
Evaluation Study

Contracted Slots Pilot Program Evaluation

Executive Summary

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Executive Summary

The Contracted Slots Pilot program grew out of and aligns with changes related to the delivery of early learning services to historically underserved children and families. These changes are happening at both federal and state levels. They provide the context in which the Pilot program was designed and implemented. Oregon created the Early Learning Council in 2011 and consolidated early learning services in the 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 there has been a growing emphasis on improving the quality of early care and education. 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 national initiatives are the context in which the State launched the Contracted Slots Pilot program. The Contracted Slots Pilot program was designed to ensure stability for children in highly rated early learning programs. Numerous studies had documented short durations of participation in the Employment Related Day Care program (ERDC), the State's child care subsidy program. These short times in subsidized child care arrangements threaten the building of stable adult/child relationships essential to healthy learning and development.

The 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 with documented levels of quality was a strategy for providing access to stable, high quality care to children experiencing low family incomes. The Contracted Slots Pilot program was piloted from September 2012 through August 2015.

The Pilot expanded an existing program. For over 10 years the Department of Human Services (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. This was the beginning of the Contracted Slots Pilot program. The quality of OPQ programs had been documented. OPQ was a forerunner of Oregon's Quality Rating and Improvement System (QRIS) that enabled child care and education programs to document the level of quality they offered. The expansion to include community-based programs of documented quality (OPQ programs) provided families' increased access to continuous care in programs of documented quality.

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 whose families have low incomes in quality programs.

OPQ providers and OHSPK grantees could contract for 12-month child care slots for families eligible for the ERDC program if they also met other 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. Other eligibility criteria for the family included:

- Had a child between the age of 0 and 5 or 0 and 6 depending on OPQ or OHSPK,
- Parent employed for a minimum of 25 hours per week,
- Work hours matched the early learning program's business hours,
- The child needed full-time care, that is, would attend 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, high quality services to children experiencing low family income.

The evaluation focused on both the implementation of the Pilot and its outcomes and included:

- Surveys of early learning program directors to capture their perceptions of the Contracted Slots Pilot program at the time of launch and one year later,
- In-depth interviews with stakeholders involved in Pilot implementation, and
- Analyses of administrative data in order to measure stability of children's arrangements and parents' employment for Pilot participants and a matched set of families who participated in the voucher program during the same period of time.

This executive summary of the evaluation's final report includes findings on three of the six research questions addressed by the evaluation study:

- Who participated in the Contracted Slots Pilot program?
- To what extent did the Contracted Slots Pilot program achieve its goals?
- What challenges emerged as the program was implemented?

Readers are encouraged to read the full report for a full description of the study and findings on all six of the study research questions.

Findings

PARTICIPATION

Programs: Eight of the 29 Oregon Head Start Prekindergarten (OHSPK) programs participated in at least one year of the Pilot. Seven participated all three years and one joined in the last year. Twenty of the 22 Oregon Programs of Quality (OPQ) signed a contract for at least one year of the Pilot but smaller numbers participated in any given year: 17 in year one, 16 in year two, and 14 in year three. One program closed their business, three became ineligible (two due to noncompliance with specific child care regulations and the other because of a Child Care and Development Fund (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.

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.

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

Note: These are not unduplicated numbers

GOAL ACHIEVEMENT

To answer the question of the extent to which the Contracted Slots Pilot program achieved its goals we assessed the impact of participation on children's care arrangement stability, parents' employment stability, and providers' enrollment and financial stability. The Pilot achieved all three of its goals.

Impact on Children

We looked at how well the Contracted Slots Pilot program achieved the goal of providing children from families experiencing low incomes with stable, high quality care by addressing the following questions: *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 (n=398) and a similar set of children receiving an ERDC subsidy who did not participate in the pilot (n=9,594). There were **398** unduplicated children who participated in the program and whose parents provided permission to share their data. DHS reported that there were **631** unique children who were served in years 1 and 2 of the pilot. Thus, DHS received permission to share data from the parents of **63%** of the children who participated in the Contracted Slots Pilot Program, a sufficient number to give us confidence our findings are representative of all the children served in the Contracted Slots Pilot program.

When comparing the total number of months (non-continuous) children stayed with the same primary provider over the two year observation 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

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 answered the question: *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 from multiple sources (child care subsidy, client maintenance system, SNAP, UI Wage data). In the nonparticipant comparison sample (voucher families) there were **7,557** families. These families were selected based on factors that made them similar to the families who participated in the pilot.

The comparison 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. Nonparticipating families were more likely to live in nonmetro counties (23.6%) compared to participants in the pilot (5.4% OPQ; reliable data on location were not available for OHSPK), and 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.

In looking at the goal of increasing parents' employment stability we asked the question: *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?* Based on quarterly UI Wage data for participating and nonparticipating parents, parents who were **participants in the Contracted Slots Pilot were more stably employed than nonparticipants**. 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 of 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 provided support for participants being more stably employed were measures of job changes and employment losses and gains. 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 over the observation period (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.

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.

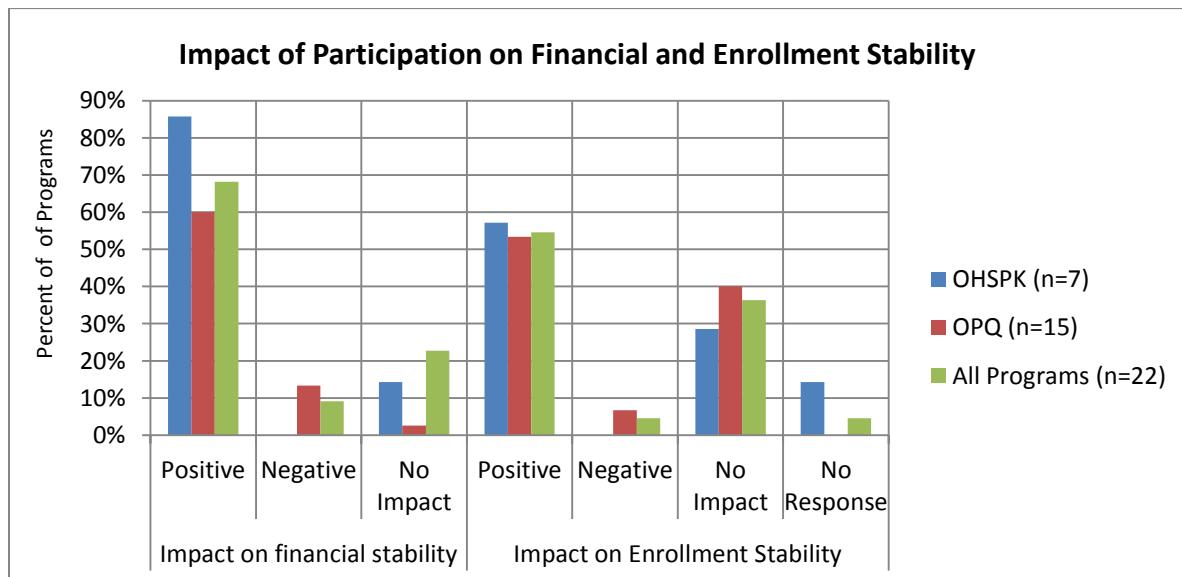
Match Between Quarter Receiving a Contract and Quarter Being Employed

	OHSPK Programs N=277	OPQ Programs N=121
0% match	16.2%	0%
1% - 49% match	1.1%	0%
50% - 74% match	4.0%	7.4%
75% - 99% match	5.1%	9.1%
100% match	73.6%	83.5%

Impact on Providers

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 high quality programs. The evaluation team was interested in finding out: *What impact on financial and enrollment stability did participation in Contracted Slots have on participating programs?* Program Directors were asked if participation in the Contracted Slots Pilot program 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 out of 22) 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 (see figure below). 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 OHSPQ and only one OPQ program reported participation in Contracted Slots 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.

CHALLENGES

Through in-depth interviews, stakeholders and staff 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. Although stakeholders did not report complete resolution to many of these challenges, their reports provided evidence of substantial progress. Identified challenges for this partnership of the Early Learning Division and the Child Care Unit, Department of Human Services 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.

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 strategies have been tested. The lessons learned thus 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 programs with documented quality in communities with concentrations of historically underserved children.
- Monitoring quality designations of programs since program practices and policies change over time.
- 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 with documented levels of high 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, and
- Contracting with early learning programs with documented high quality to deliver services to historically underserved children including contracts for OHSPK, Special Populations, and the Preschool Promise program (a mixed delivery preschool intervention) 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? What makes a program eligible? In order to effectively target and use limited resources consider increasing eligibility requirements to include:

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

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