Affordable Child Care Challenges and Solutions for Low-Income Parents Pursuing Training and Employment: Lessons from the Strengthening Working Families Initiative

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In mid-April 2021, the Biden-Harris administration announced that American Rescue Plan funding will include $39 billion for increasing affordable and high-quality child care options for parents and stabilizing child care businesses post-COVID-19. To ensure that funds are invested to best optimize benefits to low-income parents in need of child care due to job training and employment, we suggest considering the following "lessons learned" from *Evaluation of Strategies Used in the TechHire and Strengthening Working Families Initiative (SWFI) Grant Programs*.

This issue brief describes the challenges associated with helping low-income parents with children under the age of 13 pursuing training and employment to access affordable child care. It also proposes solutions that programs may undertake to increase their effectiveness in assisting parents with accessing and paying for appropriate child care. Further, it identifies barriers that remain to be addressed at the systems level.

Westat conducted an evaluation of the SWFI program as implemented at 13 sites across the United States. Data sources for this issue brief, based on the evaluation, included a web survey of all 13 SWFI programs and in-depth interviews via telephone with 11 programs. Data were collected between June and November 2019.

The Strengthening Working Families Initiative

The Department of Labor (DOL) has provided more than $1 billion in H-1B skills training programs for American workers since 1998. The Strengthening Working Families Initiative (SWFI) targeted low-income, low- to middle-skilled custodial parents with a child, or children, under the age of 13. SWFI provided training for a career pathway in a skilled, high-growth sector of the labor market. In addition to training, SWFI offered ancillary services to families, including child care, that are necessary to support skills enhancement and job placement.

Across the 13 programs—located in 13 different states—it is difficult to generalize "best practices." This is because every SWFI program operated in a very specific environment with different subsidies, eligibilities, geographies, child care facility regulations, and types of training and high-growth careers available. Further, every family has different types and intensities of social support that can be mobilized for assistance with child care, transportation, or providing other necessities of working parents. Families with toddlers, infants, and children with special needs require specialized child care services.[1]

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[1] It is important to interpret the data with two limitations in mind. First, the qualitative data about implementation challenges and successes represents the perspectives of the program and partner staff who provided the information. The evaluation did not include other sources of data on implementation, such as participant interviews. Second, partner interviews were conducted with the primary partners of a subset of programs and may not be representative of the experiences of all programs and partners.

Key Findings
- The process of locating appropriate, affordable child care needs to be family-centered.
- Child care systems navigation is essential to assisting parents in identifying appropriate, affordable child care and accessing subsidies.
- On a systemic level, it is possible to work with child care providers to alter their services to better accommodate parents.

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The process of locating appropriate, affordable child care needs to be family-centered

There is no one-size-fits-all child care arrangement that suits all low-income families engaged in employment or job training. SWFI programs found that before they could make a good match for a participant and their family, they needed to consider the following to fit child care to the family's unique circumstances:

1. Does the child have any need for specialty care due to young age (under 3 years) or special needs?
2. How many children need care? Can they be placed in the same facility?
3. Is the participant and their child or children eligible for Temporary Assistance for Needy Families (TANF), Child Care and Development Block Grant (CCDBG), HeadStart, or other subsidized programs?
4. Are there family members or friends of the participant who could take on limited child care duties or aid with transporting children to and from child care? Can the participant rely on informal child care to assist when they need to study (if enrolled in a training program)?
5. Is the available child care located near the participant's training, employment, and home? How long will it take the participant to arrive at the facility to drop off his or her child?
6. Do the hours of subsidized child care accommodate the parent's training and employment? Does the participant need after-hours care because the training or job is outside of normal business hours?

Each family's needs were assessed during the application and enrollment process and through intake forms and interviews with parents.

Specialty care needs

Low-income parent participants in SWFI experienced several barriers to accessing affordable and appropriate child care for their training and employment. Some participants had specific child care needs based on their children's characteristics that were difficult to accommodate. Programs struggled to find affordable child care for children who were under the age of 2 years, or who had special needs. Most facilities that accept subsidies do not accommodate very young or disabled children.

Eligibility for subsidized care

State-level funding for subsidized child care via TANF or CCDBG grants varies by state; states have wide latitude to utilize monies from these programs as they wish. The supply of subsidies, length of coverage, income requirements, ages accepted, facility licensure requirements, and other factors vary widely across locales. With regards to TANF, for example, states may specify their own child care eligibility and facility licensure requirements. In fact, states may earmark greater or lesser (or no) portion of TANF for child care.[2] The result is vast differences between states in the wait times for subsidized care, the characteristics (and number) of families that qualify, and the geographical density of child care facilities that accept subsidies. In some regions (California, for example), TANF subsidies for child care are relatively easy to access—to the extent that participants who sought to enroll in an H-1B training program through the workforce system frequently entered the SWFI training program with subsidized child care already in place. In contrast, in other states (Mississippi, for example) programs considered federally subsidized child care a funding source of last resort due to funding limits and difficulties accessing it. In states where eligibility requirements are relatively inclusive and funding is generous, but fulfilling facility licensure requirements is expensive relative to local economies, few facilities may be able to accept subsidies, effectively making it hard for parents to find affordable, licensed child care. Further, these configurations of funding, licensure and eligibility requirements are not stable; instead, they change over time. For example, during the SWFI grant period, one program in Tennessee needed to find other sources of funding for child care as the state discontinued the use of TANF for subsidies.

> **NOTE: Some states allow subsidies to be used to compensate informal child care providers.**

Informal child care arrangements

Programs explained that many people engaging in training or employment for the first time as a parent initially believe they can rely on informal child care arrangements during their training or employment. However, after watching many participants' training and

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[2] Safawi, A. and L. Schott. (2021). To Lessen Hardship, States Should Invest More TANF Dollars in Basic Assistance for Families. Washington, DC: Center for Budget and Policy Priorities. **https://www.cbpp.org/sites/default/files/atoms/files/1-5-17tanf.pdf**

employment derailed due to the failure of their informal child care arrangements, programs realized that they must assist parents in formulating not only "Plan A" for child care, but also "Plan B," and "Plan C." Programs learned that people entering the workforce as parents for the first time underestimate the obligation that providing full time child care will become for their children's informal caregivers. Programs also found it helpful to encourage parents to think about child care assistance they will need for studying. Home-based child care was an option for some participants; however, parents were sometimes hesitant to utilize home-based providers because they associated them with molestation scandals.

Programs found it important to educate participants, not only about available subsidized child care options, but about how to evaluate the quality of care. For example, one program explained that the "reality" was that parents might need to use unlicensed child care providers at some point during their future employment. Therefore programs provided parents with "an education" in how to differentiate between good and risky child care.

> **One program's child care navigator accompanied parents to child care facilities to teach them what questions to ask, what to look for, and what documentation providers should have. This program provided parents with a "health and safety checklist" to evaluate child care providers on their own in the future.**

Child care locations

Programs found that challenges with transportation and the location of child care were barriers for parents seeking subsidized care. Parents experienced increased transportation expenses when they had to drop their kids at care, drive to training/work, drive back to the child care center after work, and then drive home. A substantial minority of programs found that the majority of subsidized child care was available only at unrealistic distances from sites of training and employment.

Child care hours and length of commitment

Available subsidized child care may be mismatched to the schedule of education, training, and employment. For example, some training programs have clinical rotations in the evening when subsidized child care is unavailable, and the cost of unsubsidized care increases. Some parents need care for short-term training, whereas child care providers required a one-year commitment. Parents may need one or two hours of child care before school starts or after school, but facilities do not tailor to their specific needs, instead requiring the parent pay for a half-day of care.

Programs found that sometimes the advocacy of child care navigators influenced providers' services so that parent participants could get their child care needs addressed appropriately. For example, at one facility that required a year commitment, the navigator developed a relationship with the management that resulted in an informal promise by the navigator to place a new child at the facility shortly after the current child's parent graduated from their training program.

Child care systems navigation was seen as essential to assisting parents in identifying appropriate child care and accessing subsidies
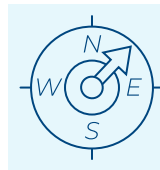
Programs identified a lack of information about child care options as a major barrier to successful upwardly mobile careers for low-income parents. Parents involved in training programs that did not help with locating subsidized child care kept getting "lost" in the child care system when sent "out on their own" to investigate options. Because of the sheer complexity of the child care system, and the fact that child care had to be matched to parents' needs and children's characteristics, programs found that designating a child care "navigator" or "concierge" to assist parents was important.

Child care navigators were housed at the program or with a partner of the program. Navigators provided direct services to parent participants, including helping them with identifying subsidies for which they were eligible, searching for child care, and assessing the quality of providers. Navigators also undertook to educate parents about their child care options and how to identify quality child care. They also worked with child care systems to advocate for participants and bring about systems change, which will be discussed in more detail below.

> "Now we have this dedicated person. We can say 'Okay—go to [name]—she's the one that's going to tell you about your options.' It makes it easier for them. Instead of going off into the abyss…they have someone that's…walking them through the process."
> – Program discussing their child care navigator

In general, subsidized child care systems were complex and not easy to access; navigators took responsibility for identifying available options and cutting through red tape. Navigators compiled lists of local child care options. It is very difficult to generalize across communities what options are available. Each child care ecosystem is distinct, with different services; different eligibility requirements; different local laws governing child care facilities and/or informal child care. Each navigator had to simply go out and research what was available in their community.

At the systems level, it is possible to work with child care providers to alter their services to better accommodate parents

Tasks of child care navigators included advocating for parents to child care and workforce systems to better accommodate their needs for care during training and employment. Programs reported several successes in working with the child care system and individual child care providers, including the following:

1. Integrating training and child care into a "one-stop" program;
2. Persuading child care providers to better match their services to the needs of participant parents;
3. Working to lower barriers for child care providers to utilize subsides; and
4. Streamlining services for child care.

One-stop programs

One strategy to assist parents with child care during training was to co-locate child care with training. The four programs that implemented this strategy used the grant to pay for participants' child care, so that it was either free or low-cost.

Improving match of child care services to needs

Navigators advocated to child care providers on behalf of individual parents, but also to change the services offered so they better fit the needs of many low-income parents. Navigators have advocated successfully to alter child care providers' hours, so they cover the needs of parents for early morning or early evening care. Others have worked with providers to alter the minimum period for which children must be enrolled to match the length of trainings.

At one program, many participants enrolled in certified nursing assistant (CNA) training. The program held CNA trainings onsite and brought in child care providers. Providers pull parents out of class to change diapers or take children to the washroom.

Lowering facility barriers to accepting subsidies

Child care navigators sometimes helped child care providers meet licensing requirements. Licensure is generally required to utilize subsidies or vouchers for affordable child care. Unlicensed child care facilities may not be able to provide care affordable to low-income parents, reducing the overall availability of child care in the community and increasing wait lists for existing licensed providers. Navigators helped child care providers clear minor violations to bring their services up to code. Others helped home-based providers obtain state licensure by assisting with paperwork. One navigator petitioned their city to lower the requirement for liability insurance so that local providers could afford it.

One program petitioned the city to lower the requirement that providers accepting state-funded vouchers have liability insurance worth $1 million to $500K, closer to the state requirement of $300K. This encouraged more child care providers to meet the requirements for accepting subsidies. Lowering the required dollar amount of liability insurance resulted in more child care providers in the city meeting licensing requirements and receiving subsidized payments. Subsequently, low-income parents had more choices of where to place their children.

Streamlining services

Navigators and their programs sought to make the affordable child care system easier to access and use for providers and parents alike. Programs undertook several activities to make streamlining the child care system easier. Programs worked with workforce boards to include questions about child care needs on their online applications. They streamlined the application process to various services so that participants needed to fill out a form with basic identification information only once, and then it was routed to the appropriate partner or service provider. One program streamlined payments to child care providers by paying providers directly, rather than with a voucher or reimbursement to the parent.

A program instituted a "single-payer" child care system in which their organization pays child care providers serving participants' children directly, rather than with a reimbursement to the parent or with a voucher. This increased providers' willingness to serve children whose care is subsidized. Rather than waiting months for payment, they receive payment for each child every two weeks under the "single-payer" program.

In sum, programs reported they were successful in altering child care providers' services to meet the needs of parents. This brief is intended to describe examples of how thirteen programs undertook to meet the needs of low-income parents engaged in workforce training and employment. Because local child care regulations and local community environments vary greatly from one location to the next, we encourage workforce programs and their partners to negotiate creatively with providers to best accommodate their clients.