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**A Review of Child Care
Policies in Experimental Welfare
and Employment Programs**

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The authors welcome comments and discussion.



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The Next Generation Project

This working paper is part of the Next Generation's working paper series. The Next Generation is a project that examines the effects of welfare, antipoverty, and employment policies on children and families. Drawing on rich data from recent welfare reform evaluations, the project aims to inform the work of policymakers, practitioners, and researchers by identifying policy-relevant lessons that cut across evaluations.

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ABSTRACT

Child care policies have been a relatively understudied element of experimental welfare and employment studies. Yet, the tests of child care policy within experimental welfare and employment studies provide a source of convincing evidence about whether or not and how child care assistance for paid or regulated care can affect patterns of child care use, including subsidy use and reported problems with child care. Of the 21 experimental programs reviewed, 7 offered expanded child care assistance to experimental group members that differed from what was offered to control group members. These treatment differences depict some aspects of current child care policies implemented in states and counties, particularly those policies that affect payment or information about child care services. The remaining 14 experimental programs offered the same child care assistance to experimental and control group members. The child care policy dimension(s) represents a unique policy component across the array of experimental programs, providing a foundation for understanding how treatment differences in child care policy may have led to program effects on economic, child care and other outcomes independent from the influence of other policy components such as mandates, earnings supplements and time limits.

I. Introduction

A number of states were granted waivers prior to 1996 to test innovative welfare and employment policies designed to increase employment and self-sufficiency, and to decrease welfare dependence. Many aspects of these early pilot programs eventually became states' Temporary Assistance to Needy Families (TANF, the block grant that replaced Aid to Families with Dependent Children) policies, and all of them include policy components currently being implemented or considered by states. The findings from these experimental studies--testing policies that include those aimed at increasing employment and earnings (e.g. requirements to participate in employment related activities), family resources (e.g. financial incentives or earnings supplements that make work pay), and policies specifically targeting child care (e.g. child care subsidies)-- provide the strongest evidence to date of the potential effects of policies on family and child well-being. For example, important lessons have been learned about the effects of mandatory employment services and earnings supplements on employment and earnings by reviewing findings from a number of experimental welfare and employment programs (e.g. see Bloom and Michalopoulos, 2001).

Treatment differences in child care policy in these recent experimental studies have been relatively understudied, and understandably so, given the primary goals of these policies to improve economic outcomes. However, with services and cash assistance being contingent upon work or work-related activities (e.g. education, training or job search), a strong post-PWORWA employment market and the presence of a number of other policies, such as the Earned Income Tax Credit, designed to encourage work, more mothers are away from home and away from children than ever before. To serve the needs of these families, post-1996 also marked an era of dramatic increases in investment in child care. Consequently, the child care decisions of low-income families are being affected both directly by policies targeted to child care and, indirectly, by policies targeted at employment behavior. Under the best circumstances, affordable quality child care can enhance parental self-sufficiency by facilitating employment, while at the same time providing environments that may improve developmental outcomes for children living in poverty.

Although a tremendous amount of research has been conducted to understand the effects of child care policy on child care, virtually none is based on experimental evidence, somewhat limiting our confidence in assessing whether or not such policies alone influenced child care decisions. The tests of child care policy within experimental welfare and employment studies provide one alternative source for convincing evidence about whether or not and how child care assistance for paid or regulated care can affect child care use, including subsidy use and reported problems with child care. As states grapple with waiting lists for child care assistance by carefully rationing resources and as policymakers evaluate why many eligible families do not take-up child care assistance, the question of how to best meet the child care needs of low-income families is of policy interest at both the state and federal levels. If child care assistance was expanded and targeted to regulated and formal care, would more families use regulated and more expensive care?

This paper reviews treatment differences in child care policy between program and control group members across 9 experimental welfare and employment studies that represent 21 programs. Of the 21 experimental programs reviewed, 7 offered or altered child care assistance to experimental group members that differed from what was offered to control group

members. An aggregate child care policy dimension was created based on information about these treatment differences. The child care assistance policy treatments in these 7 programs are somewhat representative of aspects of current child care policies implemented in states, particularly those policies that affect subsidy payment or information about child care services. The remaining 14 experimental programs offered the same child care assistance to experimental and control group members. The child care policy dimensions, and the aggregate dimension, vary across the array of experimental studies, providing a useful foundation for understanding how treatment differences in child care policy may have led to program effects on economic, child care and other outcomes independent from the influence of other policy components such as mandates, earnings supplements and time limits.

II. A Brief Overview of Child Care Policies Post-1996 Welfare Reform¹

In 1996, co-occurring with passage of welfare reform legislation, federal child care funds were collapsed into one large fund, the Child Care and Development Fund (CCDF). CCDF consolidated four earlier federal programs: the Aid to Families with Dependent Children (AFDC) Child Care program, the Transitional Child Care program, the At-Risk Child Care program, and Child Care and Development Block Grant (CCDBG), effectively combining subsidies to the welfare population, subsidies to support those who lose welfare benefits due to earnings or hours of work, and subsidies to low-income working families to prevent welfare dependence. In a number of states, child care funding has expanded two to three-fold since CCDF (Layzer and Collins, 2000). With state contributions, CCDF funds totaled \$4.8 billion in 1999, and states redirected \$3.5 billion of TANF funds to child care in 2000 (Schumacher, Greenberg and Lombardi, 2001). In addition to these sources of funding, government expenditure on the Child and Dependent Care Tax Credit has increased over time (Statistical Abstract, 1998), and billions of federal and state dollars have been allocated to early education programs such as Head Start and pre-Kindergarten programs.

CCDF is a federal-state cooperative program whereby states must meet or satisfy federal requirements in order to receive federal funding (see Greenberg, Lombardi and Schumacher 2000 for a more thorough review). Federal guidelines stipulate that at least 70 percent of mandatory and matching funds be spent on families who are receiving TANF assistance, transitioning off of TANF or are at risk of becoming dependent on TANF. At least 4 percent must be spent on quality initiatives and no more than 5 percent may be used for administrative activities. States and local bodies have considerable authority over child care service delivery, financing and quality within these broad guidelines. These current practices and policies at the federal, state and local level provide a context for understanding what can be learned about child care policy based on evidence from experimental welfare and employment studies, especially regarding eligibility for child care assistance and program services.²

States may use CCDF funds for families with incomes below 85 percent of state median income, but most states limit funds to families with lower income. States no longer have to offer transitional child care to parents who leave welfare for work, but in the fiscal years 2000 and 2001, more than half the states plan to give priority to families on TANF or transitioning off of TANF (U.S. General Accounting Office, 2001). States may elect to maintain

waiting lists if it cannot serve all eligible families, and may decide how eligibility is determined or re-determined. The National Study of Child Care for Low-Income Families found that 15 to 20 percent of federally eligible children in April 1999 were served in 17 states studied, and that 12 of the 17 states had waiting lists (Layzer and Collins, 2000). Most of these states were able to meet demand for TANF recipients.

States may also decide whether or not services will be provided through grants or contracts to providers, or vouchers to eligible families. Prior to 1996, states were required to reimburse up to 75 percent of the prevailing market cost of care. Federal guidelines also stipulate that states implement a reasonable co-payment scale, deeming it affordable if a family is not required to expend more than 10 percent of their income on child care costs. In fact, 29 of 51 states did not make payments to child care providers based on the 75th percentile of the 1996 market rate and 22 states required co-payments that exceeded 10 percent of family income (HHS Office of Inspector General, 1998). The National Study of Child Care in Low Income Families found that 11 of the 17 study states had payment rates for child care that were adjusted in the last two years and were often but not always based on market rate surveys that took place within 12 months of the rate change. This same study reports that at 33 percent of state median income, 12 of 17 states required parents to pay 9 percent or less of their income toward child care. In addition, a number of state and county policies include notches (a difference in payment between two points in time as income changes) and cliffs (a loss in subsidy as a family moves up the income ladder) that families are often uninformed about or unprepared to handle.

Federal law also requires parental choice within health and safety standards. Under CCDF an eligible provider must be licensed, regulated or registered, must satisfy health and safety standards, and must be 18 years of age if a relative care giver. States work within these guidelines and particularly place restrictions on non-relative child care in a child's own home (Layzer and Collins, 2000).

States may also decide if child care assistance will be available through a single or multiple points of access, possibly differing for TANF versus non-TANF families, the application and re-application process and whether or not assistance will be provided by a child care specialist or a social service staff. In 11 of the 25 counties in the National Study of Low-Income Families (Layzer and Collins, 2000), TANF and non-TANF families were required to apply at a TANF agency; 8 of the 25 counties used child care specialists to determine eligibility of non-TANF applicants while social service staff assessed eligibility for TANF applicants; and, subsidy payments were made directly to child care providers in 12 of the 17 states.

III. The Experimental Studies

Table 1 summarizes the reviewed welfare and employment studies, each of their purposes, the dates of implementation, the research strategy and the key policy strategy.³ As can be seen from this table, all of these studies share the common goal of moving welfare and low-income parents into work. Some also share the goal of reducing poverty or increasing self-sufficiency. The strategies to reach this goal, however, vary substantially from providing generous earnings supplements (e.g. New Hope and the Canadian Self-Sufficiency Project),

to mandatory case management, “work first” and human capital services (e.g. the Minnesota Family Investment Program and National Evaluation of Welfare to Work Strategies), to imposing a time limit on the receipt of welfare benefits (Florida’s Family Transition Program and the Connecticut Jobs-First Program).

These studies translate into 21 different welfare and employment programs. MFIP and VT’s WRP study tested two programs: full MFIP and full WRP each included a requirement that single parents participate in employment related services and financial incentives; and, MFIP Incentives and WRP Incentives Only included all of the features of the full programs except mandatory employment services. Finally, NEWWS tested a variety of mandatory employment services in 11 sites, with a test of two different programs per each of three sites (Atlanta, Grand Rapids and Riverside). Each of these three sites tested a “labor force attachment” model or a job-search-first program that required participants to look for work immediately and a “human capital development” model or education-first program that initially placed participants in education and training programs.

Nearly all of these studies took place during the early to late 1990s, a time period that included vast changes in welfare policy (i.e. the passage of PWORWA), expansions in the Earned Income Tax Credit, expansions in child care funding (i.e. establishment of the Child Care Development Fund), and stable economic growth with low unemployment rates. Even if these changing contexts affected how successful these programs were in altering employment behavior (i.e. these changing contexts may have interacted with a program’s “effectiveness”), the treatment difference was still preserved — both program and control group members were exposed to the same changes in welfare policy, expansions in other policies targeted to low-income families and economic growth.

IV. The Child Care Policies and Creation of a Child Care Policy Index

Although individual experimental studies offer the strongest basis for drawing causal conclusions about a particular intervention, one drawback of these experimental studies is that the interventions being tested include multiple components, making it difficult to attribute specific effects to specific policy components. By drawing from a variety of welfare and anti-poverty programs that had similar objectives, and in many cases, had broadly similar economic effects on families, some inference can be made about which components of policy influence particular outcomes.

Two recent companion reports synthesized program impacts on adult and child outcomes in these studies (Bloom and Michalopoulos, 2001; Morris, Huston, Duncan, Crosby, & Bos, 2001). In an effort to answer the question “which key program strategies are most effective?” three program components were proposed and examined in the Bloom and Michalopoulos (2001) and Morris et al. (2001) studies: earnings supplements, mandatory employment services and time limits. Many welfare reform programs rely primarily on earnings supplements, mandatory employment services, time-limited benefits, or some combination of these to encourage employment and reduce welfare receipt. Programs using earnings supplements sometimes also have the additional objective of reducing poverty.

In addition to the employment-focused policy components discussed above, the treatments in these studies also included a range of economic and administrative means of assisting families in meeting their child care needs. To the extent that child care assistance policies and practices make more types of child care accessible (available and affordable) for working poor families, they may directly affect the types of care arrangements used by parents and experienced by children. Consequently, child care policies as a component of welfare and employment programs may have more direct effects than other components of these programs on the types of care parents are able and willing to use. At the same time, programs may also influence the type of care used because of (1) changes in income produced by a program, such as a program with an earnings supplement, that may allow parents to buy more or higher quality child care; (2) hours of employment, e.g. a parent with a rotating schedule with nontraditional hours may be more likely to use a home-based child care arrangement; and, (3) generous earnings disregards that may increase ties to the welfare system and thus access to welfare-related child care assistance. One goal in developing a measure of child care assistance is to analyze whether the level of child care assistance appears to affect families differently than these other program characteristics.

We examined the child care policies and practices that differed between research groups within studies (see last column of Table 1 for a description). Program group members in some of the studies received supports for child care over and above what was available to control group members. Control group members were never denied the child care benefits and services that existed prior to implementation of the study. These supports included expanded child care subsidies, direct payments to providers, on-site child care, and resource and referral programs. In addition to “official” child care policies, caseworkers for program group members sometimes had a different level of access to resources (or, more resources) to assist in child care placement for their clients or were encouraged to promote certain types of care (e.g. formal or home-based) over others compared to caseworkers of control group members. It is important to note that while there was substantial variation in the absolute level of support available to both control and program group members across the studies, this analysis is focused solely on program-control group *differences* in child care policy and practice within studies. This method allows us to examine whether program impacts on child care use are related to discernible differences in the policies and practices experienced by program and control group members.

Based on reviews of study reports, field notes, and discussions with researchers and state-level child care staff, we found that 5 studies testing a total of 7 programs (New Hope, New Chance, MFIP, FTP and VT WRP) had some kind of treatment difference in child care assistance. With these studies in mind, we created a new policy dimension — one focused on child care — to identify differences in program treatments. Although federal guidelines stipulate “parental choice” in the use of child care subsidized with CCDF, a number of federal, state and county policies are structured to support regulated or formal care. This is unsurprising since regulated or formal arrangements are quantifiable, being easier to monitor, to regulate and to provide incentives or assistance for than unpaid or more informal care arrangements. With this in mind, our proposed child care dimension is based on the following five components that are potentially important in providing general support for the use of paid or regulated care:

Financial and non-financial programmatic promotion of formal care. One program encouraged the use of formal care directly by providing free center care for participants. For example, many of the New Chance sites provided on-site care for children while their mothers engaged in required training activities. When on-site care was not available, arrangements were often made with nearby day care centers.⁴ Teens who were not part of the New Chance program had to seek such services and child care arrangements on their own.

Another program also encouraged the use of formal care indirectly by providing more generous child care subsidies for the program group making the cost of center care equivalent to less expensive, informal arrangements, or by having case workers encourage families to use formal arrangements, based on the reasoning that such arrangements are more stable and reliable for working families. The New Hope program included both of these latter components by paying the full cost of care after a co-payment based on participant earnings and number of children. Control group members had access to child care benefits under Wisconsin's Pay for Performance program, and later during the follow-up period, the Wisconsin Works (W-2) program. Under W-2, subsidies were available to families with incomes below 165 percent of poverty level, and required a co-payment based on income and household size. Priority for child care assistance was given to AFDC and Food Stamps recipients assigned to mandatory work, education, and training activities.

Case management/support services for child care. There are many ways that programs provided support services for child care. These included: (1) having staff from child care resource and referral agencies outstationed at the program office; (2) operating a well established, well run system for child care assistance, with referrals between agencies; (3) allowing caseworkers flexibility in authorizing funds or authorizing the process of payment for funds; (4) considering a lack of quality child care as a "good cause" for not fulfilling program requirements; (5) marketing and promoting subsidy use well; and, (6) providing care on site. For example, FTP had Child Care Resource and Referral staff stationed at the welfare agency. In comparison, control group members had to go to separate Child Care Resource and Referral offices to obtain a similar level of assistance in a child care placement. New Hope is an example of a program that promoted subsidy use as part of the package of benefits available to participants who fulfilled the full-time work requirement. MFIP is an example of a program that had more flexible rules for reimbursing child care expenses, i.e. directly to a provider versus indirectly through the welfare grant.

Efficient reimbursement of child care. Programs used different payment mechanisms in reimbursing child care costs and this may have affected the types of care families were likely or able to use. Subsidy payments can be made either to families or to providers directly, and may be dispersed when costs are incurred or retroactively (sometimes 2 to 3 months afterwards). For example, in the MFIP program, child care payments were made directly to child care providers. Control group members, in contrast, were reimbursed indirectly through their welfare grant up to two months after they had made the child care payment. Siegel and Loman (1991) find in a sample of AFDC families in Illinois that families receiving a subsidy payment 30 to 60 days after they have incurred the cost are less likely to use center-based and formal family day care arrangements than those families who received subsidies paid directly to providers or to families when fees were due. This same research finds that delays in receiving payments are a major barrier to providers' willingness to accept subsidized children.

Restriction of subsidy to regulated care. Child care assistance policy in these programs may restrict subsidies to certain types of care. On the one hand, by limiting subsidies to licensed or regulated care arrangements, some programs may be able to ensure a certain level of quality in the care children experience. Regulated center or home-based care must meet a minimum of health and safety standards. On the other hand, some programs may seek to provide families greater flexibility in choosing care by allowing subsidies to be used for any type of care. For example, the child care subsidies in New Hope could only be used for licensed care whereas child care subsidies available to control group members (e.g. via the welfare system) could be used for licensed or unlicensed child care arrangements.

Seamless subsidy system for transitions on and off welfare. Finally, programs vary in the bureaucratic hurdles that welfare and working poor families face in continuing their child care assistance as their earnings or income levels increase or as they leave welfare for employment. Those with few bureaucratic barriers to use, and seamless continuation of child care assistance may encourage families to use paid or formal care arrangements knowing that assistance for these arrangements will continue. If families are unsure of whether they will continue to be eligible for assistance, they may forgo using care arrangements that they cannot afford on their own. Research on states' efforts to coordinate subsidy program rules about eligibility, reimbursement rates and time-limited benefits find that confusion is reduced and that integrated systems facilitate parents' efforts to apply for assistance (Ross and Kerachsky, 1995). The FTP program provides one example of promoting a seamless child care assistance system by extending the time limit for use of transitional child care benefits from one to two years and by providing on-site Child Care Resource and Referral agents. Control group members, in contrast, had new forms to complete at an office different from the site of their welfare agency and new eligibility criteria to satisfy when their transitional child care benefits ended after one year. VT's WRP program also extended the time limit for transitional child care benefits, and, though this may not affect the type of child care benefits used, per se, it did mean that families did not have to apply for other, income-eligible, child care assistance.

Each of the policy components above is interesting on its own, but they may be cumbersome to analyze separately given the number of studies and possible outcomes of interest. In an attempt to summarize treatment differences for the 5 components, we used a numerical scoring scheme based on the *relative* level of program-control difference in child care assistance. Differences in policy and practice that reflected substantially larger, or higher, levels of child care support for program group members compared to control group members in one study compared to the other studies received a value of 2 (a value of 1 represented a moderate level of additional support, and 0 represented no treatment difference in support). This allowed us to create one dimension, labeled "support for paid or regulated child care", to distinguish between program treatments. [Table 2](#) shows the details of this scoring technique. The last column shows that using this method, New Hope and New Chance scored the highest, meaning they had larger treatment differences in policy or practice on many of these five components compared to the treatment differences in child care in the other experimental studies. MFIP, FTP and VT WRP scored somewhat lower, with large or moderate treatment differences on most of the dimensions. The remaining 14 programs contained no child care policies that were different from those available to members of the control group.⁵ Note that

in many instances these programs would be arrayed similarly under any one of the five previously reviewed dimensions.

Table 3 shows the resulting child care policy index and identifies other key policy components of these same programs. A review of this table suggests that the child care policy imbedded in these welfare and employment programs does not coincide exactly with the other program components and thus provides new information about how individual programs differ. For example, programs with both earnings supplements and mandatory employment services are included among programs that score high on our aggregate child care policy dimension (e.g. New Hope or MFIP), as well as programs that have no treatment difference in child care assistance (SSP or the NEWS studies).

There are a number of important things to remember in considering this index and the child care policy dimensions that comprise the index. First, the scores in this index are not a qualitative assessment of the state or local child care policy, but rather a way of categorizing whether or not, in the experimental evaluation, program group member experienced a different child care policy environment than did control group members. And, if program group members did experience a different environment, it categorizes the magnitude of the difference according to official policy as well as the roles and responsibilities of caseworkers, compared to treatment differences that existed in other studies. A “low” score, e.g. for SSP, simply means that child care policy and practice were the same for program and control group members.

Second, the control group members in these programs were always eligible for child care subsidies and assistance that existed within the pre-PRWORA, AFDC system, or under TANF or low-income child care assistance. Outlining the specifics of these assistance policies is beyond the scope of this paper. The scores as proposed above are specifically designed to depict relative treatments between program and control group members and thus provides a way to “test” the role of child care assistance policy in producing these program impacts on employment, child well-being or other family outcomes.

How do these treatment differences in child care policy inform current federal, state and local policies? These child care policy dimensions as well as the scoring of these policy dimensions do not necessarily reflect the current child care environment in these cities, counties and states. However, these treatment differences can provide information about current eligibility rules and program services outlined earlier. For example, similar to the child care treatment in MFIP, many states and counties currently reimburse providers directly. Or, similar to the child care treatment in FTP, child care specialists provide information about child care and child care assistance in the welfare agency. New Hope and New Chance provide some information about the roles of eligibility rules, one being tied to full-time work and earnings levels and the other being free to teen parents. Noticeably absent from this list of child care policy components are the effects of co-payment levels, reimbursement rates that are at, below or above, the market level and any quality initiatives. (These factors did not vary between program and control group members in these experiments.)

V. Discussion

Treatment differences in child care policy have been relatively understudied in a number of experimental welfare and employment studies. Yet, the tests of child care policy within experimental welfare and employment studies provide one alternative source for convincing evidence about whether or not and how child care assistance for paid or regulated care can affect child care decisions, including subsidy use and reported problems with child care. This paper reviews treatment differences in child care policy across 9 experimental welfare and employment studies that represent 21 programs. Of the 21 experimental programs reviewed, 7 offered or altered child care assistance to experimental group members that differed from what was offered to control group members. These treatment differences depict some aspects of current child care policies implemented in states and counties, particularly those policies that affect payment or information about child care services. The remaining 14 experimental programs offered the same child care assistance to experimental and control group members.

The child care policy dimensions proposed in this study represent a unique policy component across the array of experimental programs, providing a framework for understanding how treatment differences in child care policy may have led to program effects on economic, child care and other outcomes independent from the influence of other policy components such as mandates, earnings supplements and time limits. With this information in hand, a number of hypotheses can be developed and tested about how child care policy can differentiate program effects on types of care, particularly in encouraging the use of formal care (as a form of paid and regulated care) versus home-based care. This question is of particular policy interest as federal, state and local governments debate the parameters of future child care funding and how to best meet the child care needs of eligible low-income families. If child care assistance was expanded and targeted to regulated and formal care, would more families use regulated and more expensive care? What are the resulting effects on parental employment and child well-being?

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Table 1 Summary of Studies

Evaluation/ Demonstration	Purpose	Dates of evaluation	General Research Strategies	Key Policy Strategies
Milwaukee's New Hope Project (NH)	To evaluate an anti-poverty program with financial incentives to work and a stated goal of reducing the social costs of welfare and poverty.	1994-2002	Random assignment evaluation of a program linking income support to full-time employment; technical assistance in project design and implementation. Targeted to and eligible for all households with incomes below 150 percent of poverty line with an adult willing to work 30 hours a week or more. Special study of focal children aged 2 to 10 at time of study entry.	Participation Mandate Make-Work-Pay Strategies Child care and health care subsidies Child care subsidy promoted and marketed; and restricted to licensed care. Cost of care paid in full after copayment based on earnings and number of children. Caseworkers encouraged use of formal care because more reliable.
New Chance Demonstration (NC)	To develop and test a mix of educational, personal development, employment-related, and support services aimed at helping 16- to 22-year-old mothers on welfare become more self-sufficient, and encouraging the healthy development of their children.	1986-1997	Random assignment design; process, impact, and benefit-cost analyses of program serving teen parents on welfare. Explicitly two-generational in focus and design. Over 16 sites in the U.S.	Services Center care encouraged; and provided on site or nearby off-site.
Minnesota's Family Investment Program (MFIP & MFIP Incentives)	To evaluate separately the effects of changing financial incentives to work and mandatory case management services.	1993-2000	Random assignment evaluation of an anti-poverty program with large financial work incentives for cases and intensive case management. Includes 3 urban and 4 rural counties. Special study of focal children aged 2 to 9 at study entry.	Participation Mandate Make-Work-Pay Strategies Services Child care reimbursed directly and consistently to child care provider

Evaluation/ Demonstration	Purpose	Dates of evaluation	General Research Strategies	Key Policy Strategies
Florida's Family Transition Program (FTP)	To evaluate one of the first operational programs including time limits on AFDC receipt, financial work incentives, and enhanced employment, training, and social services.	1994-2000	Random assignment evaluation of a program that includes time limits, financial work incentives, and enhanced employment services. (In Escambia county, FL) Special study of focal children aged 1 to 8 at study entry.	Participation Mandate Make-Work-Pay Strategies Time Limit Services Resource and Referral agent located at welfare office; eligibility for transitional child care benefits extended.
Los Angeles Jobs-First GAIN (Greater Avenues for Independence) Program	To evaluate the differential effects of an employment-focused program that emphasizes quick entry into the labor market and provides job search assistance as its primary service.	199-1999	Ransom assignment evaluation of a program that combines participation mandates and services. Targeted to anyone applying for public assistance in Los Angeles county in 1996.	Mandatory employment services
National Evaluation of Welfare to Work Strategies (NEWWS)	To evaluate the differential effects of programs that emphasize work first and those that emphasize education/training, implemented under the federal JOBS program in a variety of sites across the country.	1989-2001 (control group embargo slightly varied by site)	Random assignment of 50,000 AFDC and AFDC-UP cases; innovative procedures to test effects of different JOBS approaches. Sites included in the present analyses include Riverside (CA), Atlanta (GA), and Grand Rapids (MI). Special study of focal children aged 3 to 5 at study entry.	Participation Mandate Services
Connecticut Jobs-First Program (CT)	To evaluate a program that includes one of the nation's shortest time limits on welfare receipt (21 months) and a generous financial work incentive. Also one of the first programs to impose a time limit in major urban areas.	1996-2001	Random assignment evaluation of program that includes time limits and financial work incentives. Sites include New Haven and Manchester. Special study of focal children aged 0 to 11 at study entry.	Participation Mandate Make-Work-Pay Strategies Time Limit Services

Evaluation/ Demonstration	Purpose	Dates of evaluation	General Research Strategies	Key Policy Strategies
Canadian Self-Sufficiency Project (SSP)	To implement a program providing an earnings supplement to single parents (a small group of long-term recipients receive voluntary services as well) who have been on public assistance for at least the full preceding year, and who agree to leave welfare and maintain full-time employment, and to evaluate the program's take-up rate and effectiveness.	1992-2001	Largest random assignment study of increased work incentives; intensive technical assistance provided to administration systems. Includes two provinces: British Columbia and New Brunswick.	Make-Work-Pay Strategies
Vermont's Welfare Restructuring Project (WRP and WRP Incentives)	To evaluate and employment-focused program that includes participation mandates and financial incentives.	1994-2002	Random assignment evaluation of a program that includes work requirements and financial work incentives	Participation Mandate Make-Work-Pay Strategies Transitional child care extended to two years and covers any type of care

Table 2. Scoring of Child Care Policy Dimensions Based on Relative Differences in Child Care Policy Between Program and Control Groups Across Experimental Welfare and Employment Studies

Program	Financial and Non-Financial Promotion of Formal Care	High Level of Support Services for Child care	Efficient Reimbursement of Child Care Expenses	Child Care Assistance Only Covers Licensed or Regulated Care	Child Care System is Seamless	Total Score for Aggregate Child Care Policy Index
New Hope	H	H	H	H	M	9
New Chance	H	H	H	H	L	8
Full MFIP	L	M	H	H	M	6
MFIP Incentives Only	L	M	H	H	M	6
FTP	L	H	L	M	H	5
VT WRP	L	L	L	L	M	1
VT WRP Incentives	L	L	L	L	M	1

Note. H = High (score=2); M = Medium (score=1); L = Low (score=0).

Table 3. Score on Aggregate Child Care Policy Index Measuring Relative Treatment Differences in Support for Paid or Regulated Care and Identification of Other Key Policy Components that Differ Between Program and Control Group Members

Program	Score on Child Care Policy Index Measuring Support for Paid or Regulated Care	Mandatory Employment Services			Earnings Supplement	Time Limits
		Primarily Education and Training	Primarily Job Search	Mix of Education, Training, and Job Search		
<u>Programs with a treatment difference in child care policy</u>						
New Hope	9				X	
New Chance	8	X				
Full MFIP	6			X	X	
MFIP Incentives Only	6				X	
FTP	5			X	X	X
VT WRP	1			X		
VT WRP Incentives	1				X	X
<u>Programs with no treatment difference in child care policy</u>						
Atlanta HCD-NEWWS		X				
Atlanta LFA-NEWWS			X			
Columbus Integrated-NEWWS		X				
Columbus Traditional-NEWWS		X				
Detroit-NEWWS		X				
Grand Rapids HCD-NEWWS		X				
Grand Rapids LFA-NEWWS			X			
Los Angeles Jobs-First GAIN			X			
Oklahoma City-NEWWS		X				
Portland-NEWWS				X		
Riverside HCD-NEWWS		X				
Riverside LFA-NEWWS			X			
CT Job First				X	X	X
Self-Sufficiency Project					X	

Endnotes

¹ Because the context of this paper is understanding the child care policies embedded in welfare and employment programs targeted to parents the discussion will primarily focus on child care assistance made primarily available to support employment or employment-related activities rather than those with an early education focus.

² In addition to increasing the number of families who receive subsidies, federal, state, and local governments are also spending funds to improve the quality of care on the market. The 1998 federal budget allocated \$50 million for enhancement of the quality of care for infants and toddlers, \$19 million for school age child care resource and referral, and \$150 million for improving child care quality more generally (Raikes, 1998). A number of states are in fact investing more than the required 4 percent of child care funds on quality initiatives (Layzer and Collins, 2000). Quality initiatives include comprehensive consumer education, providing financial assistance to organizations to expand, develop or operate resource and referral agencies, staff compensation, loans or grants to help providers meet standards or expand services. States also have leeway in promoting standards and the monitoring of these standards, i.e. can pay higher rates for performance standards. Tiered reimbursement rates are one example with some states offering higher reimbursement rates for providers that meet certain quality standards such as NAEYC accreditation.

³ For more detail about these studies see: Bos et al., 1999 (for New Hope); Quint et al., 1997 (for New Chance); Miller et al. 2000, (for MFIP); Bloom et al., 2000 (for FTP); Freedman et al., 2000 and McGroder et al. (for NEWS); Bloom et al., 1998 (for CT Jobs-First); Bloom et al., 1998 (for VT WRP); Michalopoulos et al., 2000 (for SSP) and Freedman et al., 2000 (for LA Jobs-First GAIN).

⁴ A majority of the 16 New Chance sites provided on-site care. Two sites offered temporary care, one site had an on-site center care but was used by few New Chance enrollees because slots were not set aside for them, and a few sites made arrangements for children at day care centers or family day care homes close to the program facility (Quint, Fink and Rowser, 1991)

⁵ Note that “on paper” Connecticut’s Jobs-First program did offer child care assistance to program group members until they reached 75% of median income in the state whereas control group members had access to transitional child care assistance for one year. In practice, however, there is not a measurable difference between these two groups in child care policy because control group members who reached the end of the transitional child care period moved directly into the child care certificate program that serves low-income working parents. For this reason, we consider CT Jobs-First to have no treatment difference in child care policy. Even if this difference occurred in practice, it is relatively modest compared to the treatment differences in child care policy for the other experimental studies (e.g. CT Jobs-First may measure a “1” in “seamless transitions on and off welfare” and thus, a “1” for the aggregate child care policy dimension).