



# **Public Support for the Alliance Model**

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**A Summary of Interviews with  
State Child Care Administrators**

**Louise Stoney  
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# Interviews with State Child Care Administrators

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Open-ended telephone interviews with the child care administrators from eight states that include Casey sites

States included: CT, IN, KY, MI, NJ, RI, WA and WI.)

Goal of interview was to determine potential support for a family child care alliance initiative among state administrators.



# Pros: Reasons They Support The Alliance Concept

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- 1) Recruit and Support FCC Homes
- 2) Focus on Enrollment (to keep homes full)
- 3) Enhance Business Capacity
- 4) Expand Access to Quality Early Learning for low-income children
- 5) Increase FCC Participation in Quality Rating Systems
- 6) Help Clarify the Role of Unions
- 7) Help Focus State Investments in Quality
- 8) Promote new public/private partnerships



## Cons: Reasons They Might Not Support the Alliance

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**Limited Funding** – CCDF/TANF reimbursement rates currently very low and not likely to rise; no additional \$ to support an Alliance;

**Value-Added is Not Clear** -- State policy makers need to clearly understand why and how an Alliance will benefit them;

**Current Technology or Payment Policies** – Some states are using EBT for child care subsidy & to track daily attendance, and are not sure how this would work in an Alliance structure;

**Historical Bias & Lack of Evidence** – Many policy makers (and others) still believe high-quality ECE can only be provided in centers. The field does not have much research on high-quality home-based options.



## Recruit and Support FCC Homes

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**State administrators noted that FCC supply is unstable & providers often go out of business.**

*"....our supply of family child care is dwindling; we just don't have as many homes as we used to, and we are concerned..."*

*"We currently fund family child care networks and find that providers tend to stay around longer when they are part of a network."*



## Focus on Enrollment (to keep homes full)

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*“We have high vacancy rates in family child care. Too many homes come into the system but can only attract a few kids. So thinking about enrollment, and how many providers you let into the system, will be key. I'd love to see entrance qualifications for the providers to be in the network...”*



# Enhance Business Capacity

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**Error rates in the subsidy system are a continuing problem. Many providers appear to have trouble completing subsidy billing paperwork/procedures correctly and on time.**

*"The business problems are huge.... I would LOVE it if a really competent agency would handle all billing and fee collection issues for the providers. That way I could be sure that the money was handled well."*



## Business Training Isn't Enough

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*“It is clear to me that child care providers really need help with business management. Even if we give them training, it just doesn't really work...especially in family child care... On their own many of these programs are just never going to be able to dig out of the hole. But if you had a consortium, I think it might work.”*



# Help Low-Income Children Access Quality Early Learning

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*"I don't have proof of this...but I think that helping with the billing is going to help improve quality. There is a connection there. A program can't focus on quality standards if it is always in financial crisis or if maintaining financial stability takes up all of its time."*



# Increase Participation in Quality Rating Systems

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*“ Universal pre-kindergarten is coming down the pike. We really have to deal with quality issues in child care. And...we have a lot of homes and small centers that just aren't prepared to participate in our STARS system...or are only at Star One.”*



## Help Clarify the Role of Unions

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*“Unions are organizing FCC in our state and a serious issue has to be addressed-- who would be the employer of these providers? When we start to support benefits we are at risk of becoming the employer...so you really have to resolve issues with the IRS and the Labor Department. If an Alliance could clarify these issues, it would be a great help.”*



## Help Focus State Investments in Quality

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*"I think we would be very interested in what you describe. We have funded only one satellite family child care network, and we agreed to give them a lump sum of money for quality improvement rather than giving money to each individual family child care home. It makes sense to consolidate our investment"*



# Promote New Public/Private Partnerships

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**Interviews identified several private sector partners who were considering about similar ideas, including:**

Washington State - Gates Foundation  
(Seattle)

Michigan -- Mott Foundation (Flint)

Connecticut (New Haven Community  
Foundation)



# States Face Serious Fiscal Constraints

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*“Child care dollars are limited. Our subsidy rate is far below the market rate -- we are at the 40th percentile for family child care -- so given that we need to increase that rate I don't know where I'd get additional money to support an Alliance.”*



## Yet Some States Seem Eager

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*"It is a very intriguing idea. And I think that it is a real fit for Louisville. If Casey doesn't do it, we might."*

*"I think there would be high interest in working with Casey on this issue"*



# Technology & Subsidy Policy

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Some states are using – or planning to use EBT for child care subsidy and/or to track attendance. Others are building new automated systems for payment and data collection.

The Alliance model will need to think carefully about how to interface with statewide automated systems so that this does not pose a barrier.



# Historical Bias & Lack of Evidence

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Many policy makers (especially those in state education departments) believe high-quality ECE can only be provided in centers.

To address this concern we need to think about:

- Research on high-quality home-based options & how and Alliance can help;
- Sharing innovative state and local models (e.g. home-based pre-K in Arkansas, Chicago, LA



# Implications for Crafting a Model

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**Demonstrate Value-Added** – Clearly articulate the benefits of an Alliance for state administrators and policymakers.

**Clarify Roles** – Be prepared to address the employee vs contractor issue, as well as responsibility regarding all administrative and supervisory tasks.

**Money Matters** -- Carefully consider available financial supports (e.g. CCDF rates, Prek/HS access, other grants/contract) when selecting states. Bring private \$ to the table to leverage public support.

**Build on Existing Systems & Initiatives** – such as Quality Rating Systems and other state or local ECE accountability and improvement efforts.