

May 21, 2009

Jill Dent
Office for Children and Youth
Mississippi Department of Human Services
750 North State Street
Jackson, MS 39202

Dear Jill,

I am writing to provide input regarding Mississippi's Child Care and Development Fund (CCDF) Plan for the period 10/09 – 09/11.

The Mississippi Low Income Child Care Initiative is working to promote reforms in Mississippi's operation of the child care certificate program. We have heard from many parents and child care providers across the state that the program as it is currently operated is burdensome and includes multiple barriers to access and retention of certificates for parents and obstructions to payment to providers for services rendered. We also have solicited input from state and national experts in the field about how the program can be improved and expanded. This information is contained in the following attached documents:

- Key Reforms Identified by MLICCI Constituents (Survey, 2007)
- Investing in Futures (MLICCI, 2003)
- Mississippi Child Care Development Fund: Program Implementation Evaluation and Impact Analysis (MSU Stennis Institute, 2005)
- A Review of the Child Care and Development Fund (CCDF) Program in Mississippi (Performance Audit Division of the Office of the State Auditor, 2007)
- Designing Subsidy Systems to Meet the Needs of Families: An Overview of Policy Research Findings (Urban Institute, 2008)
- Broadening the Base: Strengthening Mississippi's Working Families, Businesses, and Economy Through Strong Child Care Systems (MS Economic Policy Center, 2008)
- Mississippi Child Care Quality Impact Study: Evaluation Report (Professional Associates, 2008)

We urge you to adopt the changes recommended in these documents. Specifically, we urge to you incorporate changes into the Mississippi CCDF State Plan as follows:

Part. 1. Administration

1.3 Estimated Funding

- We are grateful to DHS for using the additional CCDF funds that came to MS through the federal stimulus package to eliminate the waiting list for child care certificate. Even though all children on the waiting may be served by this action, thousands remain eligible and in need of child care certificates and providers remain in need of financial support to participate in MCCQSS. We urge DHS to advocate for use of all other available stimulus funds to expand the supply of child care certificates and finance a grant program for child care centers to participate in the MCCQSS. (See also Part 5. Activities and Services to Improve the Quality and Availability of Child Care).
- We urge DHS to increase the amount of TANF funds used for child care certificates. States are allowed to transfer 30% of their TANF grant to CCDF. Mississippi only transfers 20%. States are allowed to use TANF funds directly on child care with no cap on the amount allowed. Mississippi has approximately \$30 million annually in unspent TANF money that should be used for child care in light of the large number of unserved eligible children and in light of the fact that child care is the work support that makes the most positive difference in supporting recipients' transition from welfare to work. A parent is 82% more likely to still be employed two years after leaving the welfare rolls *if* that parent has subsidized child care.
- We urge DHS to encourage MDA to identify low-income child care as a priority funding area in the Consolidated Plan for Community Development Block Grant (CDBG) funding for Mississippi and its Entitlement cities so that CDBG funds can be used to expand the supply of child care certificates so that more families can receive child care assistance.
- We urge DHS to pursue Child Care Access Means Parents in School (CCAMPIS) funding for every university, community and junior college in the state. Funding through CCAMPIS could expand access to child care in multiple low-income communities throughout the state. Simultaneously, low-income working families could upgrade their skills to earn higher wages.

Part 1.4 Estimated Administration Cost

- The State Auditor's Office (OSA) recommends that MDHS review and compare their contracts from 1998 and current to verify that there have not been any such changes (*re: the 5% administrative cap in CCDF*). Should languages or services be changed now or in the future, OSA recommends the contracts be reviewed

again by ACF to provide MDHS assurance that MS is still in compliance with limitations on administrative spending.

Part 1.5 Administration of the Program

- We urge DHS to require consistent application of the OCY Policy Manual across the state so there is no discrepancy between Designated Agents' regions. Examples of inconsistencies include the amount of time allowed between employment, documentation required at re-determination, whether parents are allowed to receive assistance with the application process, time spent on the waiting list, and communication between Designated Agents and parents varies from very helpful to very rude and antagonistic among the districts.
- We urge DHS to utilize a formula for distributing CCDF/TANF funding to Designated Agents based upon the number of eligible children residing in each region.
- We urge DHS to ensure that contract management procedures allow for transparent delivery of services by the Designated Agents
- We urge DHS to expand use of technology to simplify application, retention, and payment
- We urge DHS to eliminate Designated Agents' conflict of interest so that no DA issues and also awards to itself child care certificates.
- OSA recommends that OCY re-evaluate the contracts they have with the Designated Agents. They should consider adding relevant benchmarks, stronger controls, more detailed requirements and expectations, and make all requirements consistent with other State and federal policies and regulations in order to protect the State's interest.

Part 2. Developing the Child Care Program

2.1 Consultation and Coordination

- We urge DHS to promote alignment of Mississippi's early childhood system and to correct the inequity in this system by increasing financial support for child care centers. In light of the absence of a state-wide pre-k program, Mississippi is reliant upon the existing early childhood delivery system to provide these services. Child care centers serve the largest number of pre-school children for the least amount of money per child, when compared to Head Start/Early Head Start and the Department of Education. These centers need to be equally funded so they can also meet similar standards. (See also Part 5. Activities and Services to Improve the Quality and Availability of Child Care).

- We urge DHS to provide contracts to *child care centers* that provide after school and summer care for Head Start children. While these funds have been awarded in the past, DHS has only made these funds available to Head Start programs despite the facts that Head Start programs have significantly more funding than child care as well as mandates to provide full-day, full-year services and to partner with child care centers. In a survey of child care providers conducted by MLICCI 63% of child care centers reported providing services to Head Start programs while only 5% of these centers reported receiving Head Start funds to help pay for these services.

2.3 Public-Private Partnerships

- We urge DHS to increase use of slot-based contracts. This allows providers to have a more stable revenue stream upon which they can project an annual budget and, therefore, stabilize their services to children and families. All providers should be given the opportunity to apply for these contracts. This should not be a non-competitive bid process limited to a small number of providers. (See also 3.1 Description of Child Care Services)

Part 3. Child Care Services Offered

3.1 Description of Child Care Services

- (See also 2.3 above)
- We urge DHS to conduct a study of the uncompensated services provided by low-income childcare centers for purposes of re-evaluating the child care certificate program and use of CCDF/TANF child care funds.
- We urge DHS to link child care subsidies to other social service programs
 - Take a comprehensive approach to aligning systems
 - Link computer systems
 - Combine worker responsibilities
 - Link programs at particular stages in the subsidy process

3.2 Payment Rates for the Provision of Services

- We urge DHS to increase state reimbursement rate to the federally recommended 75% of the market rate.

3.3 Eligibility Criteria for Child Care

- We urge DHS to eliminate the child support requirement placed upon single parents. Since DHS imposed this requirement thousands of children have been eliminated from the child care certificate system. However, these are the families who need child care certificates most. No one is opposed to the need for personal

responsibility; fathers should contribute to the economic well-being of their children. However, we have heard many stories of instances where fathers who were supporting their children voluntarily lost their jobs when child support payments were taken out of their paychecks; or the father is unknown or his whereabouts are unknown. Finally, while there is an exception to the requirement in cases of abuse, this exception is not adequately publicized, and many women shy away from CCDF assistance because they are fearful of the child support requirement. There is no child support requirement for Head Start or public kindergarten. Both of these government-funded programs are analogous to child care assistance under CCDF. No such extra burden should be placed on single mothers who need child care assistance most.

3.4 Priorities for Serving Children and Families

- We urge DHS to make full-time students a higher priority and eliminate their work requirement
- We urge DHS to ensure that eligible children will be served for one year without being revoked when higher priority children apply.
- OSA recommends that OCY formalize their current waiting list reduction procedures in internal policy. OSA also recommends OCY re-evaluate any related policies and procedures to limit the amount of time each child spends on the waiting list where possible. Additional policies OCY should consider include a six-month assessment of each child on the waiting list to determine if the child remains in need of services, as well as to validate that a response was made by letter, by phone, or in person.

Part 4. Parental Rights and Responsibilities

4.1 Application Process / Parental Choice

- We urge DHS to improve customer service practices
 - Make subsidy policies and practices more understandable to customers
 - Require local agencies to have customer service plans
 - Ensure that language and literacy levels are not a barrier
 - Conduct customer service surveys
 - Eliminate or reduce in-person visit requirements
 - Make it easier to get information to subsidy agency and to contact subsidy staff
 - Improve computer systems and other technological infrastructure
- We urge DHS to simplify the application process
 - Make applications easier to access
 - Make applications easier to complete and submit
 - Address the timeliness of eligibility processing
- We urge DHS to simplify the re-determination process

- Lengthen the authorization period
- Make it easier for parents to remember to recertify
- Make it easier for parents to get information to the agency
- Simplify what information parents have to report for recertification
- Give parents an extra chance before termination
- We urge DHS to simplify requirements for reporting changes before re-certification
 - Simplify what needs to be reported
 - Make it easier for families to report
 - Identify other ways to get information
 - Only adjust subsidies with some changes
- We urge DHS to minimize inadvertent termination of child care subsidies from temporary changes in circumstances
 - Provide subsidies through gaps in employment
 - Short-term increases in income
 - Assist parents with fluctuating or nontraditional work schedules
 - Suspend subsidy payments during predictable periods of ineligibility
 - Simplify the process of retaining subsidies when changing eligibility categories
 - Delay or suspend co-payments
 - Address the unique needs of migrant families
- We urge DHS to improve Subsidy Access and Retention by:
 1. Assessing how well the system works in helping families access and retain subsidies.
 2. Identifying problems from (1) and then work backwards to identify the basic cause(s) of the problem(s).
 3. Think about the problems in the big picture and identify creative solutions.
 4. Implement the solutions and assess the results.
- We urge DHS to extend the re-determination period to 12 months.
- We urge DHS to eliminate terminations resulting from Designated Agents' loss of documents submitted
- We urge DHS to eliminate Designated Agents' improper influence of parents' choice of provider
- We urge DHS to allow providers to identify their own holiday days in response to parents' work schedules
- We urge DHS to create a seamless transition from TANF to CCDF
- We urge DHS to stagger certificate termination/re-issuance dates to the date of issuance, so that all child care certificates state-wide do not terminate on the same date. The current policy of simultaneous termination results in lengthy delays of up to six months to renew a certificate. This lengthy delay is especially harmful to

child care providers who attempt to minimize disruption of services to families by continuing to provide services while certificate are pending re-issuance. This needs to be corrected to prevent system-wide disruptions and to prevent unreimbursed services.

- We urge DHS to remove language barriers for families and providers with limited English proficiency.
- OSA recommends that OCY require each DA to hold at least one mandatory training seminar once a year to discuss all of the rules and regulations of the child care certificate program and address any concerns that the child care centers may have.
- OSA recommends that OCY establish policy requiring DAs to return only incomplete documents or request in writing any missing information along with providing clear instructions that include contact information at the OCY DAs office. OCY DAs should strive to offer the best communication exchange possible when working with parents. In addition OCY DAs should maintain detailed records of communication with the applicant, including reasons for returning applications and denying eligibility. These files should maintain documentation of decisions about eligibility status.
- OSA recommends that OCY establish policy requiring DAs to keep updated documentation that they informed parents and providers about the expiration of child care certificates. OSA also recommends that OCY require DAs to keep detailed records as documentation that appropriate action was taken, especially in the case of termination or denial of eligibility.
- OSA recommends that OCY change current policy to require DAs to notify *both* providers and parents when a child care certificate is about to expire for any reason and if a child has been removed from the program. OCY should also require DAs to provide an explanation for the expired certificate, as well as keep documentation of the date a child is no longer eligible for the program and why eligibility ended.
- OSA recommends that OCY establish a policy requirement for all DAs to maintain detailed documentation of all contact (phone, email, letter, fax, etc.) with parents, as well as maintain documentation when eligibility changes.

Part 5. Activities and Services to Improve the Quality and Availability of Child Care

5.1 Quality Targeted Funds and Set-asides

5.2 Early Learning Guidelines and Professional Development

- See also 1.3 above

- See also 2.1 above
- We urge DHS to engage in a marketing campaign to connect child care workers to Workforce Investment Act funding to upgrade skills. The campaign to upgrade skills could focus on MS Child Care Quality Step System (MCCQSS) pilot areas to ensure that workforce training upgrades correspond with increases in reimbursement funds to connect workers to higher wages in exchange for higher education.
- We urge DHS to make funds available to low income child care centers to support their participation in MCCQSS.
- We urge DHS to make funds available to low-income child care centers for professional development for staff and corresponding wage increases.

We urge DHS to implement changes in the CCDF program highlighted in this letter and listed in the attached documents.

Thank you for your consideration of these issues. If you have questions or need additional information about any of these recommendations, please contact me.

Sincerely,

Carol Burnett
Executive Director