findings of the initial directors survey have been published (Weber & Grobe, 2013²), this report will incorporate these overall findings and recommendations with those of the broader evaluation study.

POST DIRECTORS SURVEY

OSU conducted another on-line survey of directors from OHSPK and OPQ programs that had participated or had planned to participate in the Pilot Project in its first year. The purpose of this survey was to document perceptions of the Contracted Slots Pilot program after a year of participation in it. The survey included their perceptions on the value of the program, number of contracted slots filled and the difficulty in filling those slots, challenges and strategies that worked in recruiting and retaining children, impact of program on budget and stability of enrollment, overall experience in the program, and future plans.

Twenty-six programs (7 OHSPK and 19 OPQ) were invited to take part in the survey at the end of year one. The 19 OPQ programs included 17 that had a contract for the 2012-2013 year and the two that planned to have one but did not (the two that did not sign a contract were offered a modified survey). A total of **24 programs completed** the on-line survey (7 OHSPK and 17 OPQ). Thus all of the OHSPK programs and all but two of the OPQ programs that had a contract at the end of the first year completed the follow-up survey. Both of the programs that had planned to participate, but did not, completed the modified survey. One of the two non-respondents had not completed the initial survey administered prior to program launch. Thus we have findings at both points in time for all seven of the OHSPK programs and 15 of the 17 OPQ programs that had contracts at the end of year one. In addition we have findings at both time points from the two OPQ programs that had planned to negotiate contracts but did not do so in the first year of the project. It was important to administer the survey at the end of the contract year in order to capture program perceptions before the end of the first year of the pilot. Surveys were completed in August or early September of 2013. Similar to the Initial Directors Survey, the key findings and recommendations will be included with those of the broader evaluation study in this report. See Weber and Grobe (2014)³ for the full report on the Post Directors Survey.

IN-DEPTH INTERVIEWS WITH KEY STAKEHOLDERS AND STAFF

As part of the process evaluation, in-depth telephone interviews were conducted with key stakeholders and staff of the Contracted Slots Pilot program. The goal of this part of the study was to answer questions about the extent to which the program operated as designed and how participants, both parents and contracting programs, received it. The Contracted Slots Policy Team provided the list of staff and stakeholders who had been involved in the Contracted Slots Pilot program. Each of these individuals received a letter via email from the sponsoring agencies indicating the importance of participating in this study (See Appendix C). Individual interviews were scheduled with each of the participants and the interview followed an interview guide developed by OSU and reviewed by the Contracted Slots Policy Team (See Appendix D).

² Weber & Grobe, (2013). Initial Director's Survey for Contracted Slots Program. Available at <http://health.oregonstate.edu/occrp/child-care-subsidy>

³ Weber & Grobe, (2014). Director's Survey for Contracted Slots Pilot Program: At the End of Year 1. Available at <http://health.oregonstate.edu/occrp/child-care-subsidy>

A total of **17** Contracted Slot staff and stakeholders who had been involved in the design and implementation of the program completed the interview between December 2014 and February 2015. Interviews averaged an hour in length and the same interviewer conducted all interviews. The interviews were recorded to make sure we captured the participants' opinions accurately. The recorded interviews were transcribed and then coded using the qualitative software MAXQDA. In coding, we categorized the data according to themes that emerged and were consistent with our main questions in the interview protocol. The research team read and reread the coded segments, continuing to look for themes and patterns in the narratives.

Findings

Findings are organized as responses to the six research questions addressed by the study.

UNDERSTANDING OF PURPOSE AND GOALS

1. *To what extent did participants and other stakeholders understand the purpose and goals of the Contracted Slots Pilot program?*

Responses from stakeholders and participating programs showed a clear understanding of the purpose and goals of the Contracted Slots Pilot program. All stated in their own words that Contracted Slots was designed to (a) increase continuity of children's care and education in programs of documented quality, (b) increase employment stability of parents, and (c) stabilize finances of programs of documented quality. Individuals used their own words but the content did not vary. Responses in the two surveys of early learning program directors reflected clarity on Pilot goals and the ability of programs to apply the goals to their circumstances. One stakeholder summarized, *the goals were really clear from the beginning, which I think was a real strength. So for children to have access to continuous quality care, for families to have continuity of quality child care to support their employment, and for providers to have stable funding in serving low-income children in quality programs.* Another shared *we wanted to make sure that it was a win for families, a win for children, and a win for programs.* Yet another shared, *So I've heard it referred to as the triple win, right? The child, the parents and the Provider, that it was really about trying to create systems that support across all of those areas.* One stakeholder viewed the goal from a system perspective, *It starts expanding our public investment in our learning environments outside of Head Start Oregon Prekindergarten. It's a strategy that is increasing overall quality, because we're moving the field in a direction.*

STAKEHOLDER EXPECTATIONS

2. *To what extent did the implemented program meet expectations of those engaged in designing and implementing it?*

Several stakeholders reported not having expectations of the Pilot program. *I don't know that I came into it with a whole lot of expectations as to how it would turn out. We had never really done anything like it before.* Another shared, *I don't know specific expectations because we knew this was a field test. We were eager to see what was coming. I think there was a sense from the get-go that something like this opportunity might be available to other programs in the future who participated in what became and is now the QRIS.* Yet a third shared, *Well when I first started out, I didn't really have expectations.*

Some stakeholders reported that they expected the Pilot program to lead to system changes. *I think in expectations from my perspective was to make sure that the subsidy system and the Quality Rating and Improvement System could work together, that you know we didn't have thousands of quality-rated programs when this started... We knew it was going to take an extended period of time to get programs, to have a supply of quality-rated programs. We also figured it would take a decent amount of time to move a program at DHS... to being something that was more family-friendly and more limber than the current way the program was being operated. For me the expectation was that we were giving time to both systems to mature and figure it out administratively such that hopefully once you figured out what could work on the Subsidy side, you'd also figured out how to supply programs on the Quality side.*

Several stakeholders reported expecting higher levels of participation by programs and families than what they perceived to be happening. They identified lessons gained from the actual pace of program and family participation. *The participation rates were not as high as expected, probably because everyone was very confused about what they could say, what they couldn't say, and I think we didn't do a good job of breaking out those roles and responsibilities up front.* Another stakeholder shared, *I think that we were surprised at how few children on subsidy were in these programs initially... and I think that was a huge lesson learned.* Yet another said, *I had higher expectations for a number of programs that would participate and the numbers of children who would be participating... I guess bigger picture I was very surprised that we didn't have higher enrollment, just because of the good benefits that they receive, such as being on a contract, having that child care (that full-time child care) locked in for up to 12 months, I suppose, depending upon when you started a contract, \$27 copay. I mean it all sounds too good to be true. I guess I was surprised at how slowly it started to gain momentum at the beginning and then slowly increased in numbers.*

PARTICIPATION

3. Who participated in the Contracted Slots Pilot Program?

We report levels of participation in the Pilot program for programs and children separately.

Programs

Level of participation in the Contracted Slots Pilot Program varied by type of program eligibility: designation as an Oregon Head Start Prekindergarten Program (OHSPK) or as an Oregon Program of Quality (OPQ). The Initial Director's Survey found that among Oregon's 29 OHSPK programs 17 had never participated in the Contracted Slots program since it began in 2000. Another five had in the past but were not doing so at the time the program was expanded to include OPQ programs. For the Pilot program years, 7 OHSPK programs consistently held contracts (see below table). An additional program signed a contract in the most recent contract year (2014-2015).

Programs	OHSPK Programs	Participated in CS Pilot	OPQ Programs	Participated in CS Pilot	Total Potential Programs	Total Participating Programs
2012-2013	29	7	22	17	51	24
2013-2014	29	7	19	16	48	23
2014-2015	29	8	17	14	46	22

Note: Only 2 of the 22 OPQ programs never signed a contract during the three-year pilot study.

Although 22 OPQ programs were eligible for Contracted Slots, only 17 had a contract at the end of the first year. This number decreased to 14 by the third contract year. One program closed their business, three became ineligible (two due to noncompliance with specific child care regulations and the other because of a CCDF policy that programs that included religion in their curriculum were ineligible for funding), and one voluntarily terminated due to closing their full day program. Although the numbers of OPQ programs decreased throughout the pilot, only 2 OPQ programs never signed a contract during the three-year pilot study.

From the initial and post Director's Surveys we found a strong relationship between OHSPK programs having at least one full-day classroom and having a contract. Among the 29 OHSPK programs, 17 had

never participated in Contracted Slots program and only one of the 17 had a full-day classroom. Of the five that have had a contract in the past, but not currently, three did not have a full-day classroom at the beginning of the Pilot. All seven of the programs with contracts in the pilot year had full-day classrooms.

Children

As of May 2015, **889** children had or were participating in a contracted slot in the Contracted Slots Pilot Program over the three years (see table below). OHSPK programs had around 230 children in each of the first two years and OPQ had 89 in year 1 and 83 in year 2. It is important to note that these numbers are not the unduplicated count of children. Some of the same children participated in more than one year of the Contracted Slots Program. DHS reports that there were **631** unique children who were served in years 1 and 2 of the pilot. These numbers were compiled by DHS as OSU did not have data on all the children who participated in the Contracted Slots Pilot. OSU received only the data from those parents who provided consent to release their program and administrative data.

Children	Children in OHSPK Programs	Children in OPQ Programs	Total Participating Children
2012-2013	230	89	319
2013-2014	229	83	312
2014-2015 (<i>as of May 2015</i>)	208	50	258
			889

Note: These are not unduplicated numbers

GOAL ACHIEVEMENT

4. To what extent did the Contracted Slots Pilot Program achieve its goals?

Impact on Children

We first look at how well the Pilot program achieved the goal of providing children and families experiencing low incomes with stable care of documented quality. The data include all the children whose parents provided permission to DHS to use their data in this evaluation. The table below details the number of children by program who participated in Year 1 only, Year 2 only, or in both years. There were **398** unduplicated children who participated in the program and whose parents provided permission to DHS. DHS reports that there were 631 unique children who were served in years 1 and 2 of the pilot. Thus, DHS received permission from the parents of **63%** of the children who participated in the Pilot program, a sufficient number to give us confidence our findings are representative of all the children served in the Contracted Slots Pilot.

CS Participants [contracted slots]	Children in OHSPK Programs	Children in OPQ Programs	Total Participating Children
Year 1 only	115	34	149
Year 2 only	110	28	138
Both Year 1 and Year 2	52	59	111
Total	277	121	398

Note: These are unduplicated numbers

In the following analyses, we compared the children who participated in Contracted Slots Pilot who had data with those who did not participate in the pilot. We received DHS administrative data on voucher families who did not participate in the pilot but who were receiving a child care subsidy during this two year time period (September 2012 – September 2014). We selected a sample that would be comparable to the children in the Contracted Slots Pilot. This included children whose parents were on ERDC, were between the ages of 0-5, and whose parents were considered new entrants to the subsidy program in September 2012 when the pilot began (they did not receive a child care subsidy in August of 2012). **9,594** children were in the nonparticipants (voucher) comparison group.

How long did children participate in the early learning program? What percent remained for 12 or more months? How did the length of participation in the Contracted Slots Pilot compare with length of participation for a similar set of children receiving an ERDC subsidy who did not participate?

In capturing how long participant children stayed in an early learning program we used administrative data to look at the total number of *non-continuous* months children stayed with their primary provider over the two year observation period (September 2012 – August 2014). Findings are reported for both participants in the Contracted Slots Pilot and a similar set of children receiving and ERDC subsidy who did not participate in the pilot.

Total Non-continuous Months. When comparing the total number of months (non-continuous) children stayed with the same primary provider over the two year pilot period (September 2012 – August 2014), we found that the Contracted Slots participants stayed with their primary provider, on average, four to five months longer (see table below). Nonparticipants were with the same provider for an average of **7.27** months over the two year time period compared to **11.9** months for OHSPK children and **11.4** for OPQ. The median was twice as long between nonparticipants and OHSPK (6 versus 12 months) and 5 months between nonparticipants and OPQ (6 versus 11 months). In addition, for the Contracted Slots participants we were able to calculate what percent remained with the same provider for 12 months or more. We found that half (51% of children in OHSPK programs and 50% in OPQ programs) stayed with that same provider for 12 months or more. When viewing data on the breaks in arrangements among the participants we found that 19% of children in OPQ programs and 4% of children in OHSPK programs had a break that lasted between one and six months. All of these breaks resulted in returning to the same primary provider.

Total Months with Same Primary Provider [non-continuous]	Sample Size	Mean	Median
CS Nonparticipants [voucher]	N=9,594	7.27	6
CS Participants [contract]			
OHSPK	N=277	11.9	12
OPQ	N=121	11.4	11

How much time did participating children spend in the program?

On average, nonparticipant children spent more hours per month with their primary provider over the two-year pilot study period than did those children who participated in the Contracted Slots Pilot

program (see table below). Children receiving vouchers (nonparticipants) spent **189.87** hours on average with their primary provider per month compared to **167.70** for children in OPQ programs and **139.3** in OHSPK programs. The shorter hours for children in OHSPK programs was probably related to OHSPK program scheduling which included staff in-service days. Voucher children averaged about 5 more hours per week in care than did children in contracted slots. It appeared that parents with longer work hours were more likely to be on vouchers than in the Contracted Slots Pilot program. In terms of sufficient time in a quality program to benefit the child an average of 32 hours per week (OHSPK) to 39 hours per week (OPQ) was more than adequate.

By Child	Average Hours Spent with Primary Provider per Month Over the Two-year Pilot (2012-2014)
Nonparticipants [voucher]	189.87
Participants [contracted slot]	
OPQ	167.70
OHSPK	139.30

Note: Some children received care from providers in addition to the hours with the contractor.

For children who exited prior to the end of the second year of the pilot study, why?

The study has data on exits from three sources: director survey at the end of the first year of the Pilot, in-depth interviews with stakeholders, and administrative data collected from program reports to DHS. Each data source provided important information on reasons parents exited the program. Directors reported three primary reasons that parents exited during the year: moving, loss of employment or reduction in hours, or entry into kindergarten. In the cases of loss of employment or reductions in hours directors reported the exit was due to loss of eligibility despite protected eligibility. Stakeholders also reported instances in which parents lost eligibility due to employment changes. Looking at administrative data, **232** (58%) children out of 398 children with data exited a contracted slot during the Pilot study period from 2012 through 2014. The majority of these children (84%, N=196) exited at the end of the contract period they started in. Many of these children were not returning because they were moving on to kindergarten and were no longer eligible to be in a contracted slot. We looked at the reasons for exits that occurred in the months prior to the last month of the contract year (August). For those children in OPQ programs, **23** children exited before the last month of the contract year. Of these children, the most frequently cited reasons for exit provided by the parent included:

- Family moved out of state or area,
- Parent no longer working or lost job,
- Contract with the provider was terminated, and
- Mom quit job to go to school full-time.

Thirteen OHSPK children exited before the last month of the contract year. One difference in determining who exited prior to the contract year with children in OHSPK programs was that two programs were not open in the month of August of the second year of the contract period. For these programs, we looked at those children who exited prior to July of that contract year. Of the 13 children who exited, the most frequently cited reasons included:

- Family moved out of state,
- Low attendance due to the parent having limited transportation options to drop their child off at the program,
- Parenting time with absent parent, and
- Parent wanted to spend time with children before kindergarten.

Impact on Families

Another goal of the Contracted Slots Pilot program was to ensure parents were more stably employed. Before exploring the extent to which the program achieved this goal we first looked at how the participant (contract) and nonparticipant (voucher) families compared to one another.

How did participating families in the Contracted Slots Pilot program differ from nonparticipating families?

There were **92** OPQ and **186** OHSPK families who participated in the Contracted Slots Pilot program and who gave permission to analyze their administrative data (see table below). In the nonparticipant comparison sample (voucher families) there were **7,557** families. These families were selected based on factors similar to the families who participated in the pilot: received ERDC, had children between the ages of 0-5 and were considered new entrants to the subsidy program as of September 2012 because they did not receive a child care subsidy in August of 2012. For each of these samples we merged monthly child care subsidy files into a longitudinal analysis file over the two year time period (September 2012 – August 2014). These data were also linked with other administrative data to provide more detailed data on family characteristics and SNAP usage.

Families	Number of Families
Participants <i>[contracted slot]</i>	
OPQ	92 ^a
OHSPK	186 ^a
Nonparticipants <i>[voucher]</i>	7,557

^a These families gave their permission to view their administrative data.

Table 1 compares the demographic characteristics of families in each of the three samples. The purpose of these comparisons was to give a sense of how the families who participated in the Contracted Slots Pilot program compared to the families who did not participate in the pilot (those parents who received a subsidy voucher during this time period). The results showed a few differences between participants and nonparticipant families, as well as between OPQ and OHSPK families. Although the vast majority of families were single parent households, OPQ families had a lower percent of single parent households (85.9%) compared to nonparticipants (91.0%) and OHSPK who had the highest (94.6%). OPQ families also had slightly less monthly household income than nonparticipants (\$1,118 versus \$1,176), which provides evidence that the Contracted Slots Pilot program reached a lower income group. Unfortunately household income data was not available for the OHSPK families although federal rules require that only 10% of families could be over 100% of the Federal Poverty Level at the time of entry. Table 1 also shows that nonparticipating families were more likely to live in nonmetro counties (23.6%) compared to participants in the pilot (5.4% OPQ but reliable data on location were not available for OHSPK), while participants had higher education levels than nonparticipants. This result was more pronounced for OPQ

parents where 33.3% had greater than a high school degree or GED, whereas 18.5% and 11% of OHSPK and nonparticipant parents, respectively, had greater than a high school degree.

Table 1. Demographic Characteristics of Participants and Nonparticipants in the Contracted Slots Pilot Program: September 2012 – August 2014.

Variable	Participants in Contracted Slots Pilot		Nonparticipants in Contracted Slots Pilot
	OPQ Families N=92	OHSPK Families N=186	N=7,577
	Mean/ Frequency	Mean/ Frequency	Mean/ Frequency
Number in household	3.21	3.43	3.43
Number of children on ERDC	2.92	3.22	3.02
Age of youngest child (months)	33.08	NA	24.6
Age of oldest child (months)	49.97	NA	51.0
Single parent households	85.9%	94.6%	91.0%
Monthly household income	\$1,118	NA	\$1,176
Eligibility group: Job readiness or assessment	6.5%	0%	0%
Eligibility group: Employment-related care	93.5%	100%	100%
SNAP participation	90.2%	90.6%	91.3%
Nonmetro	5.4%	NA	23.6%
Parent's education level			
No formal schooling	1.9%	1.7%	1.4%
1-11 Grade completed	3.7%	18.3%	22.4%
12 or GED	61.1%	61.7%	65.3%
13-16 years of college	29.6%	17.5%	10.5%
Credits toward post graduate deg.	3.7%	1%	<1%
Race/Ethnicity of family			
Black	16.3%		8.5%
White	65.2%		65.5%
Hispanic	1.1%		3.5%
Asian	2.2%		1.0%
Native American	-	NA	1.8%
Pacific Islander	1.1%		0.7%
Mixed race	-		-
Other	-		0.1%
Unknown	14.1%		19.1%

Note: Demographic characteristics are of the first observed child care subsidy month after September 2012.
NA = Data are not available.

To what extent were parents stably employed during the 24 month period and to what extent did these parents experience job changes and employment loss and gains?

Another goal of the Contracted Slots Pilot program was to increase parents' employment stability. In capturing employment characteristics of both participating and nonparticipating parents we used UI wage data to create the following variables: number of employed quarters (wages greater than zero) out of a maximum of 9 possible quarters, quarterly hours worked, job changes (defined as a change in primary employer identification number when comparing previous to current quarter and from current to next quarter), and employment loss or gain (defined as losing or gaining employment or a reduction or gain of hours by 33% when comparing hours from previous to current quarter and from current to next quarter). Although related, job change and employment loss or gain measured different things. For example, a parent could have an employment loss without a job change if their hours with a given employer were substantially reduced or they were laid off and had a period of no employment before returning to that same employer. Similarly, a parent could have a job change without an employment loss if they moved from one employer to another with no or only a short break in employment.

Based on the data, parents who were **participants in the Contracted Slots Pilot were more stably employed than nonparticipants** (Table 2). Participants were employed, on average, 7 of the 9 quarters compared to 5 of 9 for nonparticipants (the quarters were not necessarily continuous). The median number employed quarters for parents in OPQ programs was 8, and 9 for parents in OHSPK programs. Thus, parents had earnings in 90% to 100% of the project quarters versus 56% of the quarters for nonparticipant parents. In addition, participant parents were working more hours per quarter than nonparticipants. On average, OPQ parents were working 19 more hours and OHSPK parents 35 more hours per quarter than nonparticipants.

Other employment characteristics that provide support for participants being more stably employed are measures of job changes and employment losses and gains. Table 2 illustrates that although parents who participated in the Contracted Slots Pilot had slightly more job changes on average than nonparticipants (1.55 and 1.32 versus 1.07) and more employment losses (2.01 and 1.84 versus 1.76), they also had slightly greater employment gains, especially the OPQ parents. The OPQ and OHSPK parents appear to be changing jobs or losing their employment more frequently, but also finding new employment to remain stably employed.

Table 2. Employment Characteristics of Participants and Nonparticipants in the Contracted Slots Program: Quarterly Unemployment Insurance Data from July 2012 – September 2014.

	Participants in Contracted Slots Program				Nonparticipants in Contracted Slots Program	
	OPQ Parents N=92		OHSPK Parents N=186		N=7,577	
	Mean	Median	Mean	Median	Mean	Median
# of employed quarters (9 potential quarters)	7.03	8	7.39	9	5.4	5
Quarterly hours worked	356	388	372	432	337	366
# of job changes	1.55	1	1.32	1	1.07	1
# of employment losses from previous quarter	1.11	1	0.90	1	0.79	1
# of employment losses to next quarter	2.01	2	1.84	2	1.76	2
# of employment gains from previous quarter	2.07	2	1.82	2	1.92	2
# of employment gains to next quarter	1.13	1	0.91	1	0.97	1

Note: There are 9 quarters of observed UI Wage data.

An additional question we were able to answer for the participants of the Contracted Slots Pilot program was: *Of the quarters the parents were receiving a contract, how many were the parents working?* The table below shows that the majority of parents (73.6% for OHSPK and 83.5% for OPQ) had a perfect match. That is, every quarter that they received a contract they were also employed. This finding illustrates that the parents in the Contracted Slots Pilot program were working the majority, if not all, of the time their child was receiving care in a contracted slot program.

Match Between Quarter Receiving a Contract and Quarter Being Employed	OPQ Programs N=121	OHSPK Programs N=277
	0% match	0%
1% - 49% match	0%	1.1%
50% - 74% match	7.4%	4.0%
75% - 99% match	9.1%	5.1%
100% match	83.5%	73.6%

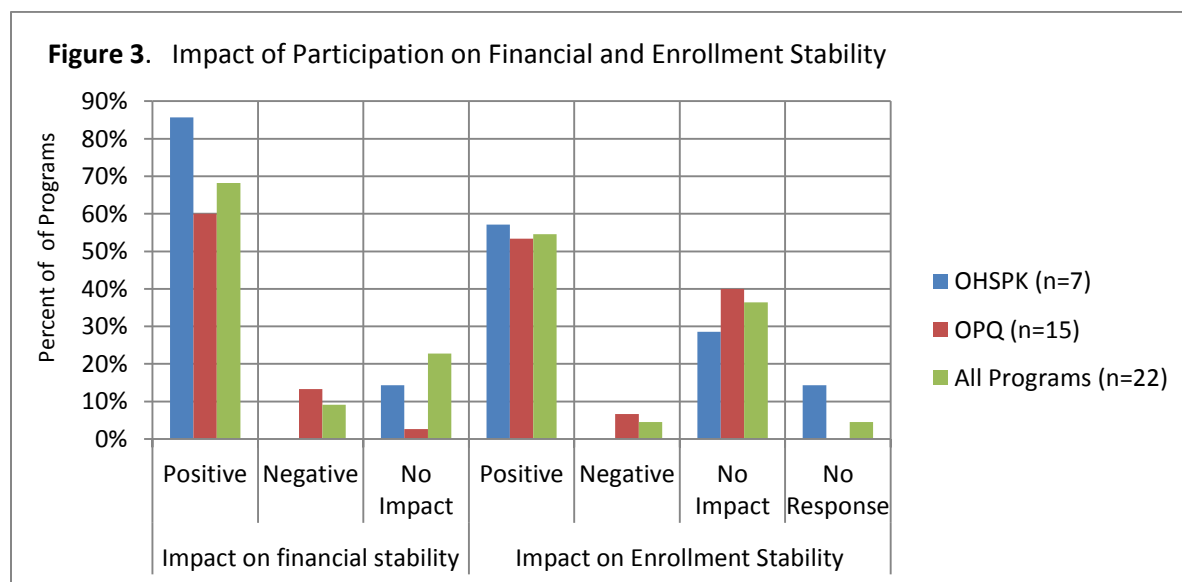
Impact on Providers

What impact on financial and enrollment stability did participation in the Contracted Slots Pilot have on participating programs?

For an early learning program full and stable enrollment is a major component of financial stability. A goal of the Contracted Slots Pilot program was that it supported financial stability for programs of documented quality. Programs were asked if participation in Contracted Slots had a positive, negative, or no impact on both their program budget and on their enrollment.

Almost all programs reported either a positive or no effect on both program enrollment and finances. Around two-thirds of programs (15) perceived participation in the Pilot to have a positive impact on financial stability although only slightly over half (12) thought it positively impacted enrollment stability (Figure 3). All but one OHSPK program perceived a positive impact on financial stability while six OPQ programs reported the impact as either neutral (4) or negative (2).

Slightly over 50% (12) of programs thought participation in the program positively impacted enrollment stability. Again, perceptions varied by type of program with about half of OHSPK programs reporting a positive impact on enrollment stability and only a third of OPQ programs doing so. No OHSPK and only one OPQ program reported participation in the Pilot having a negative impact on enrollment stability.



Despite the close association between financial and enrollment stability, some programs reported a positive impact on one and a neutral impact on the other. Amongst OHSPK programs, two programs reported a positive impact on budget with no impact on enrollment and one program reported no impact on financial stability and did not answer the question about the impact on enrollment. Amongst OPQ programs, one program reported that participation in the Contracted Slots Pilot had a negative impact on budget and a positive impact on enrollment. The director shared, *I did not require the family to pay the excess beyond the DHS rate and our regular private pay rate.* Another two programs reported a positive impact on financial stability with no impact on enrollment stability. One program that reported a positive impact on budget with no impact on enrollment shared, *It seemed that we had a normal amount of stability compared to previous years considering families both using DHS vouchers and regularly paying families.* One program reported an increase in enrollment sufficient to hire a staff person.

STAKEHOLDER PERCEPTIONS OF THE PILOT PROGRAM

5. *How was the program perceived by parents, directors of eligible programs, and those engaged in implementing the pilot?*

The Contracted Slots Pilot program was perceived as positively impacting both children and families and Early Learning programs. There was broad agreement that the program benefited children and families and somewhat less agreement on its benefits for participating programs. Of the 24 programs that responded to the provider survey at the end of the first year of the pilot, all but one perceived the program to be beneficial for children and families. Program directors were almost as positive about the program being beneficial to early learning programs with only two directors not seeing the program as beneficial. Financial stability for the program was often cited but most often reported were stability for the child and family. Protected eligibility and reduced copays were noted as what made the program work.

Children and Families

Those who worked directly with the families who participated in the Pilot program reported high levels of parent satisfaction. One shared, *I would hear from them (parents), 'Oh I heard from so and so, and is this true?'* Another shared, *I would love to see more slots available for families. We have to tell a lot of families that they're not eligible for the contract, and I'd love to see the numbers increase.* Another staff shared what he heard when he made calls to about 80 participating parents, *you know we would just kind of talk for a few minutes maybe about just the program, and I had quite a few clients saying how amazing it was and how they don't know how they would've made it without the program.* Another stakeholder expanded on the role the Pilot played in supporting the parent's employment and the whole family. *We think about the child being in a high-quality care setting and the benefits for that child, but the benefits for the parent are huge, and not just the work support, but all the other benefits that the parent receives by having that child in a high-quality setting, the things they learn from the provider, the supports, the resources...information they get from that provider, and that's one thing I don't think we've really tapped into yet...the whole thing around parent engagement.* Another staff member reported, *the person who does the enrollment has shared some of the kind of success or you know some of the things that the parents have shared with her...how difficult of a time they had finding child care and how this was really important to them and they were very glad to be in the program.* Similarly, a case manager shared, *I would work with parents ..., I would hear from them, 'Oh I heard from so and so, and is this true?'* *And you know there was word of mouth amongst parents talking...they were very thankful.* A stakeholder shared an anecdote shared by a participating program director after hanging up a flyer, *she actually got at least two calls calling her angrily saying 'You're a fraud. This can't be true. You know there's no way,' kind of 'This is too good to be true, and shame on you for trying to trick us'.* Another caseworker shared that, *knowing that they have that child care that's going to be free for them for that long, and knowing that they don't have to worry about that, is huge, is really huge for our families (participation was free for families in OHSPK).* One caseworker commented on expanded access the Pilot program offers, *it allows families that cannot afford preschool an opportunity to do so, and it's preparing the child for school and it's just a wonderful program. Beside the feedback I get is...they know their children are safe all day long.* Another shared, *having a low-cost option for families that can't afford it, which is what our regular Employment-Related Day Care program is all about as well, but this takes it to a deeper level, and adds the consistency part.* Yet a third said, *Hey, who else has a really awesome program?*

Several Directors described what the program meant for the families they served. *It was wonderful for the one DHS family we have enrolled. It made child care very affordable for her.* Another described her own experience of *families' mix of happiness, incredulous and thinking about more money for their families and not finding the words to thank us enough for what we do for their families.* Some disadvantages for families were noted. About a third of program directors cited disadvantages for children and families, primarily rules that made families ineligible such as required employment hours.

Programs

Programs frequently reported financial stability as a benefit. One director shared that Contracted Slots provided families, and thus their program, *the ability to save the slot for the parent to return within 60 days. For our program, the contracted slot provides the financial stability for the student, which makes it less likely that we will have a mid year drop. Also, 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.* Others amplified how Contracted Slots benefited the program by increasing diversity. *Our community of teachers and families benefit from having more diversity and gaining more understanding, acceptance and support of families who may have greater needs. We are enjoying the participation of a broader range of socio/economic strata, with a clientele that looks more like our neighborhood.* Another theme was how the financial stability of this program enabled the provider to increase the quality of their program, *I am receiving calls from DHS families wanting to attend my program. This allows me income to hire a staff member and provide more individual time to each child. I am increasingly becoming more professional in the business administrative part of my business. I have always loved the interaction with the enrolled children and the learning/discovery aspect of my program.*

A stakeholder saw the state being able to contract with community providers a major benefit for programs. *Well I mean as a really high-level goal, it's basically to see not only is it feasible to contract with private providers, ... seeing the feasibility of that, and then also exploring if it's possible for that to be expanded to a bigger, to serve a larger population especially within our ERDC program.*

Almost three-quarters of programs saw disadvantages to programs which included paperwork and recruitment challenges. The most commonly reported disadvantages reported by OPQ programs dealt with the time commitment required to do paperwork, recruit families, and keep slots filled. One reported, *It is difficult to fill slots, a great deal of paperwork, little assistance in finding families/children to fill slots.* Another reported, *It can be difficult to recruit for vacated slots. Sometimes we have children stay in care but are no longer eligible so there is not an opening for a new enrollment. Other times the waiting list or current inquiries are from ineligible families.* Two programs reported seeing characteristics of the eligible parents as a disadvantage, *I am concerned that some families do not value the care they receive at such a reduced amount.* Another said, *Sometimes these families take our care for granted and do not comply with our policies as closely as those that are paying full price.* An OHSPK director reported, *We have to choose families with a standard 8-5 work schedule because families that work outside that schedule cause our program to have to track payments to alternate care providers for non-traditional work hours. This is a billing and invoicing burden on the program staff and not something that we receive enough funding to embed in our system effectively.* Experience in the first year of the pilot slightly decreased the perception of disadvantages to programs.

PROGRAM CHALLENGES AND RECOMMENDATIONS FOR ADDRESSING THEM

6. *What challenges emerged as the program was implemented?*

Stakeholders identified the challenges encountered in designing and implementing the Contracted Slots Pilot program. Many of the identified challenges have confronted the whole early learning system, not just the Pilot program. In a very real sense, the Pilot program has served as a learning laboratory in which strategies to address these challenges have been tested. Although stakeholders did not report complete resolution to many of these, their reports provided evidence of substantial progress. Identified challenges included:

- Merging two agencies' policies, practices, and priorities,
- Operationalizing protected eligibility,
- Operationalizing parent choice,
- Targeting families and programs,
- Monitoring compliance,
- Integrating or holding separate Oregon Head Start Prekindergarten programs ,
- Contracting and procurement processes,
- Identifying data needs and collection processes, and
- Staffing

In the following pages we discuss each issue in more detail and conclude each discussion with a recommendation as to next steps.

Merging Two Agencies' Policies, Practices, and Priorities

Early on stakeholders needed to determine if the Department of Human Services (DHS) or Early Learning Division (ELD) administered the Contracted Slots Pilot program, although working as partners never seemed in doubt. One stakeholder noted, *we (Early Learning Division) probably could have done the payments as easily as DHS, but then the data collection piece wouldn't have been there. DHS has a payment process in place for subsidies, strictly for subsidies. We didn't have that in place.* Another shared, *We want to think 'Okay, what's really going to work best for families?' ... 'Okay, what's the best way to run the program and not worry about ... who's running it?'*

Operating the Pilot as a partnership raised issues of whose policies, practices, and priorities would be used. In describing how the partnership worked one partner shared, *we would always come to an agreement after our discussions.* Another shared, *I think the partnership has worked really well between Early Learning Division and DHS. I think ... there's just some philosophical areas that have been interesting to understand.* Below we discuss areas where differences arose.

Policies. Stakeholders reported challenges in determining which policies controlled the program. *We (ELD) had less policy control over the program. Certainly they were administratively charged to run it, but we didn't feel like we were achieving some of our broader policy objectives to the program ... and ensuring a broader policy alignment with the Governor's agenda.*

Mission. Some issues flowed from perceived differences in mission. *Their mission (DHS) isn't to get children into high-quality learning environments so that they're prepared for success in kindergarten. Their mission is more around Welfare and ensuring families have access to basic housing and food, and those are really important things. However, it is a whole new paradigm to take on the value and the*

mission that children will have better success if they're placed in higher quality environments. Another way of describing mission differences focused on children within the subsidy program. You know we (ELD) were trying to cram in new policy objectives that weren't necessarily the articulated policy objectives of DHS until we pointed them out more clearly. Children actually are customers in this program, and this is how we begin to serve them and make sure their developmental needs are met. It can't just be whatever parents want.

Equity. Concern was expressed that having a program not available to all families and all early learning programs might cause inequities, *as an agency (DHS), we're doing a lot of work around service equity too, and so I think it's kind of on everybody's mind, and we're trying to ... We're being a lot more thoughtful about it now more than ever.* An ELD staff further described DHS concerns, *some families are going to get this great program and others aren't, and that's not equitable. That's not fair that some families would get this and some wouldn't.* In terms of programs one concern expressed was that the lack of access for all early learning programs would, *end up being sort of unfair to other programs who you know weren't OPQ (Oregon Program of Quality).* A related concern for programs was expressed, *it's a new way of providing subsidy ... there's fear that it will take funding away from programs who currently access ERDC ... I think there's policy implications around that.*

Practices. Administering the Pilot program altered some DHS practices and that caused both concern and support. One DHS staff reported, *I think a lot of things are involved ... but there are all these restrictions in what the DHS Worker can do.* Partners perceived resistance to the Pilot due to the practice changes it required, *I think there was some resistance at DHS in the beginning to put this in place because of the fact that it was so much different than the subsidy program, the regular ERDC subsidy program. The families were paid for care, even if their child wasn't there, and it was completely different than the regular subsidy program, and I think that there was some resistance.* Another ELD staff shared, *the resistance was administrative stuff, layers of really big organization.*

Priorities. ELD brought into the partnership a major focus on the child's experience. *And so we were able to put the child back into a central focus of that customer relationship, that it wasn't just a low-income parent or someone transitioning off TANF. You know this was about supporting a low-income child so that they didn't have to access TANF one day.* Containing cost has been a high priority in administering the subsidy program and remained a priority in administering the Pilot program. *You know the contracts are expensive, and I wanted to make sure that we're using our money ... the best way and as efficiently as possible.* Administering the Pilot program altered thinking about costs somewhat:

In the past, we (DHS) always had to worry so much about cost. We want to provide the best program possible for our families, but then there's that other side where we have to really think about the budget, and there was a concern that this program might explode and we would want to get kids into the slots, and then we were thinking about okay, we didn't want it to affect folks that weren't accessing the contracted slots, and just kind of thinking about family-friendly policies and not always thinking about 'Oh how much is it going to cost?' I mean it was a change in our mindset a little bit, so we had to be really thoughtful about that too, and it's not that ... Of course we want the best and we want to provide real flexible policy, but it hadn't always been that way and so it took a while for us to be comfortable with going there and, again, that was before the federal reauthorization. The feds were just kind of changing how ... their direction at that point, and then again we're real focused on quality and you know we have lots of families that use exempt care.

But monitoring cost remained a high priority for DHS although this concern was tempered by changes in federal policy. *You know again, like I was talking about the expense, our cost per case has gone up. We have more kids in licensed care overall for ERDC, and not a lot of kids in contracted child care, but that probably has affected our cost per case a little bit, and we knew moving forward with QRIS and everything our cost is going to go up, and that means we serve less families, unless we get additional funding, and so there's always that concern, and we might hesitate a little bit, but again we want the kids in quality care, and this is really what we need to do.*

Recommendation: Articulate the benefits and disadvantages of managing the program as a partnership; focus on ensuring clarity on how the partnership addresses concerns about differences in policies, practices, and priorities.

Operationalizing Protected Eligibility

As noted earlier, partners did not have a detailed definition of protected eligibility as the Pilot was implemented. Putting the policy into practice made its complexity clear. As one stakeholder shared, *At what point does protected eligibility have some parameters around it? And that was something that just changed and continued to get clarified as the field test went on.* There was an assumption that the child's care arrangement was protected from employment-related changes but directors reported having lost children from contracted slots due to parental employment loss, reduction in parental employment hours, and reduction in hours of care a child needed. It became clear that operationalization of protected eligibility was complex and stakeholders struggled through how to put protected eligibility into practice. It is important to note that there is often a lag between a policy change and field practices as even with training it takes time for field staff to consistently implement a new policy.

Parent employment or income changes. As noted in the Introduction, parents were required to work 25 hours per week and have their child in the contracted slot for a minimum of 136 hours per month, *...because I mentioned the 25 hours a week work hours, and then that the work hours kind of match the business hour of the program is because we want to have those kids in the program at least 136 hours in a month ... and that's why we need to have the work hours at least 25 a week.* Changes in jobs or hours of employment led to various interpretations of what protected eligibility meant. *Maybe a parent lost their job and a Worker in the office was like 'Oh no, I closed that down,' and you having to reaffirm, 'Oh no. They have the protected eligibility.* In some cases the parent would lose their slot, *...right now if a client just quits her job without good cause, that's a reason why they could lose the contracted eligibility.* Questions arose, *What happens when a client loses their job, or what happens when the contract child ends up in foster care?* A staff member reported that they responded case by case. *Well I mean we always resolve them (protected eligibility questions). As an example, the parent who is on a contract, but then you know they've switched jobs. Their hours changed, so now they're working more evening hours. For that family, it may not make sense to keep them on the contract any longer because we're paying Head Start for the daytime hours, and if the child's there, that's great, but then those evening hours can no longer be covered by subsidy because the parent's already in the contract. Does it make sense in that scenario, because the parent is then paying out-of-pocket for a second provider, to have that parent no longer on a contract?* Another staff member explained the importance of the parent maintaining employment even if the slot was protected. *We don't just cut them off. We work with the Caseworker to build up their jobs' program plan, Case Plan (that's the real word for it), to build up their hours so that the child can stay in the Head Start slot. They can stay in there anyway because they have protected eligibility. We just don't want the family to be floating around.*

Children's hours of attendance. Related to hours of employment were the child's hours of attendance in the contracted slot. The child was required to attend for 136 hours per month and when that was not the case DHS responded, *it's about a three-month buffer that we have worked in, but I try to ... It's best if we notice on the first month that the hours are low. Usually I'll go straight to the provider and ask them if they have any concerns, and definitely the earlier the better, because you really don't want to be contacting them near the end of the third month and saying 'Hey, you know your attendance has been low the last two months, and if you don't get it up in the next week, then...'* Another staff member responded, *if they (the parent) didn't utilize full-time, we have to contact them, 'Why aren't you using full-time? Did something happen? You need to keep your hours into the full-time category. Should you be removed from a slot?'* A third said, *well and again it was that they needed to, we wouldn't just continue to pay if the child didn't attend. So there was conversation about that, but again it was similar to modeling what we had for Head Start. If their hours dropped, you had to be working with the family to get their hours back up, and that had to be a joint decision before the family was dropped out of the contracted slot. Joint meaning between the Provider and DHS.* Staff manually monitored reports in order to ensure that the 136 hour requirement was met. *Yesterday I went through each of the eight programs (OHSPK) and looked at their hours and sent out emails to them basically listing the children that were below the 136 hours consistently for two months in a row, and telling them, kind of getting the ball rolling if they haven't, like I said, started talking to parents. Part of the contract with Head Start is for them to be working with the parents and to be figuring out why the hours are low and what they can do to increase those hours and keep the kids in those programs and participating in them.*

When a program does not have a contract. An early learning program may have lost eligibility or may never have received a contract and these situations also complicated the operationalization of protected eligibility. As one stakeholder explained, *so when you say protected eligibility, is it really protected eligibility for the families, or is it protected eligibility in a program that's participating? If they (the program) lost a contract, does that mean on our end we are still continuing that protected eligibility, or that we have to now re-review to see if they're ERDC-eligible and maybe now they're not, and do they lose that protected eligibility? It was really a fine line and a lot of conversations about what that really looks like.* In a case in which a program lost eligibility the staff member explained, *so I think we did continue to allow the \$27 copay and give them the protected year of eligibility, even though their provider had lost or the contracted ended with that program.* It was not always possible for a family to move to another program with a contracted slot. *So geographically for a lot of them, it wasn't feasible just because there's no other providers that they could go to, and then in that instance, you're losing that continuity of care for these kids that the parents are just having to do whatever they can to have a \$27 copay and so they're taking kiddo from this one and putting him in another one, which isn't necessarily the benefit to begin with.*

After the passage of the 2014 CCDBG Reauthorization, the Administration for Children and Families shared the following description of protected eligibility: "Establishes a 12-month eligibility re-determination period for CCDF families, regardless of changes in income (as long as income does not exceed the federal threshold of 85% of State median income) or temporary changes in participation in work, training, or education activities." But ACF continues that this new policy, "allows States the option to terminate assistance prior to re-determination if a parent loses employment, however assistance

must be continued for at least 3 months to allow for job search".⁴ Thus states have options in how to interpret 12-month eligibility policy.

Recommendation: Reach consensus on the purpose and operationalized definition of protected eligibility. Using that consensus develop set of protocols for situations that could result in a child's removal from a contracted slot.

Operationalizing Parent Choice

The Contracted Slots Pilot program was designed and implemented in the midst of a national and state conversation about the operationalization of parent choice. Parent choice has traditionally been interpreted as a parent's ability to select any legally operating child care arrangement. More recently, the discussion has been framed as how to provide parents access to early learning programs of documented quality. Stakeholder comments showed that their understanding of parent choice was changing. A core issue appeared to be the extent to which partners believed it appropriate to influence a parent's decision about which provider to select; specifically, the appropriateness of nudging a parent to select a provider whose program level of quality had been documented.

One stakeholder shared what she thinks is meant by the term "access to quality". *It can't just be whatever parents want. We have to create simplified vehicles and grease the wheels that very quickly they can make a quality choice without bringing a financial burden back onto that family, because it's really not a choice, if you can't afford it. 'Oh yeah, they can choose a quality program.' 'Really? Because they can't afford it.'* She went on to further explain. *Do we believe that nudging and helping parents make good choices is part of our role as a Public Service Organization, or a Public Agency?' and I would say 'Yeah, a little bit. We do it all the time,' and it's not that you're limiting choices. It's just that you're highlighting choices that are available that are probably a really good program to consider.* She believed there was reluctance to building access to quality into the design of the Contracted Slots Pilot program, *and if they're looking for a star-rated program, you know 'Here's some that are on Contracted Slots, and you only pay \$27 a month.' You've aligned your public resources to help parents make great decisions, and I personally have no issue with that, but I think others do, and it's good to be really clear about 'Yeah, that's what we're doing,' and kind of let people sit and think through that across agencies and organizations that may have for a long time not believed that that was their role.*

Varying views on how to operationalize parent choice emerged. One shared, *although we can't specifically tell families, 'Oh go here to this quality program that has a \$27 copay for full-time child care,' we're not supposed to say that, but we can still, if we know in our head that there are programs in the area that are offering that quality program, I think we would be more apt to have that conversation and say 'There are so many great, quality providers in your area, I think if you really looked around, you'd be able to find some great benefits for you and your kiddo.'* Another offered, *I'm interested in thinking about how are we encouraging parents' will and choice and advocacy for what they think is best for their children, and how do we kind of empower them to make some choices around that?* A third shared, *it's informing parents about 'This is a great opportunity,' and then helping families find quality environments that enable contracted slots. So it's really I'd say the biggest adjustment and revision we need to make is between DHS and the family, that communication link, and enabling the parents to have not just choice,*

⁴ Description of protected eligibility taken from *Child Care and Development Block Grant Act (CCDBG) of 2014: Plain Language Summary of Statutory Changes*. Downloaded from <http://www.acf.hhs.gov/programs/occ/resource/ccdbg-of-2014-plain-language-summary-of-statutory-changes>

but actual information and guidance that informs them and provides information that enables that child to be in a quality environment.

Another stakeholder shared her understanding of access to quality and change in understanding of it amongst partners, *so what's the choice architecture and the shifting there of how DHS talks about this issue, so that of course the parents still have choice, but they also are fully educated and fully aware of what's going to be good for the whole situation, and I don't feel like that's as much of a tension or a conflict anymore, because I think just the way the whole field has changed over the last two years and some of the things coming down from you know the feds in and at the federal level.*

Recommendation: Articulate a shared understanding of parent choice and then agree on its implications for program design including marketing and referral processes.

Targeting Families, Programs, and Communities

In the Pilot, the Contracted Slots program was not targeted to specific types of families or communities. Families could participate if they were determined eligible for Employment Related Day Care (the subsidy program) and met a few additional requirements. A caseworker explained, *we let any family who is applying for Employment Related Day Care or a family who is currently with Head Start, if they feel like they would fit the eligibility requirements for the contract, then they're basically referred.* As noted earlier, requirements included:

- Have a child between the age of 0 and 5 or 0 and 6 depending on OPQ or OHSPK.
- The parent was employed for a minimum of 25 hours per week.
- Work hours match the early learning program's business hours.
- The child needed full-time care, that is, attended the contracted program for a minimum of 136 hours per month.

The program thus did not work well for parents working nontraditional work schedules. A stakeholder shared, *We may need to provide additional supports that enable parents access to care outside of the contracted slots, like weekend and night care ... just because most families, people with low incomes, don't work the normal hours that the Contracted Slot programs are going to be, so we may need to think about that.*

The appropriateness of serving families participating in Temporary Assistance for Needy Families (TANF) was also an issue. One stakeholder argued, *these families especially really need for their family stability to get their kids in high-quality settings.* Another shared, *I think they are a very delicate population ... (who) would really benefit from that because of the instability of their lives and the chaos and the exposure that these kids are getting. I think it is a huge population that we could be serving with quality child care to get the kids more school-ready, to place them with these quality providers, contract or not, that we would be able to offer these TANF families the same access to quality care because those are the kids that need it.* At the same time another stakeholder argued that the instability experienced by many TANF families was a challenge, *it doesn't work as well because they're not at a point yet where they're in a stable situation.*

Another issue was program eligibility. In the Pilot, programs that had verified quality through designation as an OHSPK or OPQ program were eligible. Some thought that would be enough going forward. *Pretty much any program that achieves the three-, four- or five-star (QRIS rating) should be*

eligible for Contracted Slots. Yet earlier findings (Weber & Grobe, 2014)⁵ showed that having a quality designation may not be enough to make a program a good candidate for a contract. We identified the following program characteristics that challenged the ability of a program that met quality standards to meet the goals of the Contracted Slots program:

- Did not provide full-day services (the majority of OHSPK programs reported not having even one full-day classroom),
- Did not operate in a community accessible to targeted populations,
- Lacked experience working with targeted populations,
- Did not demonstrate commitment to improving quality of services they provided,
- Had a history of noncompliance (numerous regulatory violations even if not all determined to be serious), and
- Used a religious curriculum.

One stakeholder shared a lesson learned, *if you aren't a program that historically has taken care of children from low-income families, you don't necessarily know how to recruit or how to access those families or how to get connected with them, and so initially there was a lot of work with the programs who were interested, and they were telling us, 'We don't know how to go get these families. We would love to serve them, but either I'm already full, they don't live around me,' and so I think a lot as far as how ... I mean for me a lesson learned is how are we strategic in thinking about providing these supports within the context of where the children we're trying to reach are now?*

In addition, the lack of providers that meet quality standards in some communities presented a challenge to reaching families with high need for the Contracted Slots program, *in certain communities, and especially communities of color, where we have a lot of our clients and there's not necessarily that many providers that ... are on the QRIS.* Another stakeholder struggled with how to serve communities that did not have providers that met QRIS standards. *So I think leaning on the QRIS where you could, for licensed programs, whether they're Head Start or as a subcontract out from a Head Start, would be a way to do that. I think we would need to be very mindful in terms of that in some communities and for some families that's not necessarily an option, and particularly this is with the Head Start 'What would potentially be some requirements of any license-exempt that we would want to support in a subcontract type of format?'*

One stakeholder argued, *I think we need to target Contracted Slots to targeted communities ... if you take an approach of going into the communities, I think they might already know how to do that. I don't know yet, because we're just now on the cusp of doing that.* One shared their strategy of reaching out to providers already serving children in targeted communities, *if we're able, and the plan, the hope is that we can contract with some of those providers. And so again you have providers that are currently caring for our families and they're going to get the support and there's going to be some incentives so that they can get on the QRIS and improve their quality, and then we're going to be able to contract with them. That's what I get really excited about.*

Recommendation: Reach consensus on children targeted for contracted slots. Use that consensus to review family eligibility requirements and to develop a set of program eligibility requirements including community location.

⁵ Weber & Grobe, (2014). Director's Survey for Contracted Slots Pilot Program: At the End of Year 1. Available at <http://health.oregonstate.edu/occrp/child-care-subsidy>

Monitoring Compliance

Three distinct type of compliance monitoring emerged as issues in the Pilot:

- Federal rules,
- Child care licensing rules, and
- Quality standards.

Compliance with federal policy. The use of federal funds in the Contracted Slots Pilot program required ensuring compliance with federal rules. One lesson learned was that faith-based organizations with a religious curriculum ... *can still receive payment through us through our Voucher Program, but we can't contract with them.* One stakeholder shared, *the faith-based organization, that was a big hiccup. It was a good learning experience for us because it really got us thinking as we moved forward with these, and also in general with QRIS, what some of these funds can and can't be used for.* Lessons were also learned about how Federal rules affect payment rates. *I think we at least have one OPQ Provider that their rates are lower than the DHS rates, and basically we did get clarification from the federal government that the rule doesn't apply for the contracted slots when we're paying for a quality placement. That applies to the voucher payments only.*

Compliance with child care licensing rules. Issues related to noncompliance with licensing rules emerged. *I don't think any of us realized the impact that licensing compliance would play in this program ... It's like how can we call a program quality if they have major licensing violations? ... but the challenges with that and the impact that if a program who cares for children on subsidy and they lose their OPQ status, they lose their contract. I don't think anybody realized how unfortunately frequently that could happen, and the reality of the impact that has on families.* Another shared, *I don't think we anticipated the consequences of having one program that had 25 slots having a serious compliance issue and no longer being a program of quality, and what that would mean ... we didn't know starting what would that compliance look like. You have these quality programs, so do we just assume that they're going to continue to meet these quality standards? Well obviously not. Some did not continue to have compliance, so what does that mean on a contract end, and really the benefits to kids of having quality child care, consistent quality child care, if we're putting them in a program and that program doesn't maintain compliance?*

Noncompliance had consequences. If a program lost their OPQ designation and therefore their contract, families could choose to stay there and go on a voucher, which could cost them a lot more money than they were paying on a contract. One stakeholder explained, *Our approach was to do sort of the least harm. So we gave the programs an opportunity to do a findings review, if they wanted to contest the valid finding before we yanked the slots, right? We wanted all the administrative things to go through before we made any changes that would impact families, and then DHS ... tried to be very supportive to the programs and families to find them alternative places to be.*

Stakeholders shared that the struggles with noncompliance was part of moving the state forward. *Actually the State's (made) considerable headway into looking at the licensing rules ... assessing each of them for risk assessment levels and looking at what rules may have higher levels of risk or lower levels of risk, depending on some issues we've looked at, instead of them being black and white. You know that 'If you do this, you're automatically kicked out,' to having a possibility of some, I want to say traffic school.* Another shared, *Is our threshold right? Are all serious noncompliances equal? Well the answer is no, but how do we do it based on our rules? I mean it's a huge piece that we're grappling to figure out for the QRIS ... is there a way to not necessarily pull it, but have a Corrective Action Plan?* What is emerging is a

process for dealing with noncompliance system wide. *The need to have a Review Committee and so it's looking at that whole system and thinking and making sure that everybody is on point. A noncompliance use to not mean necessarily a whole lot, and now the stakes are higher.* As another stakeholder explained, *we did end up with a protocol which we've sort of continued to use with QRIS. I think it definitely gave us some learning about what we want the compliance thresholds to be. It definitely is giving us pause to think about how the compliance piece and the quality piece go together.*

Monitoring quality standards compliance (OPQ, QRIS, OHSPK). In a program in which eligibility required attainment of a quality designation, monitoring compliance with that designation emerged as an issue. In the Pilot program either an OPQ or OHSPK designation was required. The Administration for Children and Families monitored OHSPK compliance with Head Start standards. Lessons learned in monitoring OPQ standard compliance had direct implications for monitoring QRIS standards. One stakeholder shared, *if programs continue to surprise us with the level of difficulty they have maintaining the compliance standards, we're really going to need a good backup plan ... that's going to have to be a big piece, I think, to maintain this being expanded.*

Recommendation: Clarify how existing or emerging monitoring systems will interact with Contracted Slots program. Confirm federal policy on allowable practices in contracts versus vouchers.

Oregon Head Start Prekindergarten

Contracted Slots Pilot program was built on a ten-year history of contracting for slots with OHSPK programs. Stakeholders talked extensively about the role of OHSPK in the Pilot. *Modeling after what we were doing for Head Start ... I think that because we had that model already in place, then it made it a lot easier.* Another said, *so the policies for both types of contracts are very similar.* There are also differences, *with the Head Start contracts, they have the ability to subcontract, and that looks different, depending on the program.*

As noted in the response to research question three, only eight of the 29 OHSPK programs participated in the Pilot program. As one stakeholder noted, she was *...hoping that it would be a much broader opportunity available to Head Start, and that didn't really work out that way.* Another reported, *my sense of it was that it may not have been the kind of process that was open or available to all Head Start programs and that they may, that some folks may have felt like they weren't given the opportunity to participate.*

Stakeholders reported both benefits and challenges associated with participation of OHSPK in the Contracted Slots Pilot program.

Benefits

One stakeholder summarized what many reported as a basic benefit. *OHSPK is structured to support parents and to meet and to help them in their own self-sufficiency goals. Embedded in the Head Start approach is this idea that we work with families to try and help them meet their individual and collective goals, as well as supporting the goals that they have for their children.* Another reported, *The whole idea is that for families that have a child in that Head Start program, they receive that educational component of the Head Start ... as well as the other enhanced services of Head Start. All the family supports they provide, and then in addition to that, all the wraparound child care they would need would be covered through the contract.* Logistical benefits were also noted. *Head Start programs also often have infrastructure that provides support for the billing aspect of it.*

Challenges

OHSPK operating schedules. Participating OHSPK programs have times when they are not available to care for children, you know and they used to, Head Start used to take off maybe a couple of weeks in the summer and they would pay providers to do the care. Well now some of them are taking off a couple of months during the summer. You know like a lot of the Head Starts now are taking more Thursdays off, or more training days for their teachers, which is all good, as far as the program, but you know for some of our clients who are just barely meeting the minimum hours as it is, if Head Start's closing their doors for two days a month, that's two days a month that those parents don't really have the opportunity to be taking their children there. Another stakeholder reported, and then we have issues sometimes too because Head Start programs, they're closed for different reasons (e.g., cleaning or they have staff training). We're running into more programs being closed longer periods of time during the summer.

Subcontracting. OHSPK programs are allowed to subcontract with community providers who provide care when the OHSPK program is closed. Stakeholders expressed concern about the providers with whom OHSPK programs can subcontract. *They don't necessarily have to contract with a quality program ... my understanding is that there's not any kind of quality standards on who they contract the extended day for.* Another stakeholder shared that concern, *they might be great quality, and they might not be great quality, but there are very little parameters around that, so what is that really saying about continuous quality?*

Billing practices. One stakeholder explained the difference between OHSPK and OPQ billing processes. *As far as with the contracted Head Start slots, it's not through the voucher system. It basically is an Excel spreadsheet that ... on a monthly basis they fill out all the information on that sheet, and so they'll put down the hours for each child. They'll put in the charge, the age category, kind of all the information we're asking for.* After explaining that a single monthly document may be easier for the OHSPK program the person continues, *but as far as the processing of that, when that billing form or that spreadsheet comes in, on each specific case, we have to manually look to see if there's been any copay unmet for other providers or previous providers. We have to look at each case to make sure that the coding is still on the child so that there's no billing forms accidentally sent out through the regular process as well.* As explained further there is another spreadsheet into which the monthly data must be entered *for the federal government, you know for their stats and stuff, and so the manual part of it is that we have to go through each and every case and on a long spreadsheet we have to fill out the amount of income and what type of income ... the age of the child, the race of the child, and there's all these boxes we have to fill out for each and every child and I mean it can literally take ... I probably spent about six days just getting the spreadsheet ready this last time for one program, and if it was all automated, then the system would automatically check for it. It would automatically know that it's updated or not. There's a lot of communication back and forth between us and the local office, between us and the Head Start facility just to try to make things get started off right.*

Multiple stakeholders noted increased efficiency of having the same rather than two billing processes, *right now they're very different. If in the future we have a way to change how we do the billing for Head Start to make it more similar to OPQ, then that would limit some of the time that's spent on Head Start.* Another argued, *so I think we can make them quite a bit alike, but we can't necessarily just combine them and have the exact same kind of contract template. There's always going to be some differences ... I don't think we necessarily want to treat all of our contractors the same.*

Multiple OHSPK contracts with ELD. An issue that is broader than OHSPK participation was raised by stakeholders in the context of OHSPK. The issue dealt with the ELD having multiple contracts with the

same provider. One issue is *how do we know we're not double-dipping (for lack of a better word)? I don't think we are*. She went on to explain that balancing this concern is the federal interest in having early learning programs blend *...resources in a way that makes a difference for kids and families*. Another stakeholder explained the issues this way. *Well, they're getting State funds, and they're getting federal funds through a State agency. So even though the money comes from DHS, it originates in Early Learning*. She continued explaining issues when a program holds multiple contracts for delivering the same or similar services. *You know we have other contracts from an Early Learning Division perspective. We have other contracts with the same facilities, and so I think that we need to look at some additional outcome measures*.

Recommendation: Review rationale for inviting only some OSHPK programs to participate in Contracted Slots and for a separate OHSPK contracting and billing processes. Determine if contract changes can address identified challenges.

Contracting and Procurement

Stakeholders raised two issues related to contracting and procurement policies and practices: (a) appropriateness of the contracting process used by DHS, and (b) ability of community based providers to negotiate contracts with the state.

Contracting process used by DHS. One stakeholder referred to delays related to determining what providers were allowed to do under a contract. *So the rocky start was it took a while because of the contracting and procurement requirements of the State to determine if programs could in fact do outreach to families to recruit them into the Contracted Slots program*. She also noted that it took six months to determine that an RFP process was not required for a pilot program. Another stakeholder shared that the process was unnecessarily cumbersome. She reported, *...and there were also sections of the Boiler Plate on the DHS side that really weren't applicable to these contracts and it caused some problems in the way that they were administered because the language just didn't apply. So not only did we have to work on the Statement of Work, we also had to work on the Boiler Plate language. We were captive of DHS procurement processes*. This same stakeholder shared that a lack of staff experience increased the time to resolve contracting issues. For example, they lacked experience in *how to amend the contracts, how to add language to the statement of work, how to have the Contractors do additional work down the road?*

Contracting with community-based providers. Stakeholders expressed concern that community based providers, especially smaller home-based programs, would find negotiating and managing contracts difficult. OPQ providers reported some difficulty although it is worth noting that all but two of the 22 eligible OPQ programs negotiated a contract for at least one year and one of the two that did not went out of business in the first year. On the survey completed at the end of the first year, almost half of OPQ programs reported some difficulty associated with managing the contract (average 2.3 on a scale of 1 to 5 with 1 being not difficult). Concerns about the amount of paperwork (for themselves and for the families) involved were common. Access to staff within DHS and ELD to answer questions and resolve issues emerged as important although providers reported problems working with persons in DHS branches. OHSPK providers were less likely to perceive the process as difficult (average 1.4 on a scale of 1 to 5 with 1 being not difficult). The need to amend the contract due to increases in the number of slots the provider could fill was an issue early in the Pilot. Another issue that had to be addressed was contract revocation due to the provider's noncompliance with child care rules.

Recommendation: Explore state technical assistance on options for the most appropriate type of contract and ensure minimizing the need for amendments.

Identifying Data Needs and Collection Processes

Stakeholders expressed desire for data including routine counts of numbers served as well as data-based findings on program impacts. One stakeholder wanted to know, *How many children? What their turnover is? Are they leaving the program? Are they staying? The story of the children in the care ... a more formal report, numbers on paper, at a point in time.* Another expressed a desire for outcome data. *Work stability, and if a child is in a contracted slot and we have the contract for the year, how many of the children are actually staying in the slot for the year that we have the contract, and are they then continuing to the second year?*

Stakeholders talked about inadequate systems. *I think that they all (DHS) have some of the same kind of challenges we do with our Information Systems and not being set up to do it, and that it's labor-intensive.* Others also noted the need for system support of the program. *Well I think one of the big things ... is we will need actual system programming that will do more of the work. So right now we have a lot of workarounds that we're doing to try and get the system to ignore typical rules. So we have our spreadsheet that keeps track of the actual hours, but then in the system, it shows that it was full-time hours because it's the only way we could get the payment to go out correctly. So, definitely some system changes would be ideal if we're looking at moving to a larger scale.*

Recommendation: Identify questions that need to be answered and what data would answer those questions. Build collection of data needed from parents and programs into contracts. Build data collection, storage and analyses processes needed to be able to answer articulated questions into the system.

Staffing

Stakeholders identified a number of activities associated with managing the Contracted Slots Pilot program including:

- Staffing the partnership between the two agencies.
- Determining program eligibility.
- Developing and managing contracts.
- Determining parental eligibility.
- Ongoing monitoring of compliance with eligibility standards.
- Providing technical assistance.
- Marketing the program.

The challenges identified by stakeholders were interrelated. For example, operating as a partnership and agency roles was directly related to staffing. One stakeholder shared, *I think you need a Coordinator at each agency. I think also there should be a discussion about where those contracts live, who oversees them.* One stakeholder talked of being a liaison between DHS and the providers. During the Pilot, tasks were divided across staff in both agencies and within DHS across central and branch offices and many persons were involved. Staff in Branches and Central Office determined parental eligibility. Persons involved in operations had difficulty estimating the amount of time spent on the Pilot as it was a relatively small part of their work. Also the work flow varied so when asked how much time was spent on the Pilot one person responded, *and I mean I say 10%, because that's probably what I was putting in,*

but it probably should've been 20% because I think there's more that we could've been doing when there's other priorities and you only have so many staff. The most time-consuming are going to be during the actual contract signing, that would be the August, September and October months, because you're getting contracts ready, reviewed and signed at the same time you're still continuing to do the other work such as the invoices.

In thinking forward one stakeholder shared, I'm really interested in centralizing our program, and that would be for all of our child care. We would have like a Central Processing Center ... one, instead of having it disbursed statewide, and for the contracts, ... actually all the eligibility and everything done in one spot, and I think it would just be so much more efficient, and then we could really have staff that are knowledgeable around the importance of high-quality care and I think it would be a real effective way of moving forward. Another wondered, if in the future that there is more specialization with it and that maybe there is a position that boldly tries to be the middle person between DHS and the contracts. That way there's one person to contact. There's no confusion, and that person would be able to know the insides and outs.

Stakeholders talked of the importance of providing training and technical assistance to Early Learning providers but also to agency staff. One stakeholder shared, *I just can't say enough about the importance of training, ... and it's really kind of a staffing issue right now because there are so many things going on, but we're trying to increase our training and ... the ongoing, not necessarily just the formal training, but ongoing monthly meetings with Contractors for Head Start, and then again kind of increasing the monitoring.* A staff person noted that due to turnover there was a need for training of Branch staff. Another stakeholder argued, *With the State's priority around serving communities of color and low-income children, we may want to provide additional guidance to providers on how to reach out to parts of those populations.*

One stakeholder argued for adding a marketing function, *I think I would add the marketing piece ... how do we get clients into the contracted slots, but it's also the partnership piece in terms of the CCR&Rs, in terms of DHS Field Staff, in terms of you know anybody that's touching any of those three constituencies, meaning the children, the working parents or the providers, and really both helping the partners to have a really good understanding of it and helping the partners to support each of those three constituencies in their participation with this.*

Recommendation: Once the characteristics of the Contracted Slots program (e.g., size, type of partnership) are determined, use those characteristics to identify staff needs. Explore benefits of centralization versus regionalization.

Concluding Thoughts and Recommendations

As noted in the Introduction, the Contracted Slots Pilot program was implemented in the context of major changes in early learning at both state and national levels. Many of the strategies embedded in these changes were included in the Pilot program. Thus the Pilot has served as a learning laboratory in which many of the strategies have been tested. The lessons learned have implications broader than the Contracted Slots program itself. Examples include:

- Implementing protected eligibility so that children receive a full 12 months of early learning,
- Refining the concept of parent choice in a way that addresses what options families have in their community,
- Ensuring investments increase access to quality in communities with concentrations of historically underserved children,
- Monitoring quality designations of programs since program practices and policies change over time, and
- Contracting with community-based early learning programs.

In this final report we have combined findings from all of the studies included in the evaluation. Thus, the following set of recommendations comes from findings from the two director surveys, the analyses of administrative data, and the in-depth stakeholder interviews.

Think Broadly. The first recommendation is to think of the Contracted Slots program within the context of the broad set of initiatives and programs currently underway to ensure that historically underserved children have access to programs of documented quality. These include:

- Quality improvement efforts encompassed within the state's Quality Rating and Improvement System (QRIS).
- Regional identification and targeting of services to communities with high concentrations of historically underserved children through the Early Learning Hubs.
- Efforts to increase quality in areas with high concentrations of historically underserved children such as Focused Networks.
- Implementation of federally mandated changes to the use of Child Care and Development Fund (CCDF) monies.
- Contracting with early learning programs to deliver services of documented quality to historically underserved children including contracts for OHSPK, Special Populations, and the Mixed Delivery preschool program under development.

Partnership. Articulate the benefits and disadvantages of managing the Contracted Slots program as a partnership; focus on ensuring clarity on how the partnership addresses concerns about differences in agency policies, practices, and priorities.

Protected Eligibility. Reach consensus on the purpose and definition of protected eligibility. Using that consensus develop set of protocols for situations that could result in a child's removal from a contracted slot.

Parent Choice. Articulate a shared understanding of parent choice and then agree on its implications for marketing and referral processes.

Targeting. Reach consensus on children targeted for contracted slots. Use that consensus to review family eligibility requirements and to develop a set of program eligibility requirements including community location. Programs and partners expressed the need to know the desired size of the program. Clarify how many programs and slots are desired.

Monitoring Compliance of Contracted Programs. Clarify how existing or emerging monitoring systems will interact with Contracted Slots program. Confirm federal policy on allowable practices in contracts versus vouchers.

Oregon Head Start Prekindergarten. Review rationale for separate contracting and billing processes for OHSPK. Determine if contract changes can address identified challenges such as lack of accessibility due to program closures and subcontracting.

Contracting and Procurement. Programs reported participation in contracting and reporting as time intensive for themselves and the families. Explore state technical assistance on the most appropriate type of contract, exploring options to minimize need for amendments and reduce burden on programs.

Data Collection, Analysis, and Reporting. Include identification of questions that need to be answered and data needed to answer those questions. Build data needed from parents and programs into contracts and build data collection, storage and analyses processes needed to be able to answer articulated questions into the system.

Staffing Needed for a Contracted Slots program. Use program characteristics to identify staff needs. Explore benefits of centralization versus regionalization in order to ensure that knowledgeable staff are available to parents and programs. Given provider report of how essential they found the supportiveness of DHS staff, continue dedicating staff to working directly with contracted programs. Marketing of the program emerged as a need that staff might be able to address.

Program Eligibility. Clarify eligibility requirements for programs. Can a program without a full-day option participate if they provide full-day services through community partnerships? In order to effectively target and use limited resources consider increasing eligibility requirements to include:

- Demonstrated experience successfully serving children and families with low incomes,
- Access to families with low incomes; for example, location in a community with significant numbers of children and families with low incomes or a history of serving this population,
- Evidence of understanding the needs of families with low incomes and respect for families of all incomes and types, and
- Evidence of participation in programs and initiatives designed to support children from families with low incomes and improve quality such as Child Care and Adult Food Program (CCAFP) and other quality initiatives.

Appendices

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 two consecutive calendar months) 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.

Some parents were exempt from the reservation list.

- September 2012, families who were enrolled and participating in a contracted slot with Oregon Head Start Pre-Kindergarten or Oregon Program of Quality.
- January 2014, families referred by Child Welfare to prevent removal, allow a child to return home, or to allow the child to be placed with a known adult.
- October 2014, families determined eligible for a Temporary Assistance to Domestic Violence Survivors grant in the current or one of the preceding three months.

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:

Improvements beginning in September 2012.

- **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.

Previous contract years

- **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: Invitation to Participate in Interview for Contracted Slots Pilot Program Evaluation

Dear (Process Evaluation Participant),

In 2012, early learning partners created a pilot program designed to ensure that children who are served through the state's child care subsidy program receive stable care in highly rated early learning programs. This pilot is an expansion of the child care/Oregon Head Start Prekindergarten Partnership and is known as the Contracted Slots program. As partners created the Contracted Slots program they implemented an evaluation study in order to measure the extent to which the program works as planned. The partners contracted with Bobbie Weber and Deana Grobe at Oregon State University to conduct the evaluation.

As part of this evaluation, an OSU graduate student (Grace Hartman) will be conducting interviews with staff and stakeholders of the Contracted Slots Pilot. The goal of this research study is to answer questions about the extent to which the Contracted Slots program operated as designed and how participants, both parents and contracting programs, received it. Interviews will be conducted using the meeting software, AdobeConnect and telephone. Grace will be asking questions about your perceptions of and experiences with the Contracted Slots program.

We would like to note two things about these interviews: First, the OSU team will share aggregated information; information and comments will not be attributed to a person or organization. Second, your participation is voluntary and if you are uncomfortable with any of the questions you don't have to answer them. However, we encourage you to make time to do the interview with Grace. The information these interviews generate will be tremendously valuable to the partners in assessing the impact of the Contracted Slots program and guiding future program strategies.

Grace will be contacting you to find a time that will be convenient for you to talk with her. Attached to this letter is a list of the topics that will be addressed in the interview. If you have any questions about this research project, please contact: Bobbie Weber (541-737-9243; Bobbie.Weber@oregonstate.edu) or Deana Grobe (541-737-5373; deana.grobe@oregonstate.edu).

We at the Early Learning Division and DHS are pleased to be documenting the important work that you do. We trust that all of us will gain an increased understanding of what is working well and areas that we can improve, and we are excited that we will have an evaluation study to share with you.

Sincerely,

Rhonda Prodzinski
Program Manager
Child Care/Refugee
Self-Sufficiency Programs
Oregon Department of Human Services

Dawn Woods
Quality Project Manager
Early Learning Division
Oregon Department of Education

Appendix D: Staff and Stakeholder In-depth Interview Protocol

1. Date
2. Name of Respondent
3. Position of Respondent

Introduction

- Name & affiliation of interviewer
- Description of Evaluation/Purpose of interview
 - The CS pilot program is in the third year of a three year evaluation study
 - Verbal consent to participate: **Purpose**: You are being asked to take part in a research study. The purpose of this research study is to better understand the extent to which this program operated as designed and was received by participants. We want to capture what worked as well as challenges that arose, and lessons learned. **Time**: We expect the interview to take approximately one hour to one and a half hours to complete. **Procedures/Activities**: This interview will be recorded to make sure we capture your opinions accurately. **Voluntariness**: Participation in this study is voluntary. During the interview you are free to skip any questions that you prefer not to answer. **Confidentiality**: The information that you provide will be kept confidential. Your name will be kept separate from your answers, so no one will know how you responded. Do we have your consent to participate? **Risk/Benefits**: There will be no risks to your participation in this research study.
 - Please let me know if a topic or question is not relevant to your work and we can move to a different topic or question. Are you ready to start?

Program Role

- What is/was your role in the Contracted Slots Pilot program?

Background Context

- What was the intent of the original Head Start Partnership Contracted Slots program?
- What led to the expansion of the Head Start contracts into the Contracted Slots Pilot program, the expansion that made OPQ programs eligible? [*PROBE: emerging agenda, new concerns, changing conditions?*]

Program Goals and Expectations

- From your perspective what was the goal (or goals) of the Contracted Slots Pilot program?
- In addition to meeting the goals, did you have other expectations for the Contracted Slots Pilot program?
- How well do you think program expectations were met? [*PROBE: Which expectations were not met? Why were expectations not met?*]
- Were any changes made in the program expectations for year 2 or year 3 of the pilot?

Enrollment

- What were the expectations for number of enrolled programs? [*PROBE: Number of OPQ programs, number of OHSPK programs, number of families, number of children*]
- To what extent do you think enrollment of providers was met? [*PROBE: Did the limited pool of OPQ providers impact enrollment? What do you think limits the number of OHSPK programs that choose to participate?*]

- Please describe the successes and challenges in enrolling providers in the program?
- To what extent do you think enrollment of children and families were met? *[PROBE: Did you expect OHSPK programs to enroll more children and families? Did the number of children and families enrolled by OPQ programs surprise you?]*
- Please describe the successes and challenges in programs enrolling children and families? *[PROBE: What do you think affected the number of enrolled? Were there differences for OHSPK and OPQ programs? How important were marketing and access to the enrollment status of eligible families?]*

Reaching Target Audience

- Given the numbers enrolled, do you feel the Pilot reached the intended audience of Oregon Head Start Prekindergarten and OPQ programs? *[PROBE: barriers to reaching the intended audience; strategies that worked in reaching the intended audience]*
- Similarly, how well do you feel the Pilot reached the intended audience of children and families? *[PROBE: Did you have thoughts on the characteristics of children and families that the Contracted Slots program would reach?]*

Head Start Partnership Contracted Slots Program

- What were the components of the Head Start contracted slots program?
- Should administration of Contracted Slots for OHSPK programs be separate from the administration of other programs eligible for a contract?
- If Contracted Slots were to be administered as a single program, what adaptations would be needed for all eligible programs to be administered in a single Contracted Slots Program? *[PROBE: What would be the advantages and disadvantages of having a single Contracted Slots Program?]*

Core Components

- What do you perceive as the core components of the Contracted Slots Pilot program? *[PROBE: e.g., eligibility standards, assessment and ongoing monitoring of compliance with eligibility standards, training for eligible programs, contract development and management, contract monitoring (data collection, monitoring of compliance), TA]*
- Was each of these components in place as the Pilot program was launched?
- What adaptations to the Contracted Slots Pilot program were made after it was launched?

Program Contracts

- Please describe the successes and challenges with negotiating contracts? *[PROBE: Challenges for the agencies, challenges for the early learning programs]*

Legal, Policy, and Other Concerns

- What legal, policy, and other considerations have needed to be worked through as Oregon implements the Contracted Slots Pilot program? *[PROBE: concerns expressed by outside organization such as unions; federal regulations such as rules on faith based organizations; reducing copays to \$27 per family and protected eligibility for a year; maneuvering within the current policy environment]*

Compliance

- To what extent did providers comply with program requirements, specifically compliance with licensing requirements?

- What, if any, issues emerged with compliance? *[PROBE: What strategies were used to resolve issues? Were the issues resolved? Were program adaptations needed? If so, please describe.]*

Participant (parents, children, providers) response to program

- Have you received feedback about the Contracted Slots program from participants (i.e., parents, children, providers)? If yes, please describe.
- What, if any, issues emerged when working with contracted providers or parents enrolled in a contracted slot? *[PROBE: Eligibility issues] [PROBE: What strategies were used to resolve issues? Were the issues resolved? What program adaptations had to be made?]*

Data Needs and Collection

- Which data related to Contracted Slots program are needed? *[PROBE: data needed for 801 for making accurate provider payments such as enrollment dates and attendance] [PROBE: Which data were only for the Pilot and which will be ongoing Contracted Slots data needs?]*
- Have you encountered challenges in gathering and reporting data? *[PROBE: If yes, did challenges differ for OHSPK and OPQ programs? If so, why and how?] [PROBE: What would have facilitated data collection?] [PROBE: What strategies did you use to resolve issues?]*

Training

- What forms of training have been offered to early learning programs that participated in Contracted Slots? *[PROBE: What was offered prior to Pilot launch and what was offered after the Pilot was launched? Were trainings offered to both OHSPK and OPQ? If not, why not?]*
- What training strategies have been effective? *[PROBE: Have any not achieved the desired results?]*
- Are there any signs that more training is needed? Please describe.

Technical Assistance

- What forms of technical assistance have you provided and to whom?
- Has the type of TA needed or strategies used changed over the course of the pilot project? In what ways?

Time and resources expended to manage the program

- How much of your time per week (on average) has been devoted to the Contracted Slots Pilot program? Has this varied over the three years? If so, please estimate average time per week for each of the three years?
- What are/were the most time consuming aspects associated with your role in the program?

Looking Forward

- If Contracted Slots moves from a pilot to an ongoing program, what do you see as essential program components? e.g., eligibility standards, assessment and ongoing monitoring of compliance with eligibility standards, training for eligible programs, contract development and management, contract monitoring (data collection, monitoring of compliance), TA]
- From your perspective, what staff positions are needed to ensure the success of the program going forward? *[PROBE: number of positions, located in which agency, amount of FTE]*

For information about this report, contact:

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