



MISSISSIPPI LOW-INCOME CHILD CARE INITIATIVE



## MISSISSIPPI'S CHILD CARE AND DEVELOPMENT FUND AT 20:

A CRITICAL MOMENT FOR LOW-INCOME WORKING  
FAMILIES AND DECISION-MAKERS

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# “Topsy Turvy”

During its first twenty years, Mississippi’s Child Care and Development Fund (CCDF) program has gone through many, varied changes<sup>1</sup>:

- it was called the certificate program but is now the Child Care Payment Program (CCPP);
- its administration has been de-centralized at a regional level and is now centralized
- its caseloads have risen, and dropped, and risen and dropped;
- its parental redetermination was every 6 months, then once a year with a rollover by priority group on September 30<sup>th</sup>, to every 12 months with no rollover;
- its quality enhancement has gone from Child Care Connections Mobile Training Vans travelling the state in 1999 to the OCY Director’s Credentialing training as the sole contracted training to the expensive (and unfunded) Quality Rating System (QRS) to Standard Centers potentially accessible (and mandatory) for all in 2018;
- its priority populations have gone from very few to many;
- expenditures have gone up and down, up and down;
- its eligibility and documentation requirements have gone from simple, to complex, to punitive, back to simple;
- it had a “waiting list” and now it has a “Pending Funding list”, which has ballooned to more than 20,000 and been completely eliminated in a matter of one year for better and worse;
- its special initiatives to reduce fraud include proposed biometric finger scanning of parents (2012) and one of the most rigid CCDF proof of residency policies ever implemented by a state (2016)

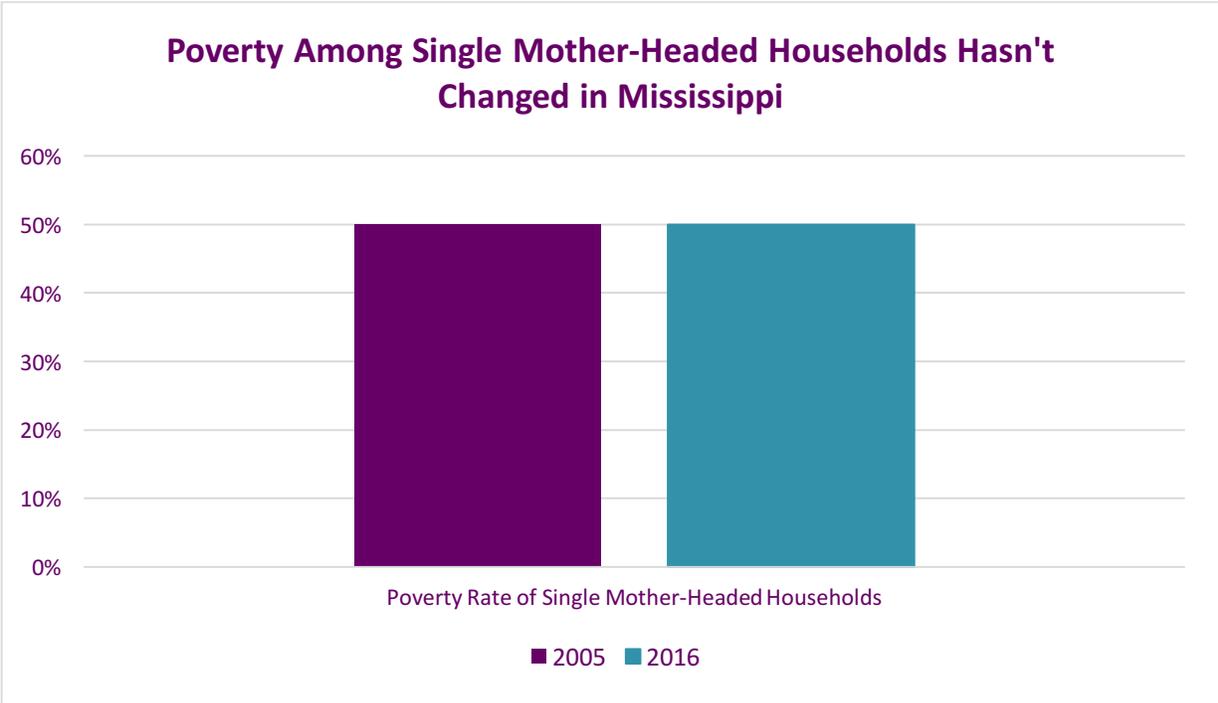
Many changes have occurred in Mississippi’s CCDF program over the years. This report shows that expenditure decisions and policy decisions greatly influence how many working parents and children are receiving assistance at the end of the day.

While the following report offers many findings about CCDF in Mississippi, we attempt to lift up one fundamental observation: that is, when Mississippi spends more on direct services, it serves more children and more parents can work or attend training or education. When the

state increases spending on non-direct services, when it makes mass policy change or drastically reconfigures programs without adequate consideration of the end-user experience of CCDF, the level of children served tends to reduce.

While the state’s CCDF program has been no stranger to redesign and revamping through the years, **here’s what hasn’t changed in Mississippi through all of this**, since the 1998 CCDF Final Rule went into effect:

**The rate of single moms at or below poverty who can’t afford child care and need to work** and gain skills to earn a living wage hasn’t changed.<sup>ii</sup>



**The number of young, low-income children who live with a working parent hasn’t changed.** The number has hovered between 100,000 - 110,000 for many years.<sup>iii</sup>

**The percentage of young, CCDF-eligible low-income children actually served has remained extremely low.** It has hovered between 10%-20-% for years.<sup>iv</sup>

**The race and ethnicity of those Mississippians who participate in CCDF hasn’t changed** since this data has been collected and made available. Over the life of Mississippi’s CCDF program, about 9 out of every 10 children served by the state are African-American.<sup>v</sup>

The Mississippi Low-Income Child Care Initiative (MLICCI) was founded the day the 1998 CCDF Final Rule went into effect. MLICCI remains an organization focused on and committed to CCDF policy and mitigating its negative impact on parents and providers, lifting up its positive impact and creating additional economic security solutions for low-income mothers and their families. Now, in 2018, we offer the following report looking back on CCDF in Mississippi. Particularly, we hope this report can provide policymakers with some lessons learned and inform recommendations for where CCDF may be headed in Mississippi.

## ***CCDF Policy Background***

Prior to CCDF, child care assistance to states came from the Child Care and Development Block Grant (CCDBG) Act of 1990 and from multiple streams of funding under Title IV-A of the Social Security Act. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 repealed former child care assistance programs that were authorized under Title IV-A of the Social Security Act and amended Section 418 of the Social Security Act to provide new child care entitlement and matching funds to states. The PRWORA also amended the CCDBG Act of 1990, renaming CCDBG funds Discretionary funds and authorizing newly approved mandatory and matching funding streams under Section 418 of the Social Security Act to fall under CCDBG Act rules. The newly combined and unified child care funding streams were titled the Child Care and Development Fund (CCDF). In 1998, the United States Department of Health and Human Services (HHS) Administration for Children and Families (ACF) Office of Child Care (OCC) finalized federal rules for CCDF and in August of that year the CCDF Final Rule went into effect.<sup>vi</sup>

## ***The Critical Need for Affordable Child Care in Mississippi***

There is a critical shortage of affordable child care in Mississippi. This shortage keeps moms from achieving economic security for their families. An adequate supply of affordable child care would greatly strengthen efforts made by public and private entities to increase the state's labor market participation rate by increasing

participation and retention of parents in jobs and in workforce training programs. These are all strategies aimed at strengthening women’s economic security in Mississippi. Affordable child care is a critical element of a mom’s economic security—particularly, a single mom who heads her household without the support of a partner or spouse. But even low-income two-parent households struggle to afford the cost of child care.

No matter how the data is sliced, the number of children with low-income working parents in Mississippi who need child care assistance consistently overwhelms the number who receive CCDF. In the below figure, we offer an



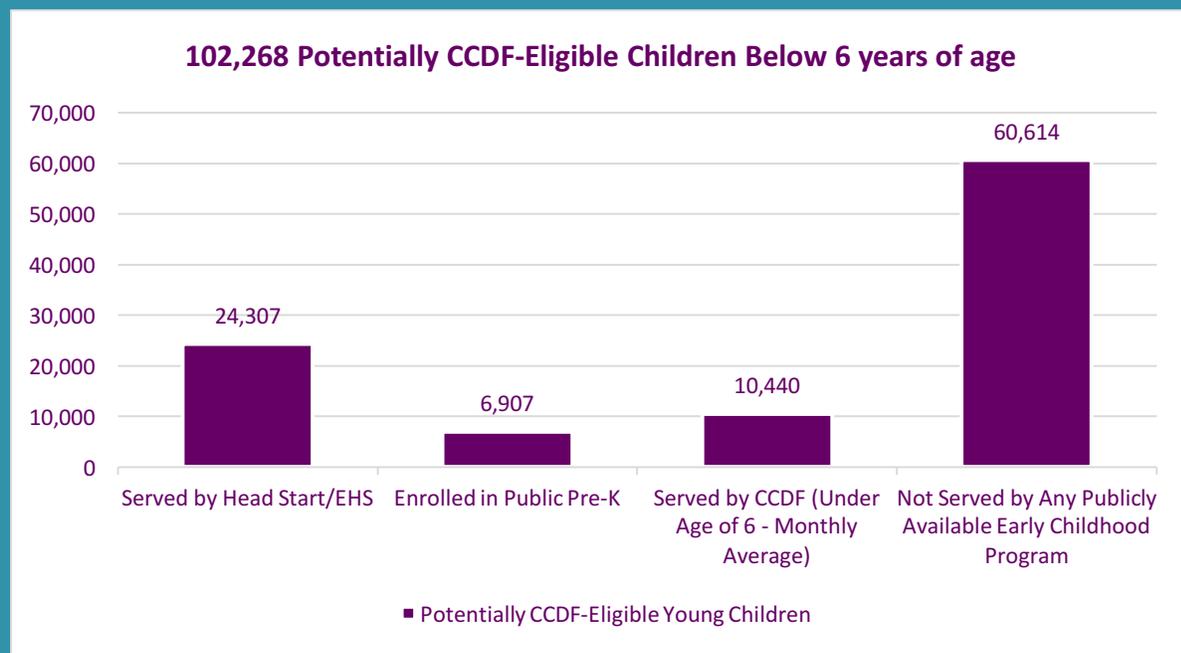
illustration of how limited affordable child care options are for low-income working parents with young children.

Using the National Center for Children in Poverty’s (NCCP) estimate of the number of young children (under the age of 6) who are below 200% of the federal poverty level (approximately in line with MS CCDF income eligibility for a family of 3) and who live with a working parent as an approximation of CCDF-eligibility, we look at how many of these 102,268 CCDF-eligible young Mississippi children may be receiving assistance through CCDF or through another public program. This proxy variable for CCDF-eligible children reflects only children under the age of 6 even though CCDF serves children up to age 12 (though, about 60% of the monthly average number served are below the age of 6). We use federal monthly average caseload data showing the distribution by age of CCDF recipients and we derive an estimate for the number of children under age 6 receiving CCDF assistance in Mississippi each month, on average. There are far fewer affordable childcare options for low-income working parents with children between 6 and 13 years, so the gap in those eligible between ages 6-13 versus those served is even more significant than the gap among

young children. There may be some degree of overlap between children served by CCDF and Head Start/Early Head Start, potentially double-counting some of those included in the number served in this illustration and public pre-K serves 4 and 5 year olds.<sup>vii</sup>

To illustrate the magnitude of the unmet need for affordable child care in Mississippi, the below figure provides the number of children reported to be served by Head Start and Early Head Start, the number enrolled in one of the state's public pre-K programs, the monthly average number of children under age 6 receiving CCDF assistance and the number of low-income children with a working parent under age 6 likely not receiving assistance from any public child care or early childhood program. The most recent data for each of these categories was used for the below graph.

More than 60,000 young, low-income children living with a working parent are likely disconnected from any publicly available Mississippi early childhood program.



Child care policy issues rest at the intersection of race and gender. More than 90% of children receiving CCDF assistance in Mississippi are African American and most working CCDF parents are mother breadwinners and single-heads of household.<sup>viii</sup>

Child care can be transformational for parents, particularly single mothers. Because child care assistance is so limited, low-income single moms, who earn less than \$20,000 annually on average in Mississippi, have few options and child care can often be one of their largest household expenses.<sup>ix</sup> When a parent can't afford child care, it

results in a financial loss for the family when they are forced to quit work or reduce hours to provide care. When a parent has access to a CCDF voucher it can become the single most impactful support in moving her closer to a living wage. Average child care costs for an infant and a toddler could easily add up to nearly half of the average Mississippi single mother's annual income.

A working mother's decision to seek child care can sometimes be made more difficult when her responsibility to care for her children hinders her efforts to earn income so she can maintain her home. CCDF exists in theory to ensure a mother doesn't have to choose not to work or not to place her child in a child care setting that meets her needs.

More than 8 in 10 single parents in Mississippi are single mothers.<sup>x</sup> Child care for working single moms is essential for the growth of Mississippi's economy and its overall economic health. Child care is critical for women to be economically secure. Strengthening Mississippi's economy requires an intentional focus on improving women's economic security.

In 2018, the MLICCI partnered with the National Women's Law Center (NWLC) to release a research brief looking at issues of women's economic security. This research found that Mississippi's women make up nearly half of the overall workforce and are the primary breadwinners in more than half (53.5%) of Mississippi families. Mississippi registers the nation's highest rate of women as primary breadwinners of families. Women are co-breadwinners in another 24.9% of families in Mississippi. While women make up a large share of heads of households in Mississippi, nearly 6 in 10 Mississippi workers living below the poverty line are moms and women. The report found that 75% of minimum wage earners in Mississippi are women—the highest share in the nation. Accordingly, the report also found that Mississippi has one of the nation's largest gender wage gaps for year-round, full-time workers, the highest poverty rate for women, one of the highest uninsured rates for women and the lowest national rankings for women's and children's health outcomes. Ultimately, the report found that the annual loss of earnings due to the current gender wage gap, which is perpetuated by pay discrimination, occupational segregation and other factors, is the equivalent of 27 months of child care for one 4-year old.<sup>xi</sup>

Child care policy and spending decisions have an immense ripple effect on families and economies. If a mother working in a low-income job has child care assistance one day and loses it the next, it often means she immediately must work less or quit work altogether because her wages no longer support the cost of care. If she lives in a county that has experienced persistent poverty and stagnant job growth, until she

can gain access to assistance again or significantly increase her earnings, she may remain disconnected from work and from an opportunity to support her family. This also means her children may experience disruptions in early learning and cognitive development. She is also far more limited in her ability to purchase goods and services in her city or county.

If she purchases her care from a provider serving low-income working families, then her loss of child care assistance also affects the revenue of the provider, and in many cases, the ability of the provider to continue serving the community.

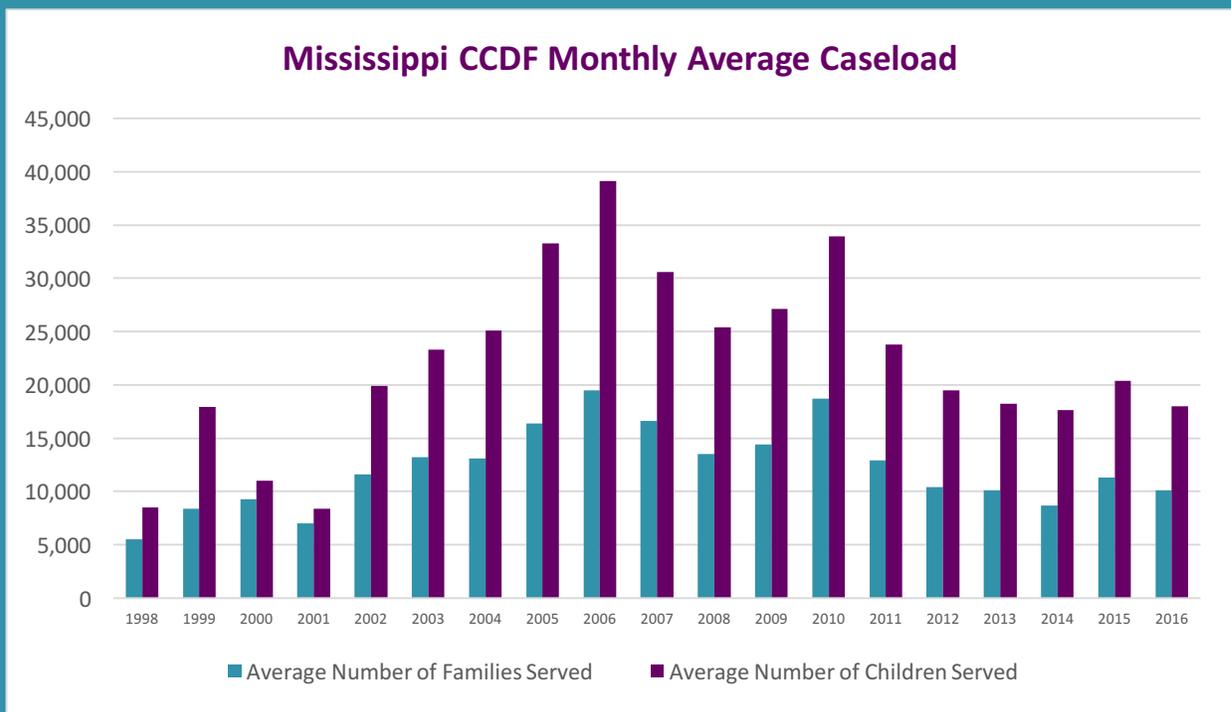
Child care is a critical support that facilitates a parent's entry into the workforce, supports their employment retention and their efforts to increase or upgrade skill sets and educational attainment. Increasing access to affordable child care options for more low-income moms to address the large unmet need is a policy imperative in Mississippi, particularly given Mississippi's high share of women in the state's workforce and the disproportionate share they represent in low-paying jobs and workers below the federal poverty level. Investing in child care as a work support both for working parents and those attending job training or education is aligned with the state's human services and workforce development goals.

Child care vouchers can significantly reduce the cost of care for working parents and will cover most of the cost of care for the lowest income parents. CCDF provides federal funds to states to use for vouchers that working parents and those participating in an approved training or educational program can take to the child care provider of their choice and use to purchase services. Mississippi requires parents or caregivers to work 25 or more hours per week or attend an approved education or job training activity and earn no more than 85% of State Median Income (SMI). Mississippi uses its CCDF program to also provide child care to Temporary Assistance to Needy Families (TANF) recipients, Transitional Child Care (TCC) recipients, children who are homeless, children in protective services/foster care and children served by the state's home visitation program, Healthy Homes Mississippi (more explanation of how these various populations are served in the report's discussion of priority populations). Currently, 85% of State Median Income for a family of three is \$3,640 per month.<sup>xii</sup>

# The Caseloads

## Children

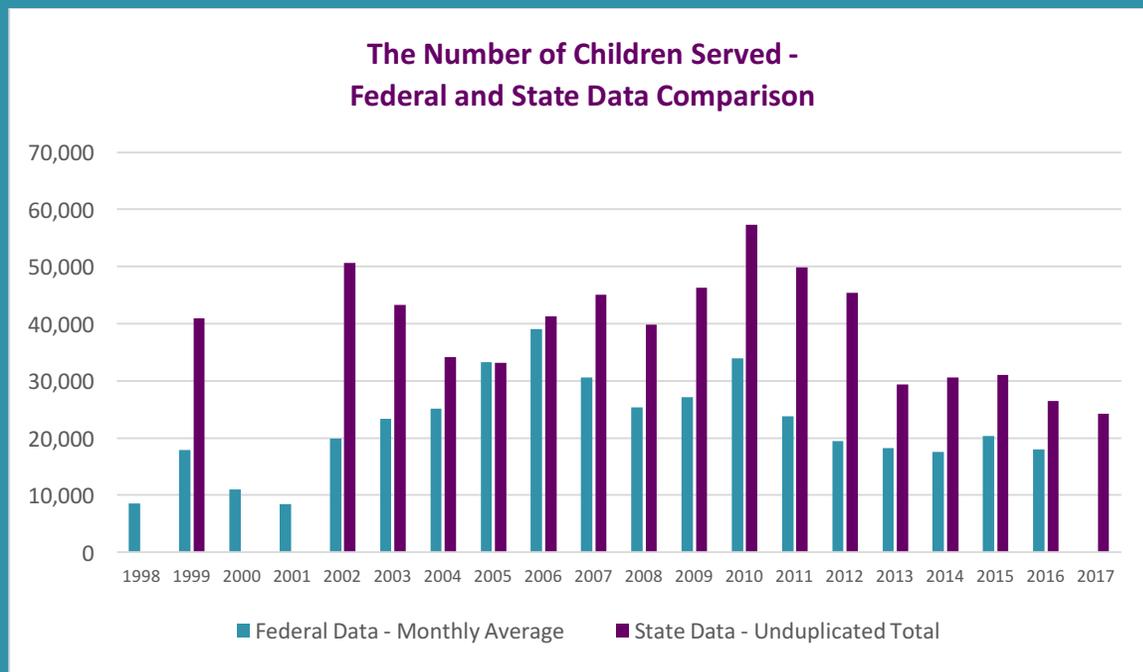
The number of children served by CCDF in Mississippi is made available through federal data as a monthly average. It shows in 2005, 2006, 2007 and 2010, the state reports serving more than 30,000 children each month, peaking at just over 39,000 as the monthly average in 2006. Between 2004-2007, the state had implemented several new policy changes, Hurricane Katrina in 2005 resulted in 3,000 temporary provisional vouchers (according to MDHS annual reports), and American Recovery and Reinvestment Act (ARRA) funds following the 2008 Great Recession coincided with an increased monthly average during 2010. Most years from 1998 to 2016, federal data shows between 15,000 to 25,000 children were served per month, on average.



While federal data provides a monthly average, the Mississippi Department of Human Services (MDHS) also regularly reported their number of children receiving CCDF vouchers. There is wide discrepancy for many years between the state-reported total and the federally reported monthly average. The discrepancy is explained by statistical differences in state-reported and federally reported data,

specifically that the state reports a cumulative unduplicated yearly total for the fiscal year as opposed to the federally reported monthly average.

It is worth note that in 2004, the MDHS began reporting the number of children served as an “unduplicated” count, though it is not clear from available information whether the state-reported figure in prior years represented a duplicated count. Early years of federally reported data note that Mississippi’s data reporting was unreliable.<sup>xiii</sup>



State reported data is not available for years 1998, 2000 and 2001. Federal data for 2017 was not available as of the date of this report.

Notably, the MDHS reported serving 40,000 or more children in nine of the seventeen years of data published in MDHS annual reports. A drop in the unduplicated count of children served occurred in 2004 and 2005, coinciding with the newly implemented child support enforcement requirement, which required CCDF recipients to initiate child support collections against the absent parent. Additionally, this period was marked by CCDF funding retrenchment after a series of policy decisions: MDHS failed to meet the state CCDF matching requirement in 2003, it transferred a very small amount of TANF to CCDF in 2004, and it abruptly decreased TANF direct child care spending after eliminating a TANF direct funded child care program. Overall direct services spending was comparatively low in 2004.

State reported data indicate MDHS had recovered its pre-2004 level of service by 2006, reaching 40,000 or more children until an abrupt decline from 2012 to 2013. Between 2011-2012, several significant policy changes occurred.

The MDHS eliminated contracts with long-time Designated Agents (DAs) and structurally shifted administration and oversight of CCDF in Mississippi from nine regions to a centralized state office.

Also during this time, MDHS proposed biometric finger scanning of parents or caretakers as a required step to sign children in and out of centers. This proposal was widely criticized by providers and parents for several reasons, including the invasive, stigmatizing nature of “finger printing” and the significant cost taking critical CCDF funds away from direct services to working parents and their children.

The state also established 12-month eligibility periods during this time. While 12-month eligibility, now required as of the 2014 CCDBG Act, is a better policy for the stability of low-income working parents and their families, the trade-off may be serving less by virtue of fewer families rolling off of the program at 6-month intervals and, in theory, a more likely successful recertification with 12-month periods allowing more time for gathering required documents and making other necessary preparations.

The combined effect of these policy changes coincided with the largest year-to-year caseload reduction in Mississippi’s CCDF history.

In 2012, the state reported 45,390 children served. In 2013, after significant policy changes had taken full effect, the MDHS reported serving 29,386 children.<sup>xiv</sup>

While the state has not in recent years achieved services to children that match pre-2013 levels, the state-reported data started to show signs of recovery, serving more than 30,000 children in 2014-15. As of 2017, however, the number of children served has dropped to 24,187. This is the lowest state-reported number of children served in Mississippi based on data available in MDHS Annual Reports.

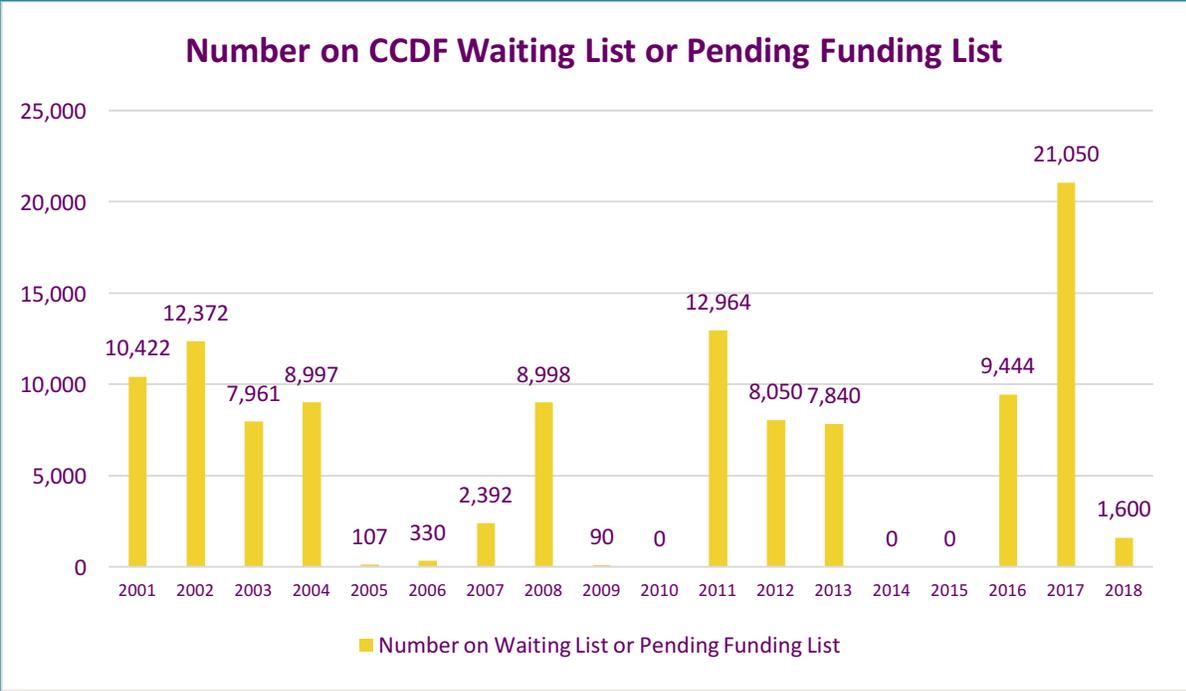
A declining number of children served from 2015 - 2017, as in previous years, likely coincided with several key policy changes and funding lapses. In 2016, the MDHS began a process of implementing new CCDF policies. The state implemented a new policy for parental eligibility determination and redetermination. These changes, such as a new proof of residency process that had a rigid documentation requirement (more on this later in the report), were documented as resulting in many parental terminations.<sup>xv</sup> Additionally, the MDHS was unable to meet the full matching

requirement for FFY 2016, meaning the state again forfeited available CCDF funds which may have started to effect its caseload during FFY 2017.<sup>xvi</sup>

Through the history of Mississippi’s CCDF program, major structural shifts in program administration, funding lapses and mass changes in parental eligibility procedures tend to be followed by a caseload reduction, as is evident by sharp caseload reductions from 2003-2005, from 2012-2013 and from 2015-2017.

# CCDF Waiting List; Pending Funding List

Mississippi has maintained a moment-in-time snapshot of the waiting list for CCDF services since 2001, and has reported data in MDHS annual reports most years.



*\*In the above graph, data is not available and was not reported in MDHS annual reports for 2014 and 2015. Note that in 2010, the state reported “0” children on the waiting list. Data for 2018 was as of August 18<sup>th</sup>, 2018, as reported by MDHS at the CCDF 2019-2021 State Plan Public Hearing. MDHS indicated that with increased federal funds the Pending Funding list should be fully served.*

The state maintains a list of children whose parent has indicated their need for child care as a work support by applying for CCDF services. Mississippi currently refers to

this list as the “Pending Funding” list. The state notes in current policy that families on the list are not deemed eligible until they are processed from that list based on the availability of funding and priority population. For years, the state referred to this list as the “waiting list” and for several years it was referred to as the “number of children remaining eligible.”

The “list” has ballooned and rapidly diminished several times. It serves as a good indicator of the demand for child care as a work support among Mississippi’s working parents, and particularly single African American mothers. It can also tell us when the state is increasing the reach of CCDF and when policy changes act as deterrents to parents signing up for services.

The number of children on Mississippi’s waiting list plummeted from 2004-05, following the state’s implementation of the child support requirement in CCDF, which had shown negative impacts on TANF and SNAP recipients already subject to the requirement. MLICCI learned from surveys and focus groups of child care providers at the time that many parents had removed themselves from the waiting list following the child support requirement.<sup>xvii</sup> According to state-reported data, there was not a subsequent uptick in the unduplicated number of children served in 2005 that could be correlated with more children served from the waiting list. However, the MDHS reported in its 2005 Annual Report the waiting list was reduced due to placing \$2 million of additional funds into vouchers by eliminating the payment of provider registration fees from CCDF vouchers, enforcing child support cooperation among CCDF recipients and by eliminating a dual system of tracking potentially eligible CCDF children. In 2006, the list remained low, but the state-estimated 3,000 provisional emergency Hurricane Katrina vouchers during this time may have influenced a lower number. The list was back up to nearly 9,000 by 2008.

The state again reported a near elimination of the CCDF waiting list in 2009-10, which coincided with the infusion of federal recovery dollars following the Great Recession. Unlike the abrupt elimination of the waiting list from 2004 - 2005, which did not result in a correlated uptick in children served, in this instance the abrupt elimination of the waiting list coincided with increased discretionary spending from ARRA funds and an increase in the state-reported unduplicated child caseload was noted for multiple years during which ARRA funds increased discretionary spending on direct services. Though, by 2011 the waiting list was back up to nearly 13,000 children.

By 2017, the Pending Funding list had reached its highest level, growing to more than 21,000 children. In 2018, due to the 2018 Congressional increase in CCDF discretionary funding over two fiscal years and significant policy changes regarding

parental redetermination, the state reported having reduced the Pending Funding list to 1,600 and indicated that the Pending Funding list would be fully served with additional federal funds for FYs 2018 and 2019.

Through Mississippi's CCDF history, the number of children on the waiting list has significantly fluctuated. Significant reductions in the list have followed changes in eligibility policy that didn't result in a corresponding increase in children served. Infusions of additional dollars and spending on direct services did result in a corresponding elimination of the waiting list, as is evident from 2010 and 2018 increases in federal CCDF funds. Recent increases of the Pending Funding list, particularly in 2017, followed periods of funding lapse and significant policy change. Consistently, however, Mississippi working parents have shown a demand for CCDF services that is greater than what can be met, underscoring the importance of child care to their economic security.

## **Providers**

Federal CCDF regulations require state lead agencies to establish regulations that uphold parental choice, or a parent's ability to use their CCDF voucher to purchase child care from the provider of their choosing, regardless of the type of provider. However, states can require providers, both regulated and unregulated, to comply with different rules or procedures to be eligible to serve children receiving a CCDF subsidy.

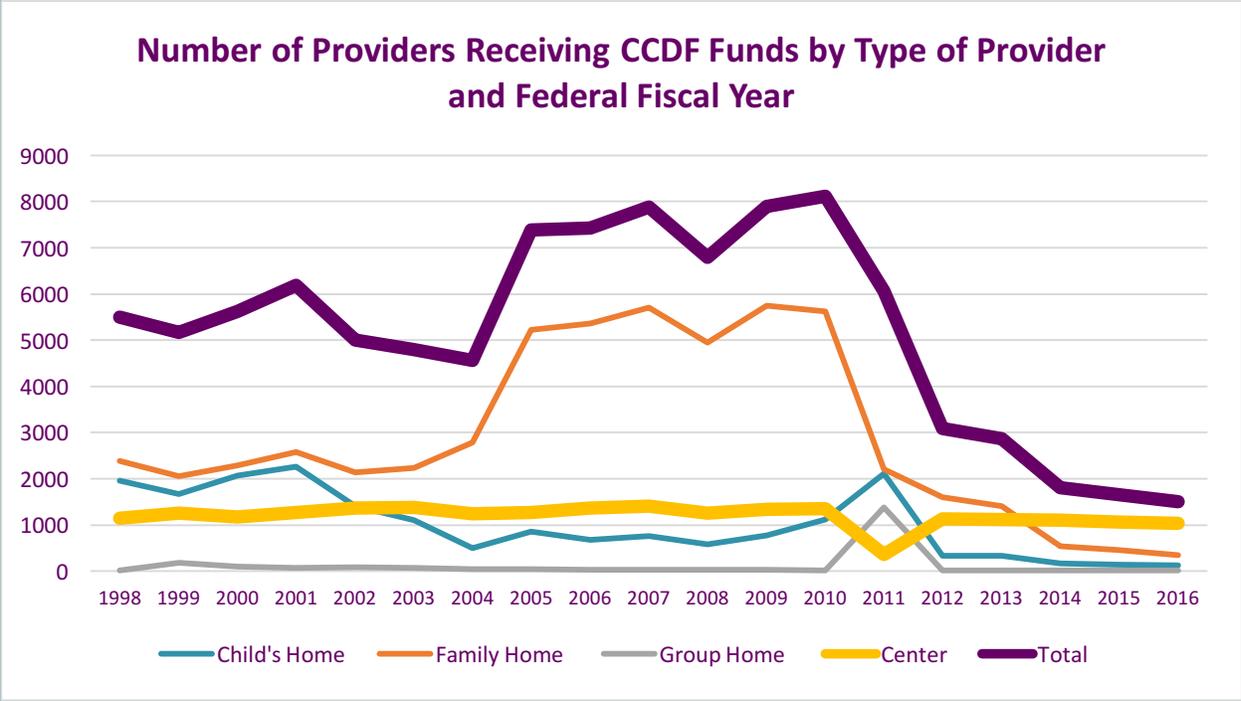
Currently, Mississippi distinguishes between licensed center-based care, which is highly regulated, and family care and in-home care. As of the proposed 2019-2021 CCDF State Plan, the MDHS has indicated that in-home care will no longer be supported by CCDF and that family care providers must register with the state department of health. This proposed change is likely related to the new federal requirement that states must inspect unlicensed centers receiving CCDF funds, which imposes a significant cost. Licensed center-based care providers are currently undergoing a new process for a quality designation referred to as "Standard". This new designation will generally be required for providers to participate in CCDF and providers must comply by October 2019 (roughly one year from publication of this report).

The total number of Mississippi providers receiving CCDF funds has significantly shrunk since 1998 when the total number was about 5,500. The total number in 2016 was 1,508.<sup>xviii</sup>

In past years, however, Mississippi’s CCDF delivery system has seen a range of providers serving eligible families.

Federal data for Mississippi provides the number and type of providers receiving CCDF funds. Family home providers represented the largest number of providers from 1998 to 2013. From 2004 to 2010, the number of family home providers receiving CCDF funds more than doubled reaching more than 5,600 providers in 2010, but then sharply declined to 2,200 in 2011 and to only 342 in 2016.

The number of center-based providers has remained very consistent over the life of Mississippi’s CCDF program. In 1998, 1,138 regulated center-based care providers received CCDF funds. In 2016, 1,030 regulated center-based care providers received CCDF funds.



## Payment Method

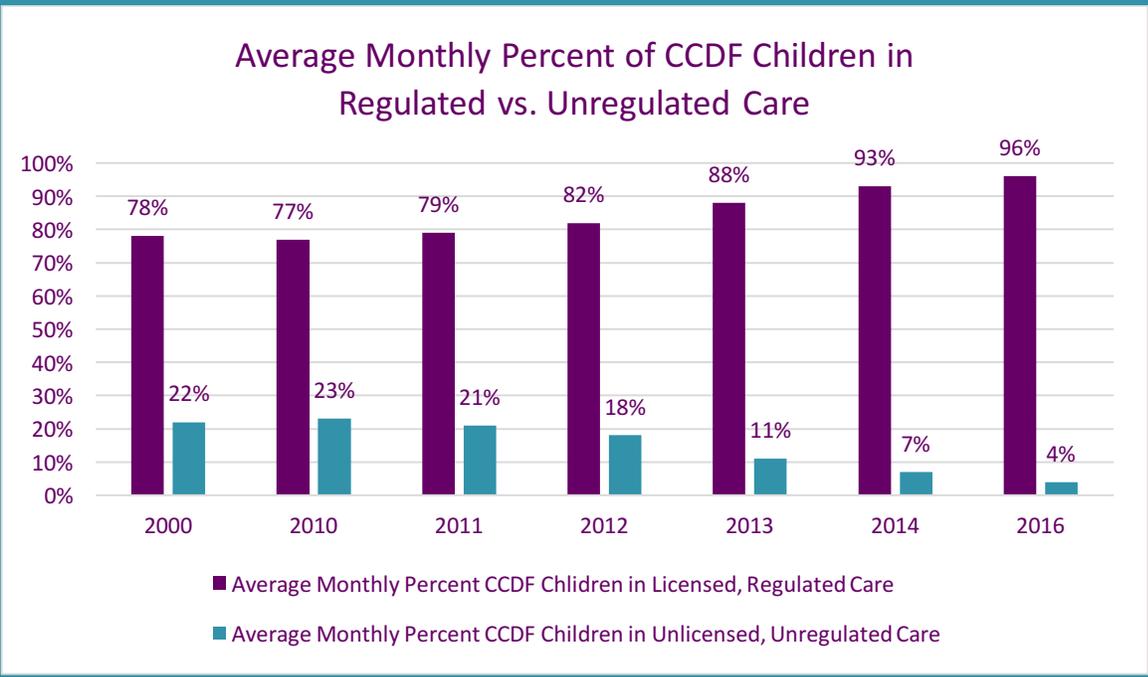
Since 2005, 95-100% of children served in Mississippi’s CCDF program have been served through certificates, or vouchers. From 1998-2004, the state served a higher proportion of children through grants/contracts. Mississippi has issued non-competitive slot-based contracts in which providers are funded for a certain number of slots. The contractor must determine eligibility of families using policies set by MDHS.<sup>xix</sup>

# Children by Type of Care

Throughout the life of Mississippi’s CCDF program, most children have been served through center-based care. In 2016, 92% of children served by CCDF attended center-based care.<sup>xx</sup>

Currently, a clear majority of parents using CCDF vouchers select licensed (or, regulated) care versus unlicensed (unregulated) care. Correlated with the drop in the number of family and in-home unregulated care providers following 2011, the percentage of children served by CCDF who are enrolled in regulated child care settings began significantly trending upward after 2011 and has continued that trajectory into 2016.

In Mississippi’s current setting, a clear majority of children served by CCDF are in center-based, licensed child care.



## The Funds

### Where Does Child Care Money Come from?

CCDF revenue comes to the state in three streams<sup>xxi</sup>:

1. Discretionary funds - these are funds that are authorized by the Child Care and Development Block Grant (CCDBG). These funds make up the majority of CCDF

revenue the state receives each federal fiscal year. The state typically puts discretionary funds toward direct services and other expenses related to quality, administration, and other program expenses.

2. Mandatory funds - or, the "Child Care Entitlement to States (CCES)", are authorized by Section 418 of the Social Security Act. The state typically puts these funds in direct services.

3. Matching funds and Maintenance of Effort (MOE) Funds - these funds are promulgated under the "Child Care Entitlement to States" mandatory fund rules and require a state match. Mississippi generally receives the nation's highest Federal Matching Assistance Percentage (FMAP) rate for its CCDF matching requirement, based on its Medicaid matching percentage. Generally, Mississippi's FMAP is between 75%-77%. If the state does not meet the full match, however, it forfeits the funding. The state generally puts these funds toward direct services. The state also has an MOE and it can count a portion of TANF direct child care expenditures toward the CCDF MOE.

Together, these funding streams make up CCDF. Rules governing the CCDBG Act generally apply to each of the funding streams. This gives the state-designated Lead Agency wide policy-making discretion. In Mississippi, the Mississippi Department of Human Services is the Lead Agency and the executive director of MDHS is appointed by the governor.

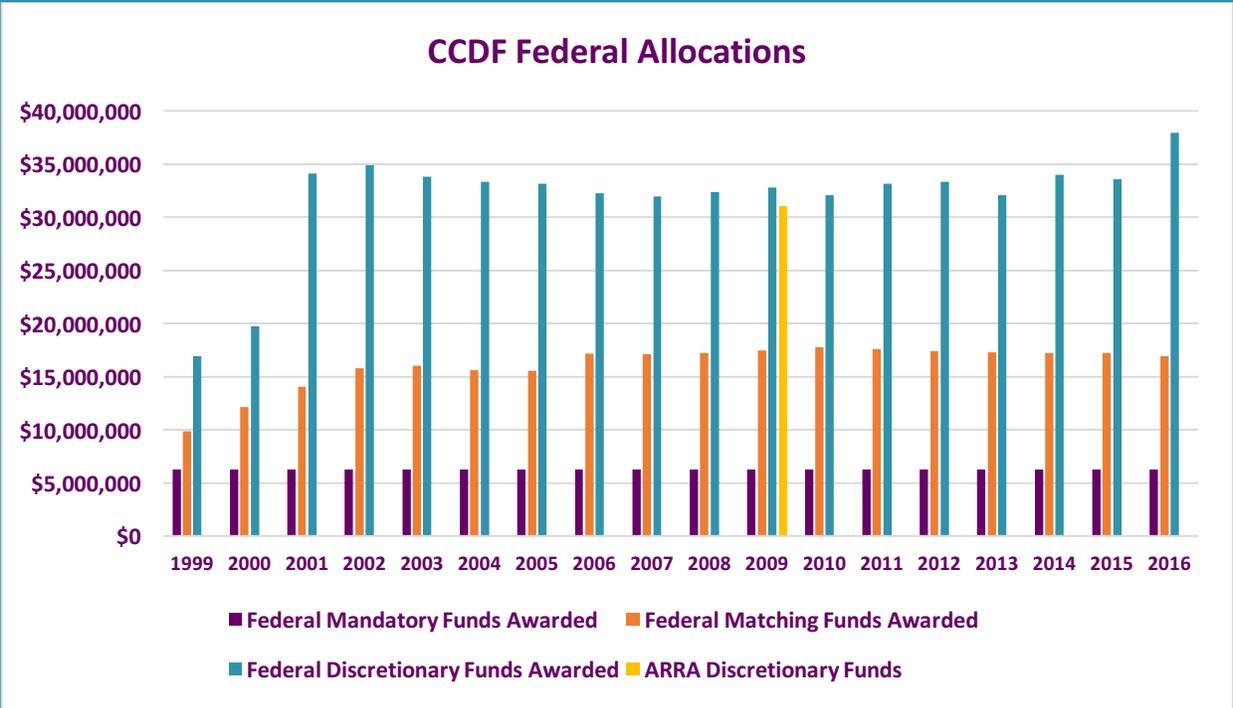
One additional CCDF funding stream is the federal Temporary Assistance for Needy Families (TANF) federal fund transfer -- Up to 30% of the state's TANF block grant amount (or about \$27 million) can allowably be transferred to CCDF. The state has regularly transferred 20% of TANF federal funds to CCDF. When TANF funds are transferred to CCDF, they are considered CCDF discretionary funds.

TANF funds can also be spent directly on child care. When TANF funds are spent directly on child care, funds are not subject to CCDBG Act rules.

Together, Mississippi's total child care spending is the sum of its total CCDF expenditure (including funds transferred from TANF) and its TANF-direct child care spending.

On average, Mississippi has been allocated \$6.3 million in Mandatory funds, \$16 million in federal matching funds, \$31.7 million in Discretionary funds and \$18 million transferred from TANF each FFY. Aside from the first two years of CCDF implementation in Mississippi, its CCDF federal allocations have remained relatively

consistent. In 2009, the state received an infusion of \$31 million in American Recovery and Reinvestment Act (ARRA) funds as additional discretionary funds in CCDF. In 2018, Congress passed a budget that doubles Mississippi’s discretionary allocation for at least two federal fiscal years. This federal funding increase is comparable to the opportunity Mississippi had in 2010 with the temporary infusion of ARRA funding that resulted in the highest number of children served in Mississippi’s CCDF history and highest single-year expenditure on direct services.<sup>xxii</sup>

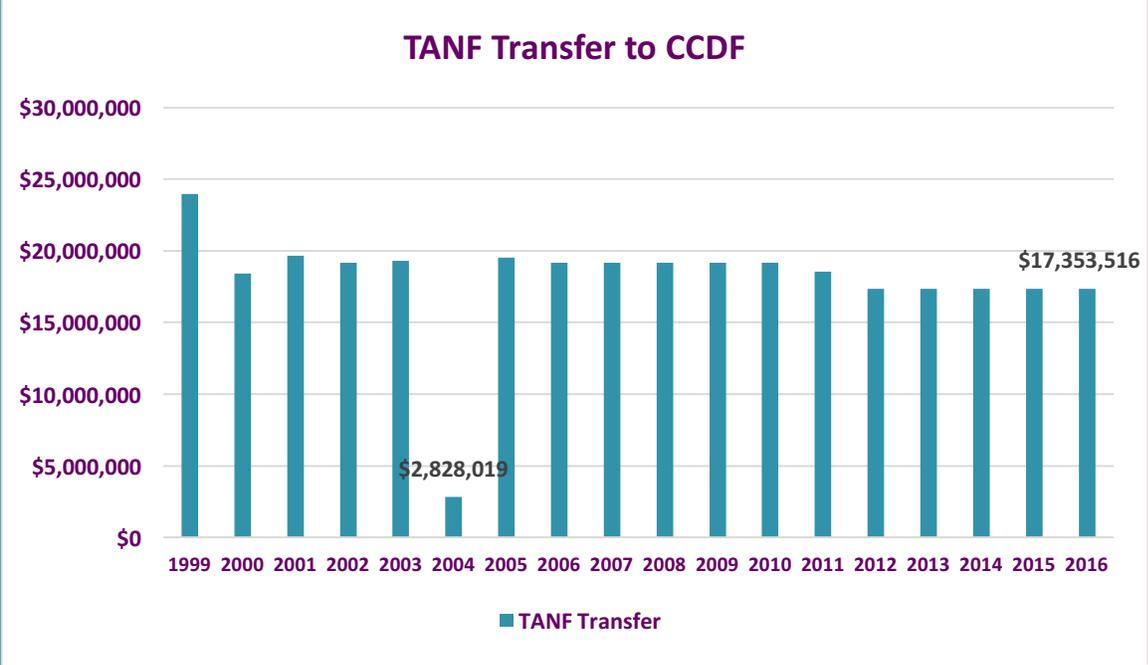


Mississippi has consistently transferred 20% of its federal TANF funds to CCDF. In 2004, however, the state only transferred \$2.8 million, or approximately 3% of the state’s federal TANF funds. The timing of this anomalously low TANF transfer to CCDF coincided with a period when state CCDF funds had suffered a significant reduction following the state’s inability to meet matching requirements in 2003. It also coincided with the elimination of the TANF direct funded child care certificate program.

While federal data is not yet available, the MDHS reported in January 2017 that it committed the maximum TANF transfer to CCDF for the first time, which will amount to roughly \$27 million.

In the early 2000s and up to 2003, Mississippi provided TANF recipients with child care certificates through a separate program and funded these certificates with TANF funds.<sup>xxiii</sup> While still maintaining a separate program for TANF recipient child care in

2004, the state no longer reported funding the program with TANF funds in 2005. By 2005, TANF and CCDF were linked and TANF recipients became a priority population for CCDF.



## How has Mississippi spent child care funds?

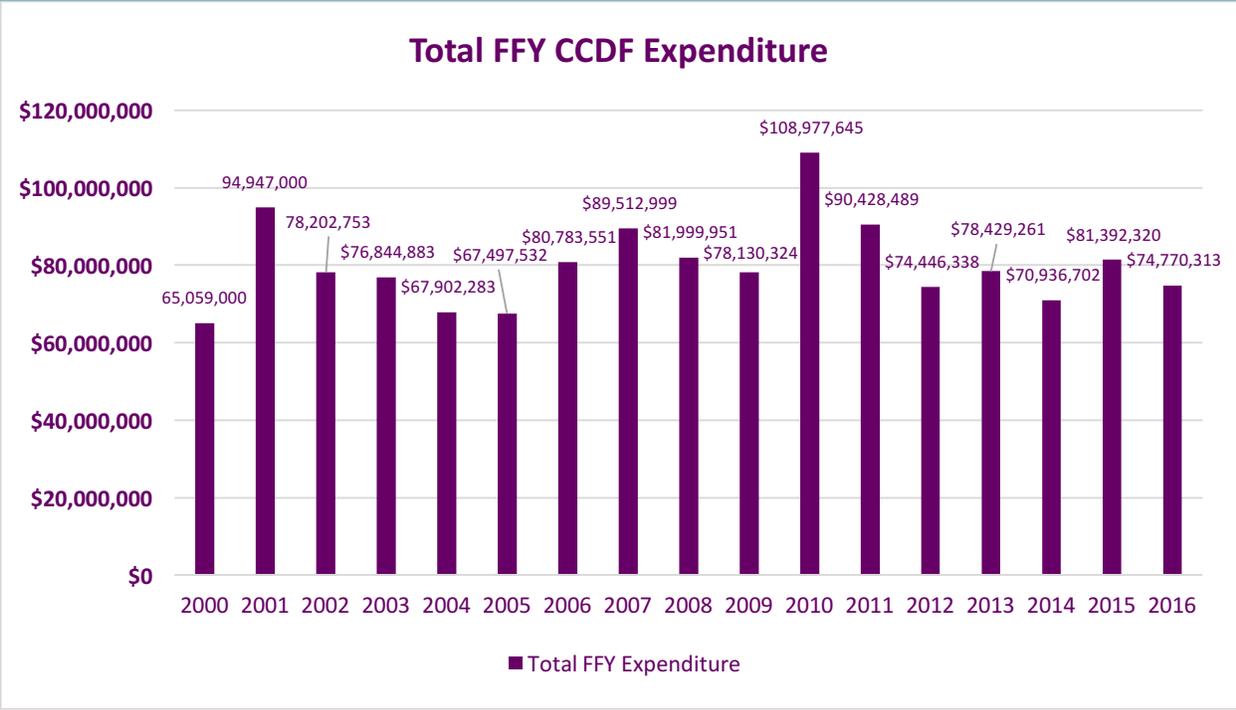
Mississippi’s total CCDF expenditure in any given year reflects spending of the current year’s grant, in addition to previous fiscal years’ grants.

States have obligation and liquidation requirements, based on federal law. When a state obligates funds, it means funds are committed for a specific expenditure, including a voucher for a family or a slot-based contract or sub-grant with another entity. Liquidation occurs when payment is made to an independent child care provider or sub-grantee as a result of the obligation. States have different deadlines for the different CCDF revenue streams.

For CCDF Discretionary funds, states have until the end of the second fiscal year following the award to obligate funds, and the end of the third fiscal year to liquidate funds. For CCDF Mandatory funds, states that are requesting CCDF Matching funds

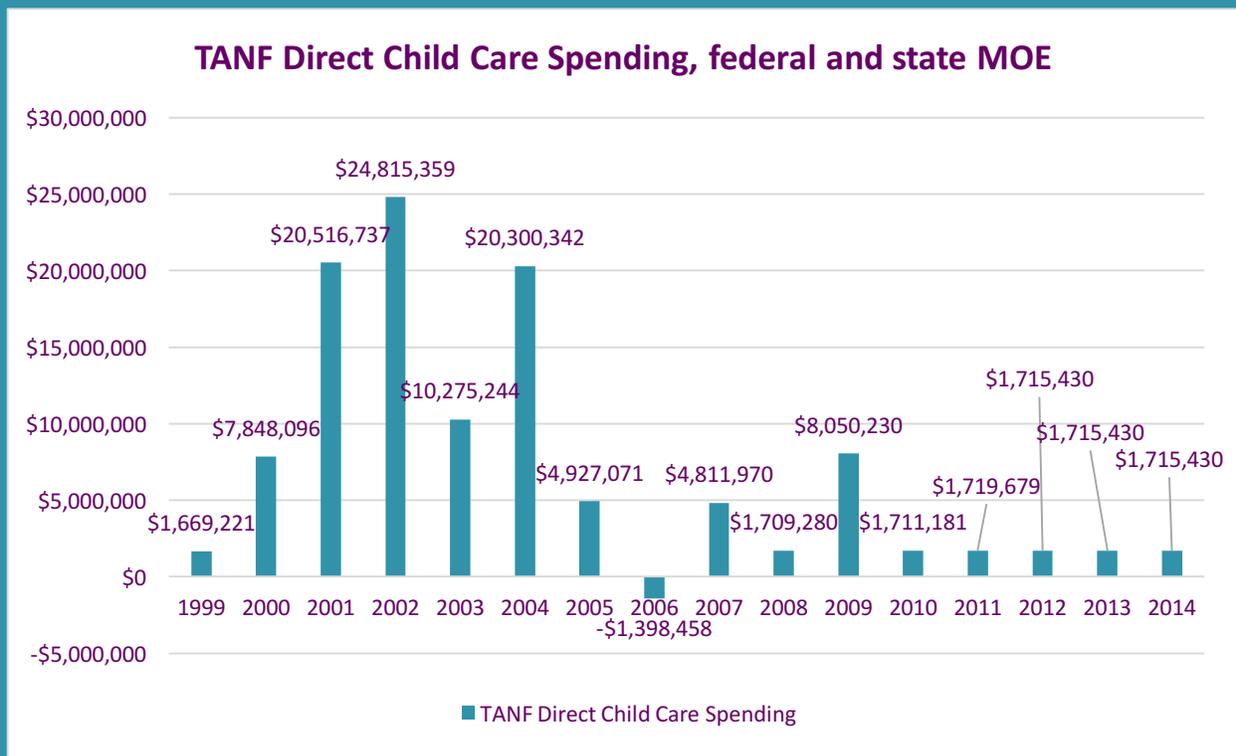
must obligate Mandatory funds by the end of the first fiscal year, but there is no specific date by which states must liquidate Mandatory funds. For CCDF Matching funds, states must obligate the funds by the end of the first fiscal year and liquidate by the end of the second fiscal year. CCDF MOE funds must be obligated and liquidated by the end of the first fiscal year. These varying obligation and liquidation deadlines for CCDF funds give states multiple years to expend one fiscal year’s allocation.<sup>xxiv</sup>

We have provided data that shows how much the state spent in CCDF funds during the federal fiscal year, which includes revenue from all appropriation years. Data reflecting total expenditures from revenues from “all appropriation years” provides a total amount of spending for the fiscal year, regardless if the funds spent were awarded that fiscal year or in previous years. While we have provided an overall CCDF expenditure from 2000-2016, more specific expenditure category data is only available for years 2003-2016.<sup>xxv</sup>



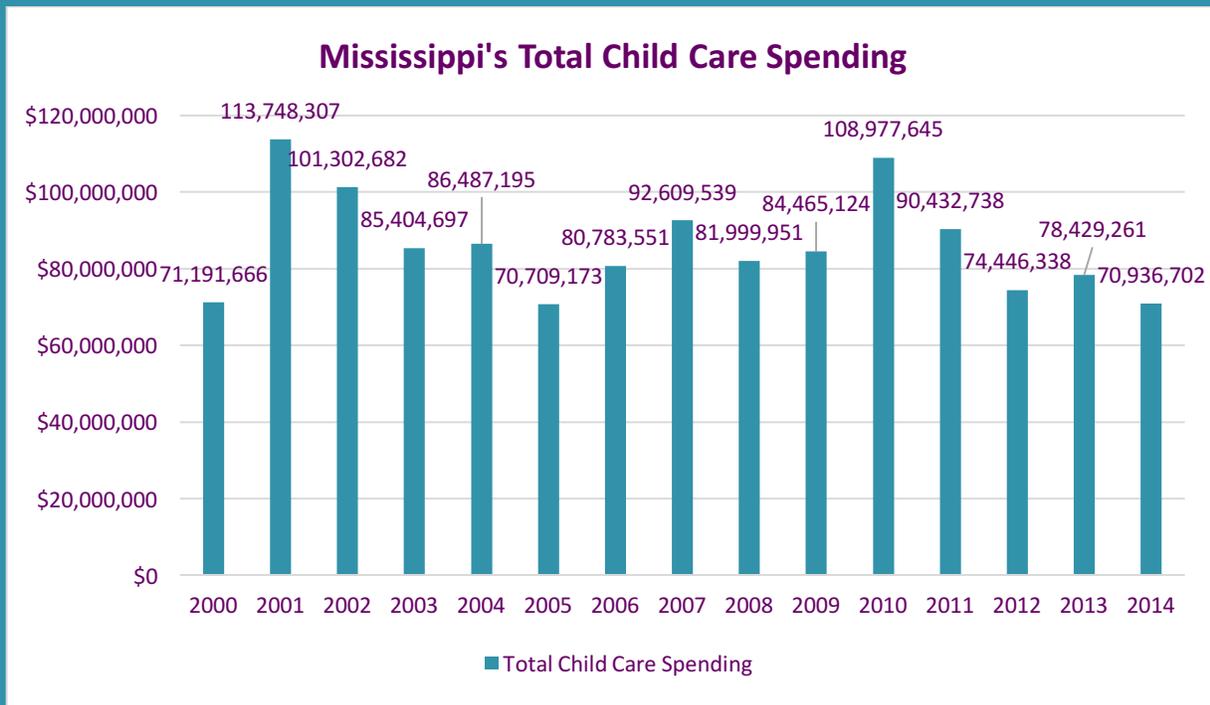
TANF direct child care expenditures significantly diminished after 2004. In the early 2000s, the state established the TANF Child Care Certificate Program. This program served TANF recipients and funded services directly with TANF dollars. At the time, the state reported this policy freed up CCDF dollars to serve more non-TANF working parents earning at or below 85% of State Median Income (SMI). In addition to funding a TANF-specific child care certificate program using TANF direct

spending, the state transferred 20% of its TANF block grant to CCDF during this time, with exception of 2004.<sup>xxvi</sup>



The abrupt reduction in TANF direct spending on child care was followed by a deep retrenchment of total state child care spending, which is the sum of total CCDF expenditures (including the TANF transfer to CCDF) and TANF direct child care spending (including TANF federal and MOE direct child care expenditures in excess of the amount that can be counted toward the CCDF MOE).<sup>xxvii</sup>

Between 2001 - 2005, Mississippi's total child care spending declined by \$43 million. During this period, Mississippi's caseload reduced. In 2004-05, the state spent fewer dollars on direct services than any other year in Mississippi's CCDF program history.



In addition to CCDF expenditures, the above chart includes TANF spending directly on child care only in excess of the amount that can be “double-counted” toward the CCDF MOE. This method is consistent with the Mississippi Office of State Auditor’s 2007 “A Review of the Child Care and Development Fund (CCDF) Program in Mississippi.”<sup>xxviii</sup>

Mississippi has been required by federal law to spend at minimum 4% of funding awarded in a fiscal year on quality activities. The reauthorized CCDBG Act of 2014 will require states to spend 9% of funds awarded in a given year on quality activities by FY 2020 and by FY 2017, states were required to spend an additional 3% annually on quality activities targeted to infants and toddlers.<sup>xxix</sup>

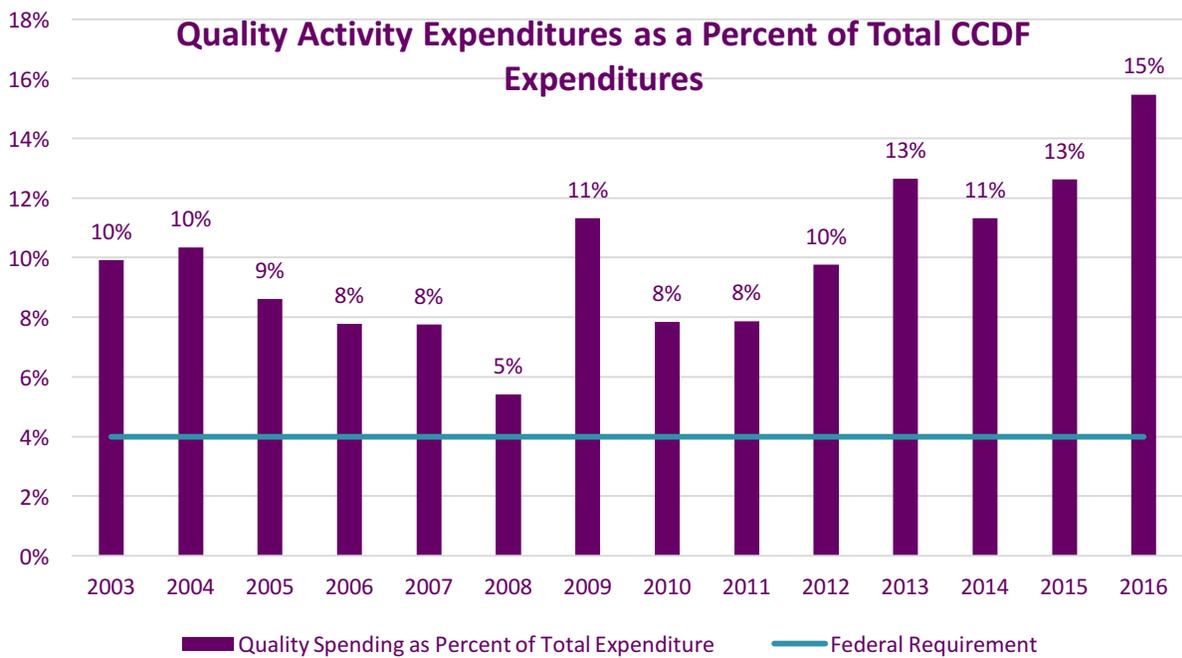
Since 2008, Mississippi’s spending on quality activities has trended upward, from \$4.4 million in 2008 to more than \$11 million in 2016.

### Mississippi CCDF Quality Activity Expenditures

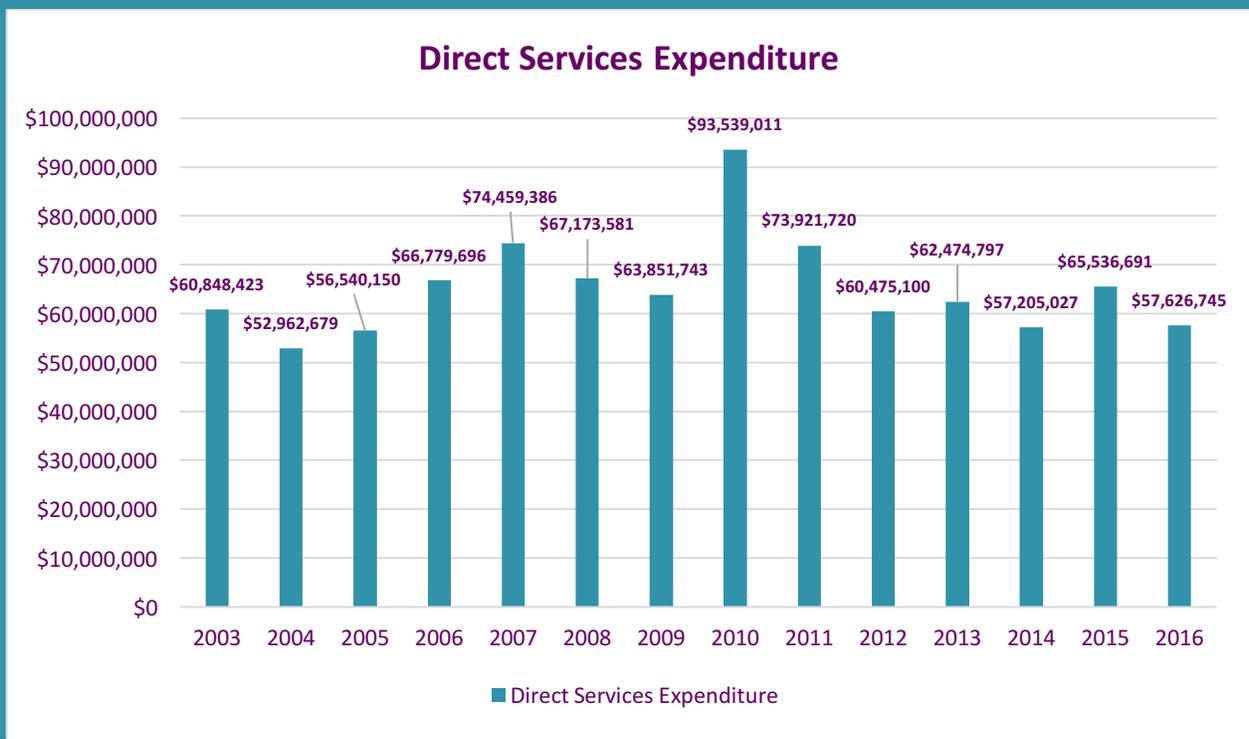


Since 2008, Mississippi’s expenditure on quality activities as a share of total expenditure has increased from 5% to 15% as of the most recent federal data. In most federal fiscal years, Mississippi’s spending on quality activities surpasses what federal law requires as a minimum quality spending level.<sup>xxx</sup>

### Quality Activity Expenditures as a Percent of Total CCDF Expenditures

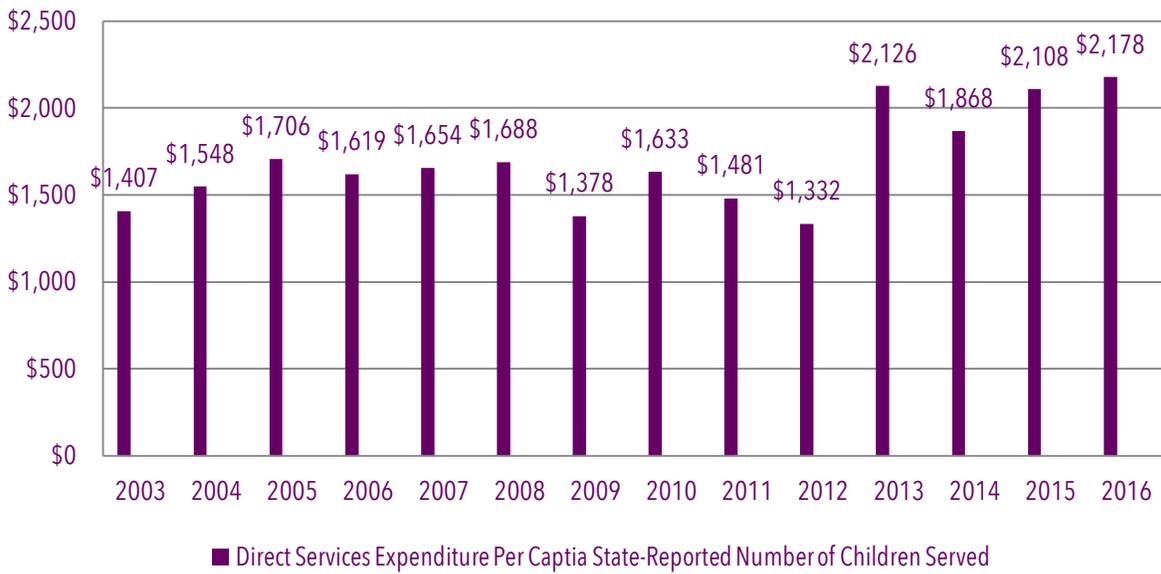


Mississippi's expenditures on direct services were their lowest in 2004, the same year the state reported an anomalously low TANF transfer to CCDF. This was also the year that preceded the sharp decline in TANF direct spending on child care, as noted earlier. Direct services expenditures peaked in 2010 with additional ARRA discretionary funds. From FFYs 2009 - 2011, the state spent \$30 million in ARRA, and \$25 million additional dollars in 2010 alone. Peak direct services spending years were 2007 and 2010-11, the latter due to the infusion of ARRA funds. Spending on direct services tends to fluctuate by millions each federal fiscal year, with a recent drop from FFY 2015 to 2016.



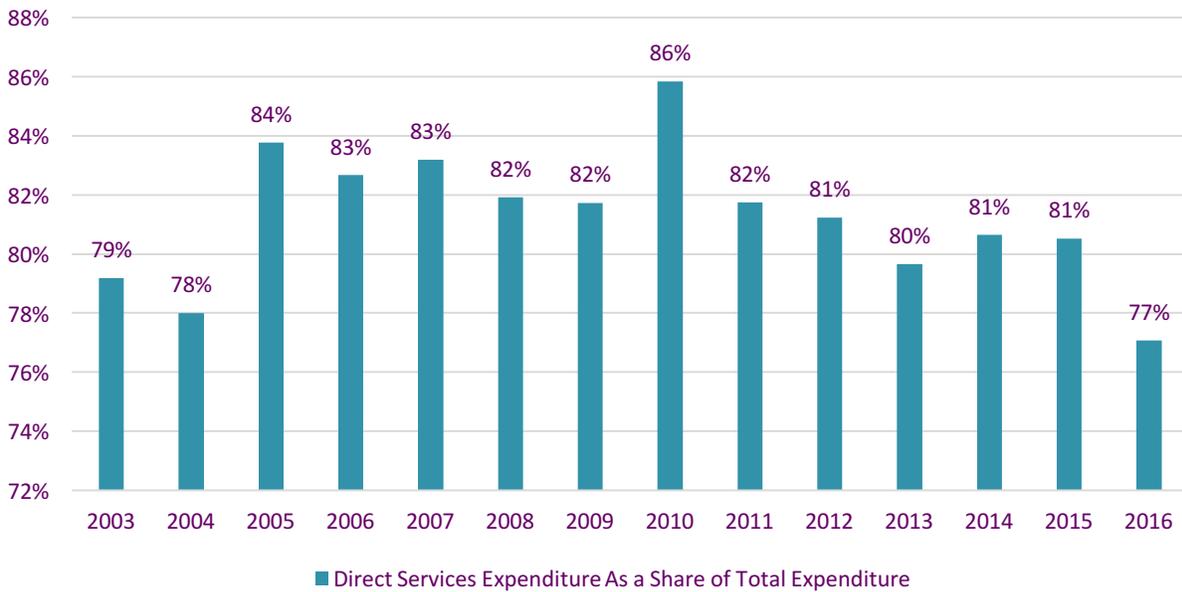
Direct services expenditures per capita, based on the state-reported non-duplicated number of children served in the federal fiscal year, started to trend upward in 2012.

### Direct Services Expenditure Per Child Served



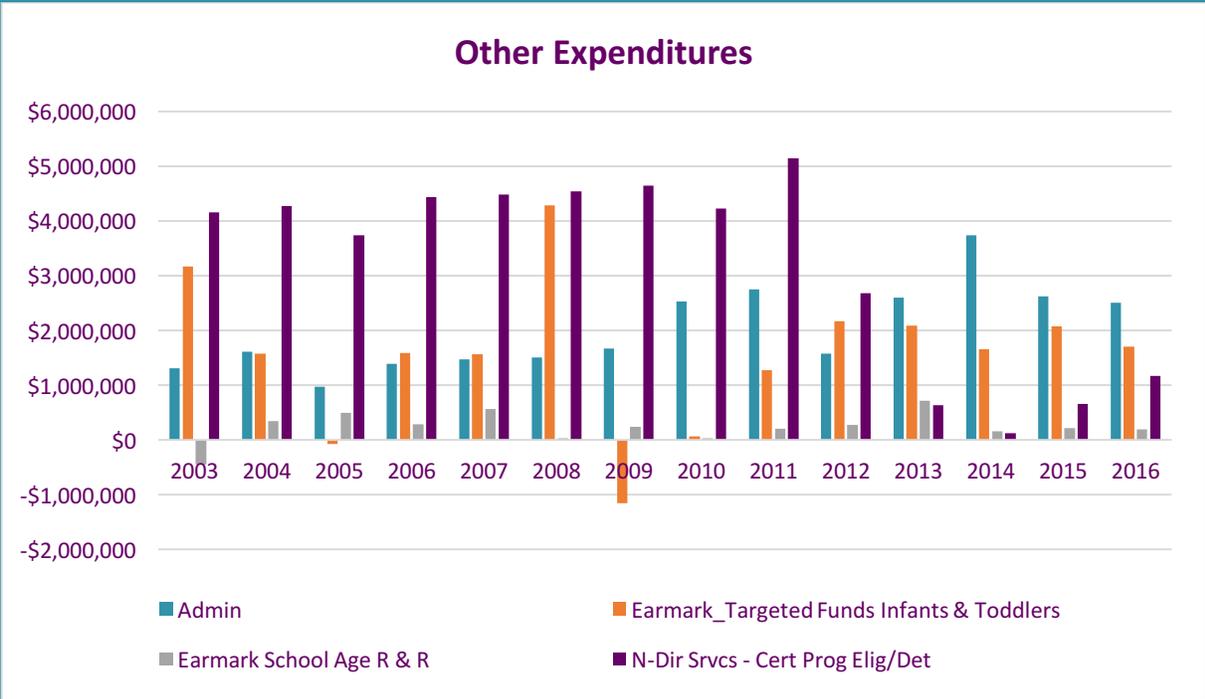
Mississippi’s direct services spending as a share of its total FFY CCDF expenditure has remained relatively consistent over the years. Direct services as a share of the state’s CCDF expenditure peaked in 2010, consistent with the increased ARRA funding. More recently in 2015 and 2016, direct services as a share of the state’s total CCDF expenditures has trended downward, while spending on quality activities has trended upward, along with the direct services expenditure per child served.

### Direct Services Expenditure As a Share of Total Expenditure

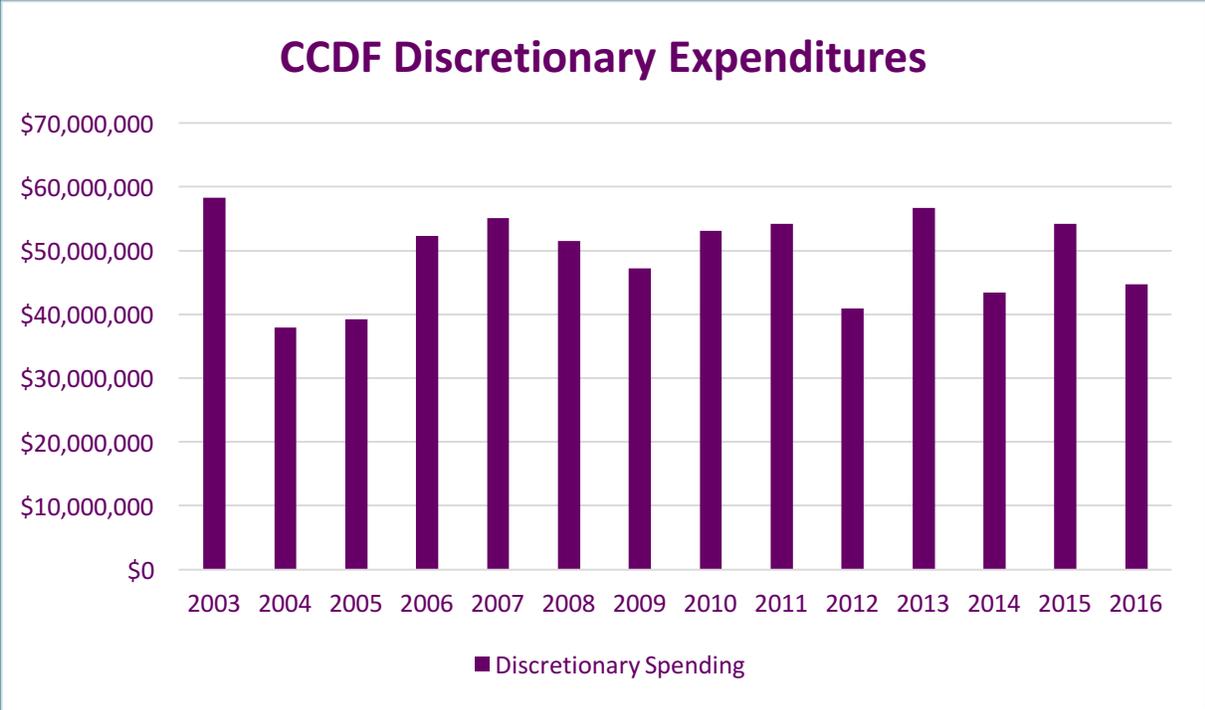


The state spent between \$3 - \$5 million on activities to certify recipient and provider program eligibility determination between 2003 - 2012.

State spending of CCDF funds on administration has gradually trended upwards over CCDF's history in Mississippi.

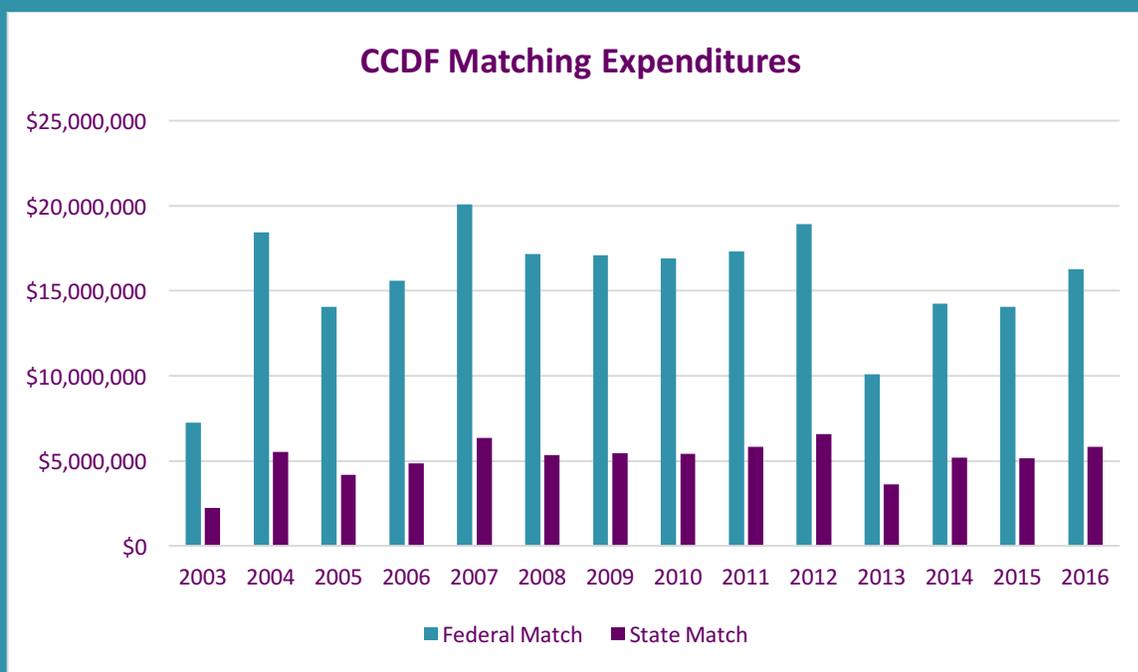


Expenditures from CCDF discretionary funds in Mississippi fell below \$40 million only two fiscal years, in 2004 and 2005, coinciding with a minimal TANF transfer to CCDF in 2004 and the loss of matching funds in the early 2000s. These funding trends coincided with the elimination of the TANF direct funded child care certificate program in 2004 and the inclusion of TANF recipients as a CCDF Priority Population.



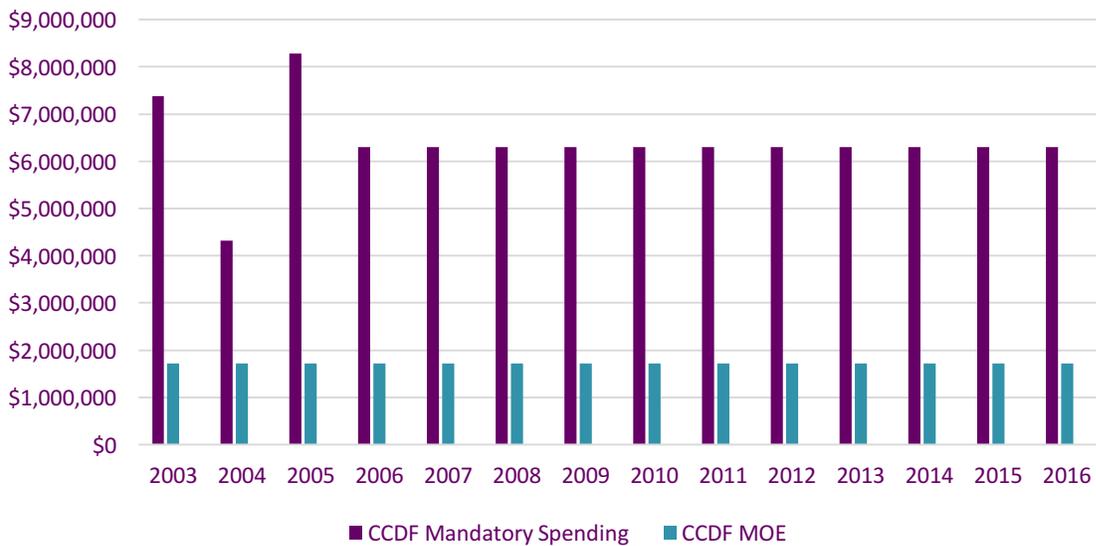
As noted earlier, the expenditure data in this report reflect “all appropriation years”, meaning that expenditures reflect current and previous year’s awards. States have multiple fiscal years to spend allocated matching dollars. This means if a state does not spend the required amount of matching funds to draw down the full federal allocation, then its available funds to expend could be reduced over a two fiscal year period.

When the state is unable to commit funds to its matching requirement, it forfeits critical federal dollars. This was especially clear in 2003. The state’s matching expenditures in 2013 were also reported at lower levels compared to most years. Based on reports from the state, it will also not be able to draw down the full amount of federal funds made available in FY 2016 thus matching expenditures may again reduce moving beyond FY 2016.



The state’s mandatory and MOE expenditures have remained relatively consistent over the years. The state consistently reports that 100% of mandatory expenditures go to CCDF direct services. The CCDF MOE is “double-counted”. TANF MOE direct child care spending is counted toward the CCDF MOE.

### CCDF Mandatory and MOE Expenditures



Expenditure decisions greatly influence caseload trends. When Mississippi spent the ARRA discretionary infusion quickly and primarily on direct services in 2010, it achieved the highest reported number of children served. A 2010 survey MLICCI conducted of child care providers found that 63% of surveyed child care center directors experienced increases in the number of children receiving certificates, resulting in 7 additional children served per center among the respondent group. When the state failed to transfer adequate TANF funds to CCDF in 2004, direct services spending was its lowest and the caseload reduced.

When the state spends the most on direct services, the caseload grows. When the state increases spending on non-direct services, the caseload tends to reduce. When the state spends more on TANF direct child care, more working parents are served and more is spent on child care overall. While federal allocations tend to be consistent year-to-year, CCDF expenditures and state dollars committed to CCDF vary.

# CCDF Policies

## **Administration and Eligibility Procedures**

Our country has never been able to achieve consensus support for child care assistance programs. Congressional debates over major federal child care legislation through the years, including the Act for Better Child Care (ABC) and the Child Care and Development Fund (CCDF), acknowledged the need for more funding for child care assistance as the PRWORA imposed work requirements on single poor mothers. As major federal changes to child care assistance were debated during the passage of PRWORA in 1996, bipartisan speeches on the child care funding elements that would eventually form CCDF pointed to the serious inadequacy of proposed federal funding levels relative to the need among low-income working parents at that time.<sup>xxx</sup>

A conflicted national attitude about the importance of affordable child care for low-income working parents has contributed to the failure of the issue to be crystallized among state policymakers, state political leadership and the state's general public. This unfortunate omission of the public conscientious plays out most tragically in states like Mississippi, where a high prevalence of low-wage work and stagnant wage growth creates a pronounced unmet need for affordable child care, as noted earlier in the report.

State CCDF policy and administration is critically important for low-income working parents. The following offers analysis and reflections of what such policymaking has looked like in Mississippi since CCDF went into effect.

CCDF policies are generally described in the state's CCDF State Plan, which is now required every three years and is typically followed by the more specific child care policy manual, or currently the Child Care Payment Program Policy Manual. It is generally in the state's policy manual where the details of procedures and penalties are described.

Given that CCDF is governed by CCDBG Act rules, states are given wide discretion in CCDF policymaking as they are under other block grant structures. Mississippi has designated the MDHS as the Lead Agency to administer CCDF and the executive director of that agency is appointed by the governor. CCDF policymaking in Mississippi has largely taken place at the agency-level and the state legislature, while

proposing numerous bills related to CCDF, has remained largely disengaged from CCDF policymaking.

The creation of State Early Childhood Advisory Councils (SECACs) introduced an additional policy advisory entity with direct influence over CCDF in Mississippi. States were directed to establish SECACs under the 2007 federal Head Start reauthorization, the *Improving Head Start for School Readiness Act of 2007*. SECACs were tasked with bringing early learning stakeholders together to address a full range of policy issues. Mississippi's SECAC membership includes representatives of different state agencies, early childhood stakeholders and other members appointed by the Governor.

For many years, Mississippi's CCDF delivery system was decentralized, as mentioned earlier, and administered through nine designated agents.

A 2005 report on the utilization and outcomes of both parents and providers using CCDF under the Designated Agents (DAs) found that while CCDF was viewed positively by parents and providers, limited funding left too many unable to retain services and those who did retain services reported problems with service delivery and implementation of procedural requirements to retain CCDF assistance.<sup>xxxii</sup> The John C. Stennis Institute of Government report applied "Backward Mapping" against an Urban Institute model for best practices in CCDF administration to develop these findings. They also conducted focus groups and surveys. Problems cited by parents and providers surveyed at the time reflected lacking communication from DAs to recipients and a lack of inclusion of the experience and knowledge of the end-users of CCDF in the state's CCDF policymaking. Parents reported an inability to obtain needed information, most often resulting in their termination from CCDF for failing to comply with procedural steps that were unclear to parents and providers, even when parents remained eligible for CCDF.

As a result of growing attention on the state's CCDF program and a number of issues including funding shortfalls in the early 2000s, what began as a CCDF reform bill in the Mississippi legislature in 2005 ended up being a requirement that the state auditor conduct an audit of CCDF. House Bill 813 was passed during the 2005 Regular Session. It originally included measures that would require state "first in/first out" TANF/CCDF grant management practices to avoid future state matching issues.<sup>xxxiii</sup> Multiple reform measures were struck from the original version and the audit bill was passed.<sup>xxxiv</sup>

In March 2007, the Mississippi Office of the State Auditor, at the time headed by State Auditor Phil Bryant, published "A Review of the Child Care and Development Fund (CCDF) Program in Mississippi". In it, the OSA took a position that affordable child care for low-income working parents is a "critical element" in their ability to retain employment. While the OSA found the state's CCDF program to be in compliance with state and federal law, and while it found the state had generally implemented internal fiscal measures to avoid any other losses of funds, it found "...weaknesses in contractual and policy areas that lead to a loss of effectiveness and inconsistent application of policies, rules and regulations statewide," and that such "...inconsistencies lead to barriers in the certificate program for parents."<sup>xxxv</sup>

Under Designated Agents, parents and providers dealt with a maze of policies and procedural steps.

In 2007, MLICCI surveyed a little more than 500 child care centers participating in CCDF.

Nearly 6 in 10 (58%) reported having children on the CCDF waiting list often resulting in providers arranging a payment plan, making it harder to finance their center.

The OSA noted the agency's creation of a uniform child care policy manual as a policy change that achieved more consistency in what had been a divided system.

But the OSA also noted policy changes that were creating real barriers to access. The OSA noted the controversy surrounding the Child Support Enforcement requirement implemented in 2004, finding that the "...initial result of this new rule was parents being required to go to multiple locations to qualify their children," and that this new "...application process could be extremely difficult for parents with little or no transportation, or time off, especially if there were a problem with paperwork or documents that might require a return trip."<sup>xxxvi</sup>

Given that cooperation with child support enforcement required an additional application process, the OSA audit characterized the requirement as creating a "dual-application" process that imposed additional procedural burdens.

Under the DAs, Mississippi fractured its CCDF program into nine independently functioning entities. While the OSA noted that the state agency had significantly fewer staff in 2007 handling a much larger caseload compared to a 1993 state audit

of the state child care program, sub-contracting CCDF administration resulted in many documented inconsistencies in policies and service delivery. In 2007, the state's audit of CCDF observed that, "With numerous sub-grantees (slot programs), and nine DAs, consistent application of policy, regulation, contracts, etc., is critical."<sup>xxxvii</sup>

In 2007, MLICCI surveyed a little more than 500 child care centers participating in CCDF.<sup>xxxviii</sup> Nearly 6 in 10 (58%) reported having children on the CCDF waiting list, often resulting in providers accepting a lower fee or arranging a payment plan, making it harder to finance their center. Issues reported by providers in 2007 included:

- Paperwork gets lost and parents get put on waiting list
- The waiting list is too long. When a spot comes open, parents have moved or dropped out of daycare
- Parents are continually told there are no funds available
- DAs don't communicate with parents on the waiting list
- Some parents think the system is trying to get rid of them
- People on the waiting list lose their jobs because they don't have needed assistance for child care

Sixty percent of centers surveyed in 2007 reported serving parents who had been denied CCDF assistance, accounting for more than 2,400 parents in the centers surveyed. Reasons reported for denial in 2007 include:

- Not enough funds available
- Full-time students have to work 25 hours to have high enough priority for certificates, and they can't handle workload as well as a job and a baby
- Difficult to schedule 25 hours of work
- Income slightly over limit
- Applications lost
- Child support application not submitted

Perhaps one of the most salient findings from MLICCI's 2007 survey of child care providers was related to the child support requirement implemented in 2004. Seventy percent of child care providers reported that mothers they serve have declined to apply for CCDF because they do not want to initiate child support actions against the father. This amounted to 1,509 potentially CCDF-eligible mothers who had declined to apply for child care due to the child support requirement in the centers surveyed. Mothers reported having informal arrangements with fathers,

having fathers residing in the home and wanting to avoid conflict, not knowing where fathers currently reside and not wanting to provide an entryway into fathers being involved in their lives.

As noted earlier, the implementation of Child Support Enforcement in CCDF coincided with a sharp decline in the state's CCDF waiting list, which was not followed by a significant uptick in state-reported CCDF caseload data. Forty-four percent of providers surveyed reported that mothers of children in their center dropped out of the program when the child support requirement went into effect in 2004, totaling 1,310 mothers in the centers surveyed.

In 2010, MLICCI conducted another series of child care provider surveys, finding 74% of provider respondents reported that child support was a deterrent for parents applying for certificates and on average 6 mothers in their centers have declined to apply for certificates due to child support enforcement requirements.<sup>xxxix</sup>

A common sentiment expressed by providers in MLICCI's 2010 survey was captured by one provider: "Cut a lot of the red tape that cause parents not to be able to receive certificates." When asked why children were losing certificates in 2010 (even though, as was noted earlier, a significant number of centers reported increases in CCDF children due to the temporary ARRA infusion), many of the answers were similar to those gathered in 2007:

- Child support requirement
- Working 24 hours instead of 25
- Full-time students also required to work and students are dropped in May
- Parents don't submit paperwork on time
- Parents lose jobs

Mississippi eliminated contracts with its Designated Agents administering CCDF between 2011-2012. Based on a number of accounts from MDHS staff at various public meetings MLICCI conducted in 2017, the transition from CCDF administration by DAs to centralized administration of CCDF at the state level resulted in administrative error regarding information and data on participants and other program components. In effect, after the state eliminated contracts and centralized CCDF administration, it also had to rebuild its CCDF program with limited information. This significant administrative burden was followed by the largest year-to-year decline in the state-reported number of children served between 2012 - 2013, when the state-reported caseload declined from 45,000 in 2012 to 29,000 in 2013.

MLICCI commissioned the National Equity Project to conduct a series of listening sessions with key stakeholders in November 2012.<sup>xl</sup> Insights offered by session participants focused on the omnipresent lack of resources, the lack of good policy change, the fragmentation of both the child care system itself and within the community pushing for change in child care, and the reality that perceptions of race and gender affect how policy is created and applied. One participant observed that a "...lack of money continues to mean we are 'piecemealing' a system together." Another observed that "...we need less fragmentation and more communication among all the players."<sup>xli</sup>

In 2012, as the state's CCDF program was undergoing a major administrative shift moving away from the Designated Agent system that a Stennis Institute study described as "...costly, inefficient, and archaic," a new proposal emerged that would require centers and parents and other household designees participating in CCDF to use biometric finger print imaging when signing their child in and out of their child

### Finger scanning requirement

The project carried an estimated lifecycle cost of \$31.5 million and its stated intent was to reduce improper payments and intentional fraud. Parents and providers expressed deep concern over privacy issues, the invasive nature of such a system and the stigma that comes with having to provide a finger print to pick up a child from a center.

care center. The project carried an estimated lifecycle cost of \$31.5 million and its stated intent was to reduce improper payments and intentional fraud. Parents and providers expressed deep concern over privacy issues, the invasive nature of such a system and the stigma that comes with having to provide a fingerprint to pick up a child from a center.<sup>xlii</sup>

A study of the state's biometric finger scanning proposal noted that the state's recent decision to centralize child care and eliminate contracts with its designated agents was generally viewed positively by those CCDF impacted and that its decision to impose finger printing of parents risked undermining any recent trust that had been built with the end-users of CCDF. The study

analyzed the cost-benefit of the state's decision to imposed finger scanning.<sup>xliii</sup> A survey MLICCI conducted was referenced in the study and found that 68% of providers did not support the finger printing proposal and nearly 70% thought the

requirement would deter eligible parents from applying for CCDF. The John C. Stennis Institute for Government study found that Mississippi did not calculate the rate of improper payments in its response to an HHS survey of state agencies, and thusly the report could not produce any data or evidence to quantify or prove any amount of fraud in the CCDF program. Such data and evidence would be needed as inputs in any cost-benefit assessment. It also found that only one state—Louisiana—had fully implemented a finger printing system for CCDF participants, while nearly all other states that had considered or started implementation had since abandoned the projects.<sup>xliv</sup>

Tension among parents and providers were heightened given the state’s proposed biometric finger scanning requirement in low-income centers participating in CCDF and also the ongoing adjustment to a new, centralized state child care system. At the time, MLICCI also pointed to issues related to increased procedural burdens on parents and providers, arguing that the “finger scanning” proposal, as was commonly referenced, would have also had parents and providers attend an orientation on how to use the technology at their own expense, citing recent federal policy guidance that finger imaging has a “chilling effect” on applications.

A large volume of academic research has consistently shown that welfare recipients are perceived as being dishonest and fraudulent and that Caucasian middle-class Americans generally

associate welfare recipients as single mothers of color. A participant in a National Equity Project listening session on child care in Mississippi in 2012 observed that “...race is a major factor in how policy is passed and applied.” Another observed, “We have policy issues because we are still a segregated community—policy does not consider black children are the ones who really need help.”

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A lawsuit challenging the state’s implementation of the biometric fingerprint-imaging proposal was filed in 2012 by child care providers participating in CCDF and other partners.<sup>xlv</sup> The state failed to properly comply with the Administrative Procedures Act (APA) when implementing the biometric finger imaging policy and the plaintiff was successful on this basis (the APA is a state law that requires rule-making procedures to be followed by state agencies creating state policy). The decision

prevented finger printing from going into effect statewide, though the state continued with smaller-scale pilots before ultimately abandoning the system. MLICCI pointed to the loss of child care funds as a major consequence for having to pay for contracted work that was not ultimately put in place, putting funding for direct services at risk, particularly given waiting lists building back up after the effect of the ARRA infusion was fading.

During testimony in the 2012 lawsuit, state officials testified that providers participating in CCDF were fraudulent as one of the justifications for proposing finger printing. It was also revealed through testimony, however, as the Stennis Institute study showed, the state could not produce evidence of intentional fraud in the CCDF program to justify the major proposed investment.

The Stennis Institute study noted that the 2007 Mississippi OSA audit of CCDF recommended that the state adopt a relatively low-cost child care e-debit card, which could have achieved the same intended result as the biometric finger imaging proposal, in terms of expected gains in program integrity.

In the years following major policy changes culminating in 2012 and 2013, very few new CCDF certificates were issued and most that were issued went only to the top priority populations, such as TANF, TCC and foster care. In 2017, MDHS stated in a public meeting held by MLICCI that the agency had issued no new CCDF vouchers since 2014.<sup>xlvi</sup>

In 2017, MLICCI analyzed data provided by the MDHS showing very few new vouchers issued in the previous 3-year period. Nearly 70% of newly approved CCDF families between December 2014 - August 2017 were families served by TANF, TCC, foster care, protective services, a homeless agency or the state's home visitation program. Only 17% of newly approved applicants were parents working or attending job training or education earning less than 85% of SMI. But these new applicants over this nearly 3-year period amounted only to 5,776 new families served by CCDF.<sup>xlvii</sup>

While parents and providers reported issues related to communication and trust while CCDF was administered through DAs, the transition to a central state office to administer child care brought its own substantial administrative challenges. Over the course of 2015-2016, during the period in which MDHS reported issuing no new CCDF certificates, the MDHS was placed on a federal corrective action plan for having a CCDF payment error rate of more than 10%.<sup>xlviii</sup>

In February of 2016, the MDHS received notice from the federal Department of Health and Human Services Administration for Children and Families that the agency

would remain under an ACF-405 Corrective Action Plan until the state achieves an error rate below 10%. At a public meeting held by MLICCI in 2017, an MDHS official reported and later confirmed in an August 2017 published newsletter that the state was placed under corrective action for not conducting annual redeterminations.<sup>xlix</sup>

The same month it was informed it would be monitored for CCDF error rates, the state held a hearing on the 2016-2018 CCDF State Plan, much of which was dedicated to the state's implementation of new federal requirements resulting from the 2014 Reauthorization of the Child Care and Development Block Grant (CCDBG) Act. Mississippi's State Plan was given conditional approval, pending corrective actions requiring the state to implement new federal requirements (the state was granted an extension to conduct federally required background checks), to resolve redetermination issues and to increase reimbursement rates, which ACF described as insufficient in its conditional approval letter to Mississippi.<sup>1</sup>

In October 2016, the state published its revised CCDF policy manual, implementing the details of what it set out to accomplish in its 2016-2018 CCDF State Plan. In the final version, the generally required new federal rules were incorporated, including 12-month eligibility for all CCDF recipients, new health & safety training requirements, background checks, monitoring of unregulated (or, unlicensed) centers and the inclusion of homeless children in those receiving CCDF assistance.

The state made additional, non-federally required changes. One such change that seemed at first to be innocuous ended up being a significant procedural hurdle during the state's 2017 redetermination process. CCDF policy in Mississippi had long included a "Proof of Residency" policy, which, for many years, described general procedures for verifying an applicant or participant's residency **if** deemed necessary. In practice, as was reported by MDHS at a June 2017 public meeting held by MLICCI, the agency had rarely if ever used the policy during eligibility determination or redetermination. A likely reason is that applicants have long been required to provide documents that verify who they and their children are, where they work and how much they earn or where they attend training or school to satisfy general eligibility requirements. Generally speaking, information gathered in these documents (and also other files in a person's case record for other programs that would show residency) is found to be sufficient to reasonably document a person's residency.

In the 2016 state CCDF manual, however, the MDHS converted the "Proof of Residency" policy into a mandatory procedural step in eligibility determination and redetermination as opposed to a discretionary option. In addition to making proof of

residency a required step, the policy also increased the number of documents with corroborating addresses needed to satisfy the requirement from 2 to 3. The new policy required a state-issued photo ID along with two pieces of additional documentation in the form of utility bills or other documentation, and each of the three forms of documentation were required to have the same residential address. Federal CCDF policy did not preclude a parent from changing addresses during their 12-month eligibility period. MLICCI contended that such a policy was unnecessary, imposed an undue burden on parents and would serve only to terminate eligible parents for procedural issues.

As the state's redetermination process was unfolding under significantly revised rules, MLICCI began hearing from parents and providers who were losing CCDF assistance. Many reports indicated that the new proof of residency procedural step was causing parents to miss redetermination deadlines, in many cases due to a simple mismatch of addresses due to moves or temporary homelessness, or living with parents, or a lack of any mailed documents with a name and address or the inability to get a license updated. Many providers indicated they needed to be included earlier in the 60-day notice period granted to parents who are up for redetermination to assist with the new requirements. Many working parents were losing assistance due to procedural steps, not ineligibility. MLICCI documented cases in which mothers were contemplating leaving their job if they no longer received child care. MLICCI held a series of child care policy town halls in 2017 throughout the state in partnership with the Mississippi Legislative Black Caucus and with the participation of MDHS at a number of meetings. This process and the summary findings were offered by MLICCI in 2017.<sup>li</sup>

In 2018, MLICCI commissioned a study from *Professional Associates, Inc.* of the 2017 redetermination process, *The Mississippi Child Care Policy Imperative: Assuring Policy Implementation Maximizes Policy Intent.*<sup>lii</sup>

Through data obtained via Public Records Act request, the study found that 59% of parents lost CCDF assistance during the 2017 redetermination process –21% were terminated and 38% were documented as giving “no response” to the redetermination notice. Reasons for termination, as provided by MDHS, included over the income criterion, no cooperation with child support, document insufficiency, no online application, and no responses. No further breakdown of the data was provided. From its focus group findings, which included parents who had both regained and lost CCDF assistance, the 2018 study found that parents and providers identified documentation requirements in general with a specific focus on the proof

of residency requirement as barrier to regaining eligibility, along with an “ineffective MDHS communications system”.

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Following the accumulation of growing evidence of the unnecessary burden caused by the new proof of residency policy, MDHS significantly revised the policy in 2018, requiring only one document, which could be a state-issued ID or other documents showing Mississippi residence, and it directs workers to look at other required documents for reasonable proof of residency. The agency made a number of other changes reducing document requirements on parents in 2018. Providers were also included in 60-day redetermination notices (whereas before, they were included 30 days ahead of the deadline). This was a welcome change of organizational culture for providers and parents. MDHS reports having reinstated a number

of parents who were terminated due to the new procedural steps in 2017, such as the proof of residency requirement. MLICCI’s 2018 commissioned study of the recent redetermination process noted that such actions are more in line with an “interactional” approach to policy implementation, which is guided by the needs and experience of the CCDF end-user.

Also in 2018, Mississippi began receiving a new federal increase of CCDF dollars that will nearly double discretionary allocations as part of the 2018 federal budget, bringing in an additional \$39 million during federal fiscal year 2018 alone. This infusion of discretionary funds, as in 2009 and 2010 with ARRA funds, is allowing Mississippi to reduce its current Pending Funding list. Mississippi was able to serve nearly 60,000 children during those peak spending years.

# Reimbursement Rates

States set CCDF reimbursement rates for centers and co-payments for parents based on family size and income. States also tie CCDF center reimbursement rates to quality rating systems, just as Mississippi did under its QRS in which a higher reimbursement rate was awarded as centers increased Star Levels, amounting to a 7%-25% increase. Reimbursement rates are also based on the age of the child, full- or part-time care and the type of care provider (for instance, family child care providers received a lower rate).

In federal fiscal year 2016, a monthly average of 52% of families had a CCDF co-payment and of those families with a co-pay, the mean co-pay was 13% of monthly family income, according to federal data. In 2010, there were significantly more families with a co-pay. Seventy-seven percent (77%) of CCDF families, according to reported monthly averages, had a co-pay that was 5% of monthly family income on average. In 2004, 89% of families had a co-pay that was 4% of mean family income on average. The decrease in the share of CCDF participants who have a co-payment is related to the increasing share of “referred clients”, a large share of which are children in protective services or foster care, as part of the CCDF population.<sup>liii</sup>

For a family of 3 with \$20,000 in annual gross income, current co-pay rates are about \$87.50 per month, according to MDHS.<sup>liv</sup>

For many years, the state maintained a relatively stagnant rate of provider reimbursement.<sup>lv</sup>

Approximate Year	Infant Full-Time Center, Maximum Monthly Reimbursement
2011	\$346
2014	\$346
2018	\$480

Full-time infant care at a licensed child care center under the new Standard Center reimbursement rate is \$480 per month. The new Standard Center reimbursement rate, based on the previously existing rate the state cited for full-time center-based infant care, \$374.63, represents a 28% increase. These rates that were derived from the 75<sup>th</sup> percentile market rates, according to the state’s 2016 Market Rate Survey (MRS).

The recent provider reimbursement rate increase was federally required following the CCDBG Act of 2014. The state received “conditional approval” of its 2016-2018 CCDF State Plan, implementing new provisions of the federal reauthorization of CCDF. In Mississippi’s conditional approval letter for its Plan, the HHS ACF Office of Child Care informed Mississippi that its CCDF reimbursement rates were set too low:

...the CCDBG Act of 2014 requires states and territories to take the cost of quality into account when setting rates, and to set rates based on the results of the most recent market rate survey or alternative methodology. We continue to be concerned that your rates may not allow for equal access... Thus, the conditional approval of your Plan does not constitute a final determination that your payment rates are sufficient to provide access to child care services for eligible families that are comparable to those provided to families that do not receive subsidies, as required by law.<sup>lvi</sup>

Mississippi conducted the child care Market Rate Survey in 2016. It finalized the results in 2018 and the new rates are going into effect as the state is currently in the process of bringing all licensed canters into the new Standard Center designation.

In a 2010 MLICCI survey of center-based child care providers, comments were collected detailing what happens when parents can’t afford child care fees. Common answers included children couldn’t enroll, parents were encouraged to apply for a child care certificate or the provider attempted to make a payment arrangement with the parent.

The average monthly rate for infants reported by licensed child care centers surveyed in 2010 was \$380, which is not much more than the reported maximum reimbursement rate at the time (the last reported rate before the 2018 increase was about \$375, according to the 2016 MRS). While 82% of providers responded that they thought MDHS should raise reimbursement rates, 71% of providers surveyed said that they would not want reimbursement rates to be increased if it meant fewer children being served due to funds being spread thinner. Ninety-five percent of providers in 2010 favored increasing funding for CCDF adequate enough to raise reimbursement rates and not reduce the number of children served.

These survey results demonstrate the ongoing and strong commitment that CCDF providers have to serving their communities, regardless of what the CCDF reimbursement rate has been through the years. During MLICCI’s 2017 Child Care Policy Town Hall Series, providers serving low-income working families described the continued hardship that a lack of an increased reimbursement rate had on their ability to keep participating in CCDF and serving parents using child care vouchers. The newly increased reimbursement rates are no doubt welcome news.

# Priority Populations

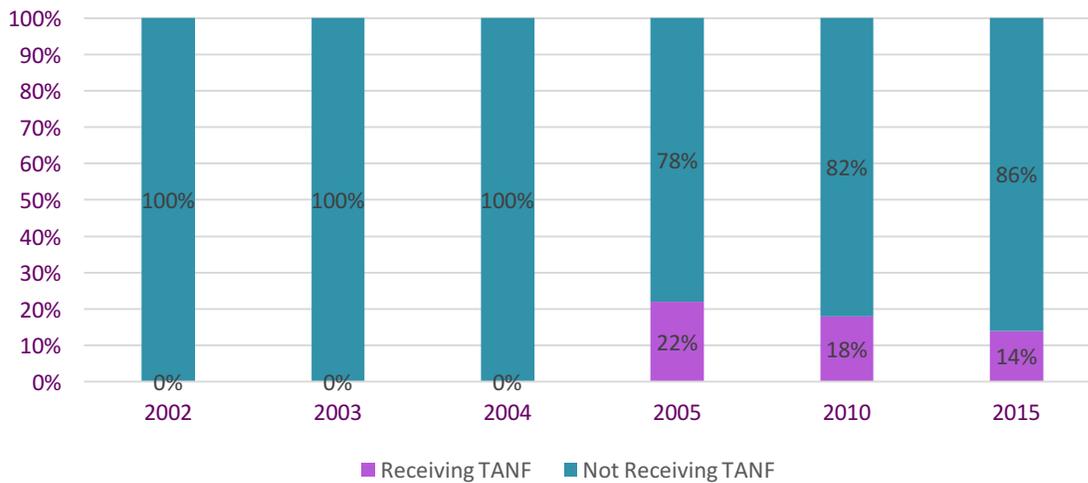
States are not required to establish priority populations for CCDF assistance. Mississippi's Priority Population policies have shifted over time, generally moving from a minimal, simplistic framework following CCDF's implementation, to a longer list with more populations specifically identified for priority service.<sup>lvii</sup>

From 1999 - 2004, the state's Priority Population policy was aimed at serving mothers receiving and transitioning off of public assistance and working parents earning at or below 85% of SMI. In 1999, Mississippi identified TANF recipients and individuals transitioning off of public assistance as the top two priority groups. Working parents at or below 50% SMI were given 3<sup>rd</sup> priority and working parents between 50%-85% of SMI were given 4<sup>th</sup> priority. Between 2002 - 2004, the state removed TANF from the CCDF priority populations and added teen parents attending school full-time, special needs parents and children in protective custody/foster care, in this order, as sub-priority groups under Priority 2, or eligible individuals earning at or below 50% of SMI. TCC became the top priority population.

As noted earlier, TANF funds can be transferred to CCDF Discretionary funds (up to 30% of the federal TANF block grant) and spent directly on child care for TANF recipients or individuals at risk of going on TANF. In the early 2000s, Mississippi opted to spend TANF funds directly on child care and operated the TANF Child Care Certificate Program to serve TANF recipients. Until 2005, Mississippi exercised its option to simultaneously use direct TANF funds, a TANF transfer to CCDF and CCDF funds to fund child care assistance for low-income working parents.

The variation in the percentage of families served by CCDF who are also participating in TANF is consistent with changes in the state's approach to serving TANF recipients in need of child care. While the state simultaneously operated a child care certificate program for TANF recipients, it reported serving no TANF recipients through CCDF. The trend line of CCDF families reporting income from TANF shows the state's varying approach to child care for TANF recipients, and how TANF recipients were folded into the state's CCDF service population.<sup>lviii</sup>

Average Monthly Percentage of Families Reporting Income from TANF, Before and After TANF-Direct Funded Child Care Certificate Program, which ended in 2004



By 2005, the state had discontinued the TANF Child Care Certificate Program as a separate, TANF-direct funded program, and folded TANF and Transitional Child Care (TCC) participants into the CCDF priority structure as the first two priority populations, respectively. TCC is available to individuals for a period of 24 months. Individuals whose TANF case closes due to earnings or other reasons are the primary recipients of TCC.

To align CCDF eligibility rules with TANF rules, the state opted to require child support cooperation of all CCDF applicants, whether TANF or non-TANF, after the TANF Child Care Certificate Program was eliminated.

In 2005, the first two priority groups for CCDF again became TANF and TCC participants, respectively. Working parents at or below 50% of SMI and between 50% - 85% of SMI were given 2<sup>nd</sup> and 3<sup>rd</sup> priority, respectively. Those sub-populations within the second priority population (at or below 50% of SMI) were also shifted in 2005. Children in protective services/foster care were given higher priority. Children of parents deployed in the Mississippi National Guard and Reserve were added as a priority population in 2005. Teen parents enrolled full-time in school were given less priority in 2005.

In 1999, Mississippi identified only 4 CCDF priority populations. From 2002 - 2004, Mississippi identified 6 priority populations.

While priority populations from 2002-2004 identified attending job training or education **or** work as eligible activities to satisfy CCDF's work requirement for parents between 50-85% of SMI, in 2005 that policy changed.

In 2005, as indicated by priority populations at the time, the state required CCDF recipients with income between 50-85% of SMI who were attending full-time education or job training also to work the fully-required 25 hours per week. Feedback collected by MLICCI in 2007, as noted earlier, showed providers reporting negative outcomes for full-time students also required to work 25 hours per week.

From 2006-2010, the state identified six priority groups. Including sub-groups given order of priority within main priority groups, the number of priority populations actually totaled 10. The policy regarding priority for full-time students shifted during this period. As a fifth priority population, Mississippi identified parents attending school or job training full-time and working less than 25 hours per week. As the sixth and lowest priority population, Mississippi identified parents who were full-time students and not working.

From 2011-2015, the state removed separate priority groups for parents attending school or job training, which were the fifth and sixth priority groups. The state reverted back to 4 priority populations, with TANF and TCC recipients remaining as the top two CCDF priority groups. For families at or below 50% of SMI, children in protective services/foster care, children with special needs, children of parents deployed in the Mississippi National Guard and children of teen parents enrolled full-time in school were given priority within this income group.

In 2016, the state again re-structured its Priority Population structure to include "Referred Clients". Referred Clients are directed to CCDF assistance via their caseworker or agency. For instance, child care for TANF recipients is requested by the recipient's caseworker, as opposed to a non-referred client, who would independently apply for assistance via an application to the state office. Referred Clients include TANF, TCC, Children in protective services, preventive services or foster care, Healthy Homes Mississippi participants and Homeless families. The 2014 CCDBG Act required states to identify homeless children as a CCDF target population.

Mississippi currently identifies 4 overarching Priority Populations, with a total of 11 sub-priority categories. As noted earlier, recent newly approved CCDF recipients are "referred clients".

In December 2015, MLICCI obtained data from the MDHS via a Public Records Act request showing the distribution of 19,042 children served by CCDF (not including a small number served by slot-based contracts). Of this sample, 53.7% of children served had parents who were working or attending school and earning below 85% of SMI and not receiving CCDF due to participation in another program. The majority of remaining children in this 2015 sample were in families served by TANF, TCC, child protective services or foster care and Healthy Homes Mississippi.

\* See Appendix 1 for Priority Population information.

## ***Eligibility Periods***

Policies regarding eligibility periods and redetermination have only shifted several times since the state has administered CCDF. Eligibility periods of 6 months were the standard practice for many years in Mississippi's CCDF program and now 12-month eligibility is the federal requirement.

Redetermination procedures, as noted in 2017 for instance, have throughout CCDF's life in Mississippi presented parents and providers with procedural steps that require resources or capacities they lack. For instance, earlier descriptions of the state's child support enforcement rule added steps many single mothers struggled to comply with as did the proof of residency requirement in 2017. Each additional step required by such policies comes with a cost—perhaps transportation or missing work, or both. It also costs the provider, who barter or makes payment arrangements to continue providing care so parents in their community can work. When redetermination periods recurred so often, providers and parents expressed angst over the process in focus groups and surveys.

In 2010, in a MLICCI survey of child care providers under the DAs, 49% of centers reported an awareness of cases in which a DA lost documents or made processing mistakes related to a parent's application during redetermination.

In the same 2010 survey of providers, more than 80% of providers cited CCDF redetermination as a cause of disrupted services. Asked to provide a preference between 6-month and 12-month redetermination cycles, 81% of providers preferred 12-month eligibility.

Prior to 2012, the state implemented 6-month redetermination and a "rollover" policy for certificates. The state's policy was that if funds were insufficient to serve all eligible families and their providers, current CCDF participants would lose eligibility on

September 30<sup>th</sup>, coinciding with the end of the federal fiscal year, and would re-apply on October 1<sup>st</sup>, the first day of the new federal fiscal year. Certificates would be rolled over and redistributed based on established priority populations.

In 2012, the state began redetermination of parents in the months of February, March, April and May. This meant that parents were able to retain twelve consecutive months of CCDF, in theory. But the state also continued its “rollover” policy. In effect, if a parent fell into a lower priority group between the month they were awarded assistance and the rollover date, if the state in fact rolled certificates over due to a lack of funds, then the parent may be at risk of losing her certificate.

Year	Redetermination Cycle
2009-2012	Six Months (with rollover Sep. 30)
2012-2015	12 Months Occurs in months of February, March, April, May, (with rollover Sep. 30)
2016	12 months

Source: Urban Institute CCDF Policies Database, <https://www.urban.org/policy-centers/income-and-benefits-policy-center/projects/ccdf-policies-database>.

## ***Quality Initiatives***

Federal CCDF regulations require states to set-aside a minimum amount of CCDF funds to enhance the quality of providers receiving CCDF funds to improve the experience and overall outcomes of children served by CCDF. MLICCI has long supported maximizing funds on direct services and pursuing strategies that enhance quality while not taking too much away from direct services. Federal law gives states a wide range of options to enhance quality, including investments in the professional development of the child care workforce. (A listing of Mississippi’s Quality Initiatives as described in state MDHS annual reports can be found in Appendix 2).

Quality initiatives in Mississippi have wavered between supporting teachers and professional development, to rating environmental factors to achieve star levels that correspond to a tiered reimbursement rate. Establishing Quality Rating Systems, which Mississippi previously did, was one of a number of options states have had at their disposal.

When CCDF was first implemented, the state’s primary quality activity was the MDHS’s Office of Children and Youth (OCY) Director’s Child Care Credentialing Program, which offered a 130-hour course of study and a state-recognized credential.

The OCY also conducted quarterly trainings, giving teachers contact hours to meet child care licensing requirements. Special quality initiatives included two mobile training vans travelling the southern and northern half of the state in 1999 delivering materials and curriculums to centers.

By the early 2000s, the state added a number of CCDF quality initiatives. The state implemented a childhood development scholarship program, paying for training that could count toward an Associate's Degree. MLICCI urged the state to also adopt a wage stipend to couple with the educational support to retain more highly trained individuals in child care centers. Too often, providers reported that they would lose teachers to higher paying early childhood education jobs once they increased their education. The state never implemented a wage stipend component to complement the scholarship program (the model for this program is TEACH, the scholarship program that the state adopted in practice, and WAGES, the wage stipend program that the state did not adopt).

The state established Right From Birth, a partnership with Mississippi Public Broadcasting to supply informational videos. The state also established a home visitation program for in-home CCDF care providers. The Mississippi State University Early Childhood Institute also had begun Partners for Quality Child Care, a quality evaluation initiative using environmental rating scales and offering technical assistance based on the findings. This would form the foundation for what eventually became Mississippi's Quality Rating System (QRS).

In 2005, the state began supporting a small-scale collaboration with Friends of Children of Mississippi, Inc., to provide year-round child care for 12 young children and their parents who also were participating in job training and employment services at a WIN Job Center. This initiative lasted years, but no data was available to assess program outcomes.

In 2006, the state reported the development of the Quality Rating System, or the Mississippi Child Care Quality Step System (MCCQSS), following Senate Bill 2602, or the Mississippi Education Reform Act of 2006, which authorized and set general parameters for MCCQSS.<sup>lix</sup> The MCCQSS began using environmental rating scales in provider quality assessments, or the Infant/Toddler Environmental Rating Scales (ITERS) and the Early Childhood Environmental Rating Scales (ECERS), with a stated purpose to assess, improve and communicate the level of quality in licensed child care centers. The program was piloted in counties served by East Mississippi Planning and Development District, one of Mississippi's Designated Agents

administering CCDF at the time. If centers achieved better ITERS and ECERS scores, they would also receive a higher CCDF reimbursement rate.

In 2007, the state offered the Child Care Development Associate Credential that provided a Child Development Associate (CDA) associate credential through the National Association for the Education of Young Children (NAEYC) for Professional Recognition. The state no longer reported maintaining the previous OCY childhood development scholarship program.

By 2007, the MCCQSS had served nine counties and by 2008 projected to serve 20 more counties. The emerging Quality Rating System continued to grow, offering participating centers a 7% - 25% quality bonus for each child participating in the QRS (Star 5 would yield a center 83% of the state's Market Rate and Star 1 58% of the Market Rate).

In 2008, 730 licensed centers had gone through ITERS and ECERS evaluations through MSU's Partners for Quality Child Care at MSU's Early Childhood Institute. The state's QRS developed 5 Star levels, each with a corresponding increase in reimbursement, with Star 5 as the highest level of quality.

In July 2009, the MCCQSS, also referred to as "Mississippi Quality Stars" or simply QRS, was offered statewide. At the time, there were 337 participating licensed centers. By 2013, a total of 522 licensed providers participated in QRS. A total of 415 were evaluated, and of those evaluated, only 9 were rated as 5 Star, while 85% were at 1 and 2 Star levels. Mississippi's QRS had a low take-up rate among licensed providers, at its peak it reached one-third of licensed providers. Of those who did participate, climbing the Quality Stars ladder was cost prohibitive.

In 2010, MLICCI surveyed providers about their experiences with the QRS. Fifty-five percent of respondents participated in the QRS at the time. Most providers responded that their motivation for participating in QRS was to improve the quality of child care, increased funding and a desire to do what's best for the children. MLICCI asked providers to describe their experience with the QRS. Responses included,

- "very harsh grading system; couldn't meet up to their standards"
- "challenging, hard work, and rewarding at the same time"
- "like the people I work with, but the program is too strenuous"
- "Finances mostly pose a problem in accomplishing all they have required"

Providers opting not to participate in QRS reported a lack of qualified staff and general capacity and many cited a lack of funds to implement all the requirements.

An important point is that QRS, or any other quality initiatives during this time, were not mandatory, meaning that a provider was not precluded from being eligible to serve CCDF children if they opted not to participate in QRS.

By 2014, the participation rate in QRS had not improved, nor had the rate of centers achieving higher than Star 2. In July 2014, the MDHS consolidated all of its quality improvement initiatives under one umbrella at MSU called the Early Years Network. This included the Quality Rating System and other programs previously scattered over multiple entities.

In 2016, 537 licensed centers participated in the QRS and the majority were Star Level 1 and 2. The state noted in its 2016 Annual Report that it had convened a group of stakeholders and planned to revise the QRS in the forthcoming year.

MLICCI had unearthed a significant body of evidence of the cost-prohibitive nature of the QRS Star Level structure and the too-often negative experience providers had with subjective raters, or individuals tasked with rating a center using ITERS and ECERS. Achieving higher star levels was costly and those expected to participate were providers serving low-income working families. No additional funds to participate in the QRS were made available to centers.

MLICCI's "Step Up" report was a long term study and pilot project consisting of 16 centers receiving funds and resources to climb the Quality Stars ladder. Detailed cost per classroom calculations were documented, tracking every dollar of quality funds invested and what benefits the center experienced. The study, which lasted from 2010 to 2014, showed that on average \$11,500 per classroom was spent to climb just one Quality Star level.<sup>lx</sup> MLICCI published results and called for adequate funding to allow all centers, particularly African American owned centers serving large shares of CCDF children and parents, to participate and improve their QRS ratings. MLICCI and many in the low-income child care community saw this policy as creating a segregated system, where African American low-income providers would struggle to benefit and face lower revenues as providers that could afford the quality improvements necessary to climb Star levels would continue getting higher CCDF reimbursement rates. This approach posed serious harm to the overall financial viability of African American owned centers serving low-income communities.

In an August 2016 MLICCI survey of providers, QRS was still viewed as cost prohibitive by providers.<sup>lxi</sup> In early 2016, MLICCI testified about the financial harm imposed by the QRS to the Mississippi Advisory Committee for the United States Commission on Civil Rights. MLICCI testified about lack of access among African

American providers who most need additional investment and that without funding to implement required quality measures, the system would only benefit those who rely less on CCDF and who have funding for quality improvement already.<sup>lxii</sup>

By the end of 2016, Mississippi had eliminated its contract with the Early Years Network and the quality initiatives it housed. The QRS was eliminated as part of the contract termination.

In 2017, Mississippi's reported quality initiatives looked far slimmer than in previous years. The state identified only the newly established Early Childhood Academies—housed at community colleges and under the Mississippi Community College Board (MCCB)—and tasked with providing technical assistance under a new plan from the Mississippi State Early Childhood Advisory Committee.<sup>lxiii</sup>

The Mississippi SECAC has played an increasing role in CCDF policymaking in recent years. MLICCI has continuously pressed SECAC to focus on systems alignment and to see CCDF through the lens of low-income working moms.

In 2016, as the state's QRS was coming to an end after many years of minimal take-up among licensed providers and significant state funds invested, SECAC released a new early childhood plan called *A Family-Based Unified and Integrated Early Childhood System*.<sup>lxiv</sup> This plan lays out a new framework for assessing quality in CCDF-approved licensed center-based care. It has defined two quality designations available to centers in order to serve CCDF children: Standard Center and Comprehensive Center.

The state has not yet finalized what will be required for Comprehensive Centers and has proposed pilots as a first step.

In its 2019-2021 CCDF State Plan, Mississippi has identified October 2019 as the deadline that all licensed centers serving CCDF-eligible children must become designated as a Standard Center.<sup>lxv</sup> The initial deadline was October 2018, but this was later revised to give all centers an opportunity to be designated under the new system.

Criteria for becoming a Standard Center are that a center must submit an online application, it must be licensed or registered with the state department of health, it must comply with all federal health & safety training requirements, it must have a curriculum that aligns with the state's Early Learning Guidelines and it must conduct a personnel assessment. Health & Safety trainings are offered online and in-person through the Early Childhood Academies (ECAs). Additionally, the ECAs provide

technical assistance on any matters pertaining to curriculum enhancement identified by MDHS and the ECAs at no cost to the center.

A new Market Rate Survey was finalized in 2018. Two new rates were set: Standard and Comprehensive rates. The Standard rate is at the 75<sup>th</sup> percentile of the Market Rate.<sup>lxvi</sup> Many providers that received a higher reimbursement under QRS will receive an increase with the Standard rate, given the previous QRS's top Star 5 rate was 83% of a lower overall Market Rate.

Members of SECAC have emphasized that the new system of Standard Designation does not use environmental rating scales and will avoid establishing a segregated system. Members of SECAC have acknowledged the shortfalls of the previous QRS.

At the 2018 State Plan public hearing, MDHS officials confirmed that the only elements of the Standard Center online application that would disqualify a provider from serving CCDF families would be failing to comply with federal health & safety requirements and not submitting an online application altogether. The ECAs are tasked with providing technical assistance to correct any other application component that prevents a positive eligibility determination.

The state has moved in a substantially different direction with the implementation of Standard Centers. Under the previous QRS, participation was voluntary. This meant that a center's ability to serve a CCDF family was not at risk if they didn't participate. Under Standard Centers, the state has opted to establish a **mandatory** quality improvement designation for centers to retain eligibility to serve CCDF families.

At the time of this report, the state has not yet terminated any center's CCDF eligibility for not turning in a Standard Center online application or for any other issue related to online application responses. But the deadline, while one year from this writing, is approaching. It is unclear at this stage how the shift to a mandatory quality improvement requirement will affect the overall CCDF delivery system and the number of providers who are eligible to serve CCDF families.

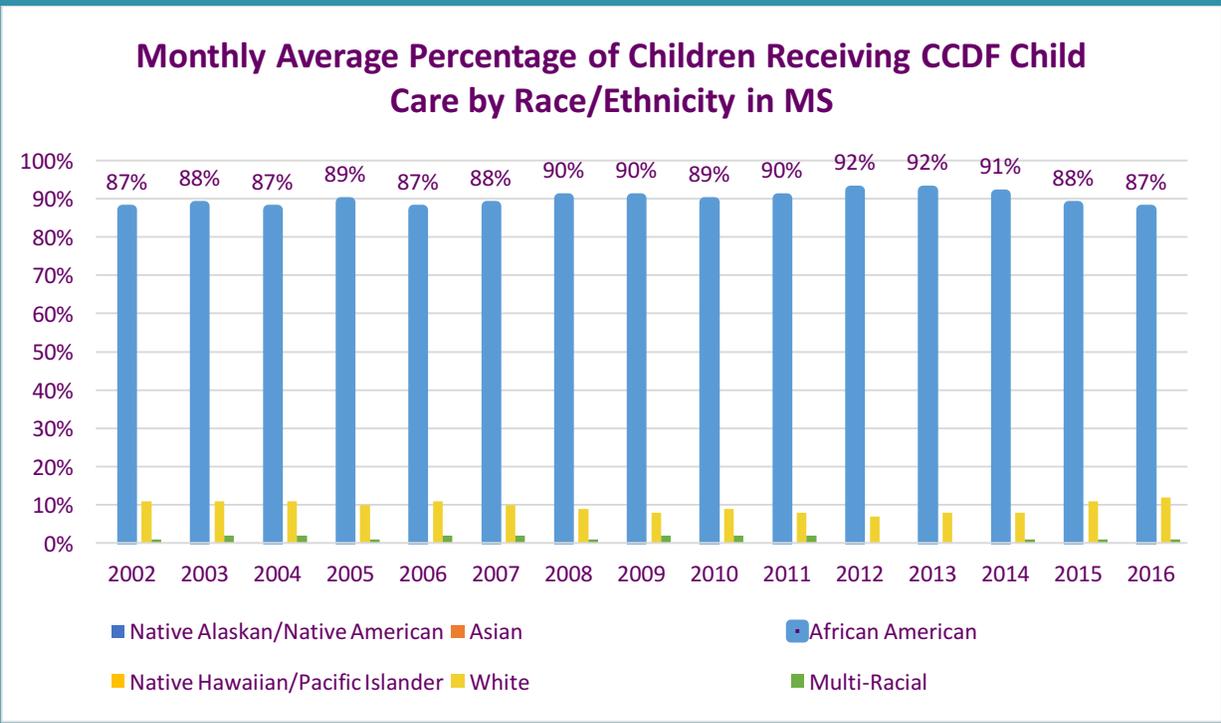
## ***CCDF Policymaking, Gender and Race***

Racial and gender equity is only achieved when a group's level of access to public resources, to education, to the labor force and to economic opportunity cannot be predicted solely by their gender and by their race. Structural racism exists when

policies, procedures and practices that create or perpetuate adverse outcomes for people of color are legitimized when codified in our structures and institutions governing public policy and the allocation of public resources. This is particularly evident when negative impacts of current policies on the end-users of CCDF are well-documented yet do not inform or initiate change.

When CCDF policies hinder a parent’s ability to access resources to retain child care assistance or when funding is lost due to state or agency budget decisions and fewer can be served than who should be, such acts legitimize a policy that has a negative effect on primarily one racial group. As mentioned earlier in the report, in Mississippi that group is unequivocally African American single mothers and their children.

For each year that data has been reported, an overwhelming majority of children served by CCDF in Mississippi are African American.<sup>lxvii</sup>



While CCDF in Mississippi has served primarily African-American children and their working parents over the program’s life, CCDF is still inadequate to meet the need among Mississippi’s African American low-income working families. The Center for Law and Social Policy (CLASP) found in a 2016 study that CCDF in Mississippi only reaches an estimated 16% of CCDF-eligible African American children.<sup>lxviii</sup>

In February 2016, the U.S. Commission on Civil Rights conducted field research and a public hearing to examine the racial impact of how CCDF subsidies are administered and distributed in Mississippi. The Commission issued a report, *Low Income Child*

*Care Subsidies Distribution in the State of Mississippi*, documenting testimony from early childhood and other stakeholders regarding the impact of Mississippi's CCDF policymaking on African Americans. MLICCI provided testimony based on its experience documenting the impacts of CCDF policies from the perspective of child care providers and parents over many years and several surveys. The Commission's report found that a number of Mississippi's discretionary state policy options "unnecessarily" restrict eligible families in greatest need from accessing CCDF, that the state's Quality Rating System had been less accessible to African American early care and education providers and that the state reported a large unspent, unobligated balance of federal TANF funds, which as noted earlier could have allowably been spent directly on child care above and beyond the state's allowable transfer of TANF funds to CCDF. The Commission's report led to national recommendations for states to examine how their CCDF programs are administered and how they are addressing racial disparities.<sup>lxix</sup>

Research examining the "users" of CCDF underscores the importance of seeing CCDF at the intersection of race and gender in Mississippi. CCDF policies will hinder or help overwhelmingly African American single mothers and their children.

MLICCI's 2018-commissioned study, *The Mississippi Child Care Policy Imperative: Assuring Policy Implementation Maximizes Policy Intent*, uses the lens of racial equity to understand and appropriately contextualize the impact of child care policy decisions in Mississippi. It asserts that, "If, as a result of institutional policies and procedures, a lack of access occurs disproportionately among African American children, whether willful or inadvertent, then this is racial inequity." When policies result in a lack of access among African American children, it has often been due to a procedural step imposed on their African-American mother breadwinner and single head of household. Therefore, every policy governing CCDF administration and eligibility procedures should be seen not only through a lens of racial equity, but through a lens of gender equity, which is hindered when access to economic security and opportunity is denied. CCDF policy issues exist at the intersection of gender and race. The long-documented pattern over time suggests certain CCDF policies have not included an informed racial and gender equity lens, as evidenced by the prolonged impact of certain state policies documented as causing single mothers the denial of CCDF assistance even when they are work- and income-eligible.

# Conclusion

Critical moments have shaped Mississippi's CCDF program. It is nearly impossible to sum up the administration, spending and policymaking for such a complex program over such a long period of time in one or two short sentences. In our research, we observed moments where sharper year-to-year changes in caseloads or in expenditures were, in most cases, likely influenced by a confluence of factors. For instance, looking at the state-reported caseload drop following 2012, we also saw that tensions among providers and parents were heightened due to the "finger scanning" proposal, we documented evidence showing the state was still newly adjusting to centralized administration of CCDF and rebuilding a program with an insufficient administrative record, and we documented how the infusion of ARRA and the jolt it provided to CCDF direct services spending had faded by this time. Also, by 2012, the state had moved to 12-month eligibility as opposed to 6-month eligibility. All of these factors may have influenced a sharp caseload drop, but it is difficult to isolate a single variable as the cause for some of the more notable shifts.

But, there were other instances in our research that were more isolated, demonstrating how directly impactful some policy decisions were on providers and parents reliant on CCDF. For instance, the caseload grew dramatically after the abrupt and substantial infusion of ARRA funds in CCDF direct services expenditures in 2010. This was a clear case of more money resulting in more kids served. When the state eliminated the TANF Child Care Certificate Program and folded TANF into CCDF in 2004, it also required child support enforcement for all CCDF recipients, it reduced its spending on child care directly from TANF and it transferred a very low amount of TANF to CCDF. It was also still recovering from a failure to meet CCDF matching requirements and a loss of federal funds in the early 2000s. These policy decisions resulted in the share of non-TANF low-income working families receiving CCDF to reduce and the lowest federal fiscal year direct services expenditure (2004) ever reported by the state. These factors may have directly influenced a lower state-reported CCDF caseload number in 2004 and 2005.

In 2018, the state is moving in a positive direction. Though, given CCDF's history in Mississippi, the state has not landed on an approach to CCDF administration it has stuck with yet and some early childhood stakeholders are cautiously optimistic moving into the third decade of CCDF in Mississippi. The state has consistently and continues to spend a majority of CCDF funds on direct services. For the first time, the state opted to maximize its TANF transfer to CCDF for federal fiscal year 2017,

transferring the full 30% allowed. The state also has significantly more CCDF discretionary dollars coming in during FFYs 2018 and 2019 thanks to Congress's 2018 budget deal, which included the CCDF increase. These additional funds will be sufficient to eliminate Mississippi's CCDF Pending Funding list and recent state reports indicate this is a real possibility. The additional funds will also allow the state to increase the number of children served and increase the number of low-income working parents who can participate in the labor market. The state also now has longer eligibility periods for all CCDF populations and no longer has a "rollover" policy. CCDF recipients retain assistance for a full twelve consecutive months. The state also has increased CCDF reimbursement rates to the 75<sup>th</sup> percentile of the Market Rate. And the state's new quality improvement strategy, while now mandatory for CCDF providers, seems to be structured to maximize access and the state has explicitly stated its intention of avoiding the creation of a segregated system only accessible to providers with more money and resources. The state has also extended the deadline to bring all centers into the new system to October 2019.

While CCDF in Mississippi is not easily summed up, here are some general takeaways and recommendations based on our research and observations from 20 years of CCDF spending and policymaking that we hope policymakers will keep in mind as CCDF in Mississippi continues to transform in its third decade:

**Money Makes a Huge Difference and there's not enough to meet the basic need. Direct Services must be the spending priority.**

When Mississippi had to spend a large, temporary infusion of ARRA dollars, it put the lion's share in direct services and our caseload skyrocketed. Even then, with an extra \$30 million to spend quickly, the number of kids we served barely touched half who were eligible in the state. When state matching funds have been inadequate to draw down the full federal amount available, the level of service has dropped. This means CCDF funds are fragile and direct services should be maximized. This also means that funding for child care assistance for working parents must be increased, both at the federal and state level. Low-income working parents need reliable, stable child care to work. Support services that enable a parent to work can also support the environment a parent needs to focus on increasing their skills through training or education. This makes attaining a living wage a more realistic option.

Direct services have remained as the highest share of the state's CCDF expenditures during federal fiscal years. While a slight decline was noted in recent years, still most dollars the state spends in CCDF is currently reported as going to

direct services. Maximizing the state's direct services expenditure is critically important given the shift to minimum 12-month eligibility periods and increased spending on quality activities. Minimum 12-month eligibility may reduce the total number of children and families the state will be able to serve, assuming a higher number of parents would cycle off of assistance after 6 months under previous policies (though, in many cases, for procedural reasons and not ineligibility). While this is a positive change for parents and providers, it may spread limited funds thinner—a point that MLICCI has long made and a reality that early childhood care providers must mitigate. Additionally, every dollar spent outside of direct services limits the potential number of children and families served. Mississippi's constant deficit of eligible children served—due to already-inadequate funding—necessitates this funding policy. The state will face a challenge in balancing the priority to fill the unmet child care need with increased spending on quality activities.

While federal funds are inadequate to meet the need for CCDF in Mississippi, our research documented moments when the state invested more dollars in child care. At one point in time, the state funded child care certificates for TANF recipients using TANF funding, it transferred TANF to CCDF and it spent CCDF funds. Putting more federal and state dollars in child care for the working poor was achieved in the past and is possible in the future. Maximizing the transfer from TANF to CCDF is also critically important, as evidenced in 2004, the year of the state's lowest TANF transfer was also its lowest reported CCDF direct services expenditure, resulting in a lower caseload number.

Mississippi has a tremendous opportunity – similar to what it had between 2009-2011 with ARRA funds – with increased CCDF funds in federal fiscal years 2018 and 2019. The increase will be even more than the ARRA infusion, nearly doubling the state's discretionary funding allocation, which make up the bulk of federal CCDF funds. The state has already reported that increased federal funds will allow it to eliminate the Pending Funding list and data last reported publicly shows the MDHS is well on its way to accomplishing that important goal. While the state has increased CCDF reimbursement rates to providers and is shrinking the Pending Funding list, it must also work to increase the overall number of children served with additional funds.

## **Our recommendations include:**

- Maximize expenditures on direct services
- Use 2018-2019 CCDF Discretionary fund increase to increase the number of children served to at least 40,000
- Support the creation of an inter-agency task force to identify all funds that can allowably be spent on child care assistance or child care as a work support and create recommendations for streamlining and maximizing those funds
- Continue transferring 30% of TANF to CCDF
- Increase TANF direct spending on child care
- Request additional appropriation from the legislature in the amount necessary to meet the state CCDF matching requirements to prevent any future loss of potential federal CCDF funds

CCDF administration and policies have been inconsistent through the years. This has fueled tension and distrust between providers, parents and the state agency. Improving this relationship must be a priority.

This reality is evidenced by numerous focus groups and surveys conducted in Mississippi over many years and even as recent as MLICCI's 2018 study of the 2017 CCDF redetermination process. Mississippi must acknowledge this reality and build relationships with CCDF providers and parents within a context of healing and trust-building. Improving this relationship is imperative not only for providers and parents who are reliant on CCDF, but also for MDHS as they administer a complicated program that helps keep Mississippians in jobs and in job training—a primary goal of our state's current political leadership. CCDF providers and parents know how policies play out on the ground and they must be the most vital resource in CCDF policymaking. They know how well CCDF works and how transformational it can be when access is simple and designed to eliminate disparities that are in large part the result of poverty. CCDF providers and parents would be the best resources for explaining to state legislators how important and how impactful CCDF is when MDHS is seeking an adequate state budget allocation from the legislature so it doesn't ever have to leave child care funds on the table. Building trust between CCDF policymakers and the end-users of CCDF will result in an even stronger program.

**Racial and gender equity have not guided CCDF policymaking in Mississippi. Policy guided by an equity lens will allow CCDF to be a catalyst for economic growth.**

Surveys and focus groups conducted over many years show a common thread of race and poverty cited by providers and parents as factors leading to what in their view has been punitive policymaking and a lack of program oversight. Such instances were evidenced in the 2016 U.S. Commission on Civil Rights report. MDHS's choice to hold the 2019-2021 CCDF State Plan public hearing on a Saturday and in the Mississippi Civil Right Museum in Jackson, MS no doubt represented an intentional and symbolic set of choices to recognize the context within which CCDF policymaking occurs. These choices made by the agency may be seen as an intentional effort to set a positive tone with CCDF providers. CCDF in Mississippi is most relied upon by black single mothers and their children. Any decisions that impede access to CCDF also impede opportunities that a black single mother has to improve her circumstances, and thusly denies equal access to economic opportunity. Policy guided by a gender and racial equity lens will reduce barriers to accessing

CCDF and instead will make access easier and will help increase employment retention and increase skills to fill jobs that are currently out of reach to many low-income single moms.

### **The State Makes CCDF Policy Unnecessarily Complicated for No Reason. It should stop.**

Based on our research of Mississippi’s CCDF program over the last twenty years, policy change that is responsive to needs expressed by parents and providers is generally implemented with little increased administrative burden and makes a positive difference, as reported by those who rely on CCDF. Conversely, policy change that is implemented in response to an assumed problem that is not expressed by the provider or parent is generally implemented with complication and increased administrative burden and often has a negative effect, as reported by CCDF end-users.

For instance, one example documented in our research was best captured in the 2007 OSA Audit of the state’s CCDF program. In it, OSA discussed a number of policy changes the MDHS had made since CCDF went into effect. It cited the decision to implement Child Support Enforcement for all CCDF participants and as a condition of CCDF eligibility, even though federal law did not require the policy. While feedback provided by parents and providers regarding the new requirement was negative, the policy remained in place, and, as discussed in this report, coincided with the elimination of a TANF direct funded child care program for TANF recipients. The OSA discussed this policy as having a “dual application” effect, making the process more burdensome for working parents when implemented.

The OSA also cited a policy change that was based on a need as documented and expressed by providers and parents using CCDF under the DAs, which was a segmented CCDF delivery system. Under the system, providers were left with inconsistent policy guidance and information. When the agency created a uniform policy manual, providers were better informed and policy compliance improved.

The Stennis Institute’s report on biometric finger scanning noted a similar moment in 2012, describing the policy decision to require finger scanning—a policy based on an assumption and deeply opposed by the end-users of CCDF—after it had just eliminated the DA system and centralized CCDF, which was a policy decision that was viewed favorably by providers and parents at the time and the agency faced little resistance from parents and providers in implementing that policy decision.

In 2008, a decade following the implementation of CCDF, MLICCI commissioned a report from the Urban Institute synthesizing CCDF policy research and identified policy approaches that best support low-income families.<sup>ix</sup> The report ultimately found that CCDF policies created with the intention to simplify processes, reporting requirements and procedures for parents and providers, with a particular focus on reducing termination of CCDF and creating flexibility for parents' temporary changes that may affect eligibility, are mutually beneficial for those who rely on CCDF and for state agencies, which generally have an interest in lowering administrative burden.

The 2014 CCDBG Act now requires states to establish policies that avoid imposing any undue burden on parents seeking to attain or maintain their CCDF assistance. Undue burden occurs when a parent has to interrupt work, training or school to comply with CCDF eligibility requirements. It is in the state's interest to simplify CCDF eligibility procedures so as to avoid imposing any undue burdens on parents seeking CCDF assistance.

Policy approaches such as expanding the CCDF priority population list to such an extent that CCDF's initial target population (working parents below 85% SMI) now represents an increasingly declining share of CCDF recipients, and particularly new recipients, demonstrates the result of making CCDF policy too complex. Many other policies have demonstrated this same tendency: the still-active child support requirement (the decision to link TANF and CCDF so inextricably to the point of importing arguably TANF's most harmful policy to single mothers), or the 'finger scanning proposal', or the newer (but now eliminated) "proof of residency" policy, are all examples of unnecessarily complex policies that end up harming the CCDF end-user and overly burdening the MDHS.

The state must separate what policies and priorities actually meet the needs of CCDF end-users (as they report) from those that respond to an ideology or assumption, which often fuels discontent among those who need CCDF most.

# Our recommendations to make CCDF policy less complicated:

- Eliminate the child support requirement from CCDF policy
  - do not require non-TANF CCDF recipients to comply with Child Support Enforcement to be eligible for CCDF
  - create an alternative policy allowing parents to sign an affidavit stating the father is contributing to the support of children
- De-link TANF from CCDF
  - Re-establish the TANF Child Care Certificate Program with TANF Direct Spending to free up CCDF funds for non-TANF working parents
- Simplify priority populations
  - Re-establish 2002-2004 Priority Population Structure to diversify the eligible populations receiving CCDF

**CCDF is an Under-Funded Federal Work Support Program. CCDF policy must be seen through the lens of single mothers reliant on CCDF as a work support, and not as a platform for “quality improvement” experiments. Quality investment and improvement must be accessible to all providers and its goal must be to reduce disparities in the early childhood system.**

We already know what works for low-income parents—supports they can rely on, supports that are easy to access and last long enough, and jobs that pay a living wage. Quality improvements are required by federal law, but states have a range of options. Often, as MLICCI has learned from providers over the years, investment in the professional development of the child care workforce helps improve the experience of children in the center and the overall quality of the child’s educational experience. For many years, as this report showed, the state supported child care teachers in earning a CDA and a scholarship for credit-based training that would count towards an Associate’s degree in early childhood education. While this quality improvement makes a real difference on the ground level, child care centers serving low-income communities struggle to afford higher wages that are justifiably expected with increased levels of education. Without the state also supporting a wage stipend to retain more highly qualified teachers in centers, such a strategy may create a road out of child care.

Assessing an individual center’s level of “quality” can often be a subjective process, even when using evidence-based environmental rating scales. This was documented during MLICCI’s *Step Up* study of Mississippi’s QRS. Any state-administered system of “quality” that is tied to an increased reimbursement rate or required for provider CCDF eligibility will leave some providers disconnected from the system, due either to an associated cost that a provider cannot meet or to a bureaucratic process that providers are not complying with. The state should take this into consideration as it implements the new Standard Center mandatory designation for quality improvement. The 2019-2021 CCDF State Plan also describes a number of new professional development strategies, such as a “Work Based Learning Pathway”, which seems to be reminiscent of an “earn and learn” system, but these details have yet to be finalized by this writing.

Other recommendations regarding CCDF quality initiatives include:

- Establish TEACH and WAGES as quality improvement strategies. TEACH provides a structure for an early childhood scholarship. WAGES provides a

structure for centers receiving a stipend to supplement income of teachers increasing their educational attainment through TEACH to retain them in the classroom.

- Given it is a mandatory requirement, explore alternative options to Standard Center designation for licensed center-based providers who don't want to participate, but want to continue serving CCDF children

**CCDF can be transformational. Make it simple. Connect it to the Working Poor. Get employers to see its benefit. And it will be transformational.**

Getting employers to see the benefit of the significant investment the state makes each year in providing child care that enables Mississippians to participate in the labor force is critical for increasing investment and interest in CCDF. We encourage the state to set a goal of providing each CCDF recipient with information related to the state's "Middle Skills" job openings and its related workforce training options. In particular, we recommend the state ensure CCDF recipients are given priority for core and intensive state work-based learning opportunities and job training services. Child care as a work support is crucial, but equally crucial is increasing the earnings of mothers who rely on CCDF. Many of these mothers need training and education to enter a higher-paying field. If simplified, CCDF can help make this transformation for parents and simultaneously advance the state's workforce goals and better meet the needs of employers in Mississippi.

**CCDF is yet at another critical moment in 2018 after yet another massive overhaul.**

MLICCI is deeply committed to working with all stakeholders in early childhood to improve the economic security of low-income working Mississippi mothers and their families. What form will the program take from here? What will the many recent changes look like? We'll see you in ten years.

For questions about this report or to obtain any referenced data on file with the author, email: [mwilliams@mschildcare.org](mailto:mwilliams@mschildcare.org).



## Appendix 1. Evolution of Priority Populations, As Reported in State MDHS Annual Reports

<p><b>1999</b></p>	<p><b>Priority 1</b> - TANF participants  <b>Priority 2</b> - Individuals transitioning from public assistance to the workforce  <b>Priority 3</b> - Very Low Income parents under the 50<sup>th</sup> percentile of SMI at risk of going back on TANF  <b>Priority 4</b> - Low Income Parents between 50 - 85% of SMI</p>
<p><b>2002 - 2004</b></p>	<p><b>Priority 1</b> - Children of Parents Transitioning off of Transitional Child Care (TCC)  <b>Priority 2</b> - Below 50% of SMI at risk of going on TANF in following order (A. Teen parents attending school full-time, B. Special Needs, C. Foster Care/Protective Services, D. Children of all other eligible parents at this income level)</p>

	<b>Priority 3</b> - Between 50-85% of SMI, working or in approved education/training program
<b>2005</b>	<p><b>Priority 1</b> - child care for TANF</p> <p><b>Priority 2</b> - child care for TCC</p> <p><b>Priority 3</b> - Below 50% of SMI at risk of going on TANF in following order (Children in protective services or foster care, Children with special needs, Children of parent(s) deployed in the Mississippi National Guard and Reserve, Children of teen parent(s) currently enrolled in school full-time, Children of all other eligible parents at this income level</p> <p><b>Priority 4</b> - Children of parent(s) in an approved full-time educational or training program and working the required hours, whose income falls above 50% of the SMI and at or below 85% of the SMI</p>
<b>2006 - 2010</b>	<p><b>Priority 1</b> - child care for TANF</p> <p><b>Priority 2</b> - child care for TCC</p> <p><b>Priority 3</b> - At or Below 50% of SMI at risk of going on TANF in following order (Children in protective services or foster care, Children with special needs, Children of parent(s) deployed in the Mississippi National Guard and Reserve, Children of teen parent(s) currently enrolled in school full-time, Children of all other eligible parents at this income level</p> <p><b>Priority 4</b> - Based upon the availability of funding, children of parents working the required 25 hours per week whose income falls above 50% of the SMI, and at or below 85% of the SMI</p> <p><b>Priority 5</b> - Based upon the availability of funding, children of parents in an approved full-time educational or training program and working less than 25 hours per week regardless of whether the family income reaches up to 85% of the SMI</p> <p><b>Priority 6</b> - Based upon the availability of funding, children of parents in approved full-time education or training and not working</p>
<b>2011 - 2015</b>	<p><b>Priority 1</b> - child care for TANF</p> <p><b>Priority 2</b> - child care for TCC</p> <p><b>Priority 3</b> - At or Below 50% of SMI at risk of going on TANF in following order (Children in protective services or foster care, Children with special needs, Children of parent(s) deployed in the Mississippi National Guard and Reserve, Children of teen parent(s) currently enrolled in school full-time, Children of all other eligible parents at this income level</p> <p><b>Priority 4</b> - Based upon the availability of funding, children of parents working the required 25 hours per week whose income falls above 50% of</p>

	the SMI, and at or below 85% of the SMI
<p><b>2016</b></p>	<p><b>Priority 1 - Referred Clients</b></p> <ul style="list-style-type: none"> <li>- TANF</li> <li>- TCC</li> <li>- Children in protective services, preventive services or foster care</li> <li>- Healthy Homes Mississippi participants</li> <li>- Homeless families</li> </ul> <p><b>Priority 2 - Special or At Risk populations up to 85% of the State Median Income including</b> (in following order)</p> <ul style="list-style-type: none"> <li>- Single parents with special needs</li> <li>- Children with special needs</li> <li>- Parents deployed in the Mississippi National Guard or Reserve</li> </ul> <p><b>Priority 3 - Children of very low income working parents whose income is at or below 50 percent of the State Median Income and who are at risk of going on TANF</b> (in following order)</p> <ul style="list-style-type: none"> <li>- Children of teen parents currently enrolled in school full-time</li> <li>- Children of all other eligible parents at this income level</li> </ul> <p><b>Priority 4 -</b> Based upon the availability of funding, children of parents working the required 25 hours per week whose income falls above 50 percent of the SMI and at or below 85 of the SMI.</p>
<p><b>2017 - Present</b></p>	<p><b>Priority 1 - Referred Clients</b></p> <ul style="list-style-type: none"> <li>- Child care for Temporary Assistance for Needy Families (TANF) recipients</li> <li>- Child care for Transitional Child Care (TCC) recipients</li> <li>- Child care for children who are homeless</li> <li>- Child care for children served by the Mississippi Department of Child Protection Services (MDCPS)</li> <li>- Child care for children served by the Healthy Homes Mississippi (HHM) home visitation program</li> </ul> <p><b>Priority 2 -</b> Special needs populations whose income is less than 85 percent of the State Median Income (SMI), in the following order</p> <ul style="list-style-type: none"> <li>- Children of single parents with disabilities</li> <li>- Children with special needs</li> <li>- Children of parent(s) deployed in the Mississippi National Guard or Reserve</li> </ul> <p><b>Priority 3 -</b> Children of very low-income working parent(s) whose income is at or below 50 percent of the State Median Income (SMI), in the</p>

	<p>following order</p> <ul style="list-style-type: none"> <li>- Children of teen parent(s) currently enrolled in high school full time</li> <li>- Children of all other eligible parent(s) at this income level, including parents enrolled in an approved educational or job training program, whether working or not</li> </ul> <p><b>Priority 4</b> - Based upon the availability of funding, children of parent(s) working the required 25 hours per week and/or are enrolled in an approved educational or job training program and whose income is greater than 50 percent but less than 85 percent of the SMI</p>
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## Appendix 2. Quality Activities and Initiatives, as reported in MDHS Annual Reports

State Fiscal Year	Selected Quality Activities (Reported Activities are from MDHS Annual Reports)
<b>1999</b>	<p>The OCY Director’s Child Care Credentialing Program (implemented January 1996)</p> <ul style="list-style-type: none"> <li>- 130-hour course of study of best practice child care management</li> <li>- 400 individuals have completed and are Credentialed Directors</li> </ul> <p>The OCY Child Care Connections Mobile Training Vans</p> <ul style="list-style-type: none"> <li>- Two mobile vans - one traveling the northern half of the state, the other covering the southern half</li> <li>- Brings free resources, curriculum guides and other materials to centers</li> </ul> <p>OCY Quarterly Early Childhood Development Training</p> <ul style="list-style-type: none"> <li>- Six contact credit hours for 3 sessions and 9 available at conference to assist provider in meeting licensure requirements</li> <li>- 1,091 participants completed training</li> </ul>
<b>2002 - 2004</b>	<p>Mississippi State University Early Childhood Institute/Quality Evaluation Initiative</p> <ul style="list-style-type: none"> <li>- Evaluates licensed centers throughout state focusing on improving level of quality using child care environment rating</li> </ul>

	<p>scales</p> <ul style="list-style-type: none"> <li>- 250 centers selected to participate</li> <li>- technical assistance is provided as part of the project</li> </ul> <p>OCY Early Childhood Development Training</p> <ul style="list-style-type: none"> <li>- Free early childhood development training provided to centers throughout the state</li> <li>- Assists caregivers in obtaining staff development hours required for licensing</li> </ul> <p>Right from Birth - Mississippi Educational Television</p> <ul style="list-style-type: none"> <li>- Provides training on brain development during the first 18 months of life</li> <li>- Distributes tapes, printed materials to caregivers and weekly workshops</li> <li>- Provides contact credit hours for licensure</li> <li>- Added "And Going to School" in 2004 as a series on successful school habits</li> </ul> <p>Nurturing Homes Project - Mississippi State University Extension Services</p> <ul style="list-style-type: none"> <li>- Evaluates and provides training to in-home providers</li> </ul> <p>OCY Early Childhood Development Scholarship Program</p> <ul style="list-style-type: none"> <li>- Provides financial support for early childhood workers to obtain professional development or training in early childhood that counts toward an Associate's Degree</li> </ul> <p>OCY's Director's Credentialing Program</p> <ul style="list-style-type: none"> <li>- Provides credentialing training</li> <li>- 1,000 individuals have successfully completed credentialing training as of 2003; (1,000 reported in 2003; 1,284 reported in 2004)</li> </ul>
<b>2005</b>	<p>Mississippi State University (MSU) Early Childhood Institute/Quality Evaluation Initiative</p> <ul style="list-style-type: none"> <li>- grant awarded to MSU to continue evaluation of licensed child care centers throughout the State of Mississippi, focusing on improvement of the level of quality offered at each center</li> <li>- Technical assistance is provided in conjunction with the evaluation component of the project</li> <li>- Centers participating are evaluated using a nationally recognized child care environmental rating scale</li> </ul>

	<p>Right From Birth and Going to School - Mississippi Public Broadcasting (MPB)</p> <p>Nurturing Homes Project - Mississippi State University Extension Services</p> <p><b>** WIN/Job Center/OCY Collaboration - OCY in conjunction with Friends of Children of Mississippi, Inc. implemented a pilot one-stop shop on-site project that provided child care services to support parents who were accessing educational resources and employment training at the WIN Multi-Purpose Center. This project provided year round child care for 12 children ranging in ages eight weeks to five years old at any given time.</b></p> <p>Office for Children and Youth Early Childhood Development Scholarship Program</p> <p>OCY's Director's Credentialing Program - 1,502 served</p>
<p><b>2006</b></p>	<p>Development of a Quality Rating System for Mississippi Child Care Providers - OCY staff and other Early Childhood Professionals completed the development of Mississippi's Child Care Quality Step System (MCCQSS). The MCCQSS is a method to assess, improve and communicate the level of quality in licensed early child care and education settings. The MCCQSS has five components: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. Mississippi adopted the motto "Step Up to Star Quality." The MCCQSS proposed goals are: prepare all children to learn and be ready for school; teach children to learn, value and respect authority; practice self-discipline, and be observant and practice socialization skills. As licensed child care providers advance to higher levels of quality care, they receive a higher reimbursement. The implementation phase and pilot program of MCCQSS will begin in counties served by East Central Planning and Development District.</p> <p>Nurturing Homes Project - Mississippi State University (MSU) Extension Services</p> <p>OCY's Director's Credentialing Program</p>

	<p>“Right From Birth” and “Going to School”</p> <p>The Mississippi State University Early Childhood Institute/Quality Evaluation Initiative</p> <p>WIN Job Center/OCY Collaboration</p>
<p><b>2007</b></p>	<p>Nurturing Home Initiative - Mississippi State University (MSU) Extension Services-</p> <p>The Nurturing Home Initiative provides educational training and technical assistance to unlicensed in-home childcare providers that offer full-day full-year child care services to eligible families. This initiative is a statewide effort to improve the quality of care being provided within “In-Home” child care settings. The training and evaluation activities delivered through this initiative will have a measurable impact on the improvement and enhancement of quality care.</p> <p>Partners for Quality Child Care, MSU Early Childhood Institute (ECI) - This initiative provides quality technical assistance and assessments for caregivers in licensed child care settings throughout the state and identifies the high level of quality child care through the use of nationally recognized environmental rating scales. The Infant/Toddler Environmental Rating Scales (ITERS) and the Early Childhood Environmental Rating Scales (ECERS) are used to assess the development and enhancement of licensed facilities.</p> <p>OCY Director’s Credentialing Program/Mississippi Forum on Children and Families Inc. Since its inception, a total of 1,911 child care professionals have successfully completed the training.</p> <p>Child Care Development Associate Credential OCY/University of Southern Mississippi (USM) - Provides training and support to child care workers in licensed child care settings statewide so they may obtain the Child Development Associate Credential (CDA) through the National Association for the Education of Young Children (NAEYC) for Professional Recognition. The CDA is a nationally recognized credential which documents an individual’s training to provide quality child care services. Students may receive assistance for the cost of training, applications and assessments. Students are trained to work with parents</p>

	<p>and other adults to nurture children’s physical, social, emotional and intellectual growth in a child development framework.</p> <p>MSU Extension Services</p> <p>WIN Job Center/OCY Collaboration</p> <p><b>Mississippi Child Care Quality Step System</b> - OCY implemented the Mississippi Child Care Quality Step System (MCCQSS) as a system to assess, improve and communicate the level of quality in licensed early child care and education settings. MCCQSS has five components: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. Mississippi adopted the motto “Step Up to Star Quality.” MCCQSS proposed goals are: prepare all children to be ready for school; teach children to learn, value and respect authority; practice self-discipline; be observant and practice positive socialization skills. As licensed child care providers advance in higher levels of quality care, they receive a higher reimbursement. MCCQSS was launched in the East Central Planning and Development District (ECPDD) as a pilot project serving nine counties in SFY 2007. Beginning in SFY 2008, twenty additional counties served by the Golden Triangle Planning and Development District (GTPDD), the North Central Planning and Development District (NCPDD) and the Northeast Planning and Development District (NEPDD) will be eligible to participate in the MCCQSS.</p>
<p><b>2008</b></p>	<p>Nurturing Home Initiative - Mississippi State University (MSU) Extension Services-</p> <p>Partners for Quality Child Care, MSU Early Childhood Institute (ECI)</p> <p>OCY Director’s Credentialing Program/Mississippi Forum on Children and Families -</p> <p>MSU Extension Services</p> <p>WIN Job Center/OCY Collaboration</p> <p>Child Care Development Associate Credential OCY/University of Southern Mississippi (USM)</p> <p>Partners for Quality Child Care, MSU Early Childhood Institute (ECI) - Provides quality technical assistance and assessments for caregivers in</p>

licensed child care settings throughout the state and identifies the high level of quality child care through the use of nationally recognized environmental rating scales. The Infant/Toddler Environmental Rating Scales (ITERS) and the Early Childhood Environmental Rating Scales (ECERS) are used to assess the development and enhancement of licensed facilities. During SFY 2008, 730 licensed centers were served.

OCY Director's Credentialing Program/Mississippi Forum on Children and Families -

Provides child care center directors and staff 120 hours of module training. The training is designed to evaluate the knowledge and skills of child care professionals for successful completion of the Child Care Management Best Practices, and further supports quality throughout Mississippi's child care system with professional development that offers quality age-appropriate developmental activities in child care settings. This initiative promotes the development of language, literacy, pre-reading and numeracy skills of children. Since its inception, a total of 2,170 child care professionals have successfully completed the training.

Mississippi Child Care Quality Step System - OCY implemented the Mississippi Child Care Quality Step System (MCCQSS) as a system to assess, improve and communicate the level of quality in licensed early child care and education settings. MCCQSS has five components: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. Mississippi adopted the motto "Step Up to Star Quality." The proposed goals of the program are:

- Prepare all children to be ready for school.
- Teach children to learn, value and respect authority.
- Practice self-discipline.
- Be observant.
- Practice positive socialization skills.

As licensed child care providers advance in higher levels of quality care, they receive a higher reimbursement. MCCQSS was launched in the East Central Planning and Development District (ECPDD) as a pilot project serving nine counties in SFY 2007. Beginning in SFY 2008, twenty additional counties served by the Golden Triangle Planning and Development District (GTPDD), the North Central Planning and Development District (NCPDD) and the Northeast Planning and Development District (NEPDD) were eligible to

	<p>participate in the MCCQSS. Currently 78 licensed facilities are participating in the QRS. As of June 30, 2008, one center received a "Five Star" rating, with others rated a "Three Star" or "Two Star." These centers are eligible to receive an ongoing quality bonus from 7% - 25% for each child participating in the QRS.</p>
<p><b>2009</b></p>	<p>Nurturing Home Initiative, Mississippi State University (MSU) Extension Services</p> <p>Partners for Quality Child Care, MSU Early Childhood Institute (ECI)</p> <p>OCY Director's Credentialing Program,</p> <p>Mississippi Forum on Children and Families</p> <p>MSU Extension Services</p> <p>WIN Job Center/OCY Collaboration</p> <p>Child Care Development Associate Credential OCY/</p> <p>Mississippi State University (MSU)</p> <p><b>Project IMPACT (Improving and Maximizing Professional Development for Childcare Teachers), Jackson State University provides statewide training and evaluation activities for childcare educators/providers to improve the quality of care for children in licensed and/or unlicensed childcare settings. To date, Project IMPACT has provided training to 641 childcare educators/providers.</b></p> <p>OCY implemented the Mississippi Child Care Quality Step System (MCCQSS) as a system to assess, improve and communicate the level of quality in licensed early child care and education settings. MCCQSS has five components: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. Mississippi adopted the motto "Step Up to Star Quality."</p> <p>As licensed child care providers advance to higher "Star Step" levels of quality care, they receive an ongoing Quality Bonus ranging from 7% to 25% if they serve subsidized families participating in the CCDF Childcare Certificate program. MCCQSS was launched in the East Central Planning and Development District (ECPDD) as a pilot project serving nine counties in SFY 2007. Currently 337 licensed facilities are participating in the Quality Rating System (QRS). As of July 1, 2009 the MCCQSS was</p>

	<p>offered statewide.</p> <p>provides quality technical assistance and assessments for caregivers in licensed child care settings throughout the state and identifies the high level of quality child care through the use of nationally recognized environmental rating scales. The Infant/Toddler Environmental Rating Scales (ITERS) and the Early Childhood Environmental Rating Scales (ECERS) are used to assess the development and enhancement of licensed facilities. During SFY 2009, 804 licensed centers were served.</p>
<p><b>2010</b></p>	<p>Nurturing Home Initiative, Mississippi State University (MSU) Extension Services</p> <p>Partners for Quality Child Care, MSU Early Childhood Institute (ECI)</p> <p>OCY Director’s Credentialing Program 2,588 served</p> <p>MSU Extension Services</p> <p>WIN Job Center/OCY Collaboration</p> <p>Child Care Development Associate Credential</p> <p>OCY/Mississippi State University(MSU)</p> <p>Project IMPACT</p> <p>The Quality Rating System (QRS) Enhancement Project provided child care directors with supplies for the math, science and listening centers. The centers also received detailed descriptions of how the materials fit with the Early Childhood Environmental Rating Scale and the MS Early Learning Guidelines which are components of the QRS.</p> <p>OCY implemented the Mississippi Child Care Quality Step System (MCCQSS) as a system to assess, improve and communicate the level of quality in licensed early child care and education settings. MCCQSS has five components: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation.</p> <p>Mississippi adopted the motto “Step Up to Star Quality.” As licensed child care providers advance to higher “Star Step” levels of quality care, they receive an ongoing Quality Bonus ranging from 7% to 25% if they serve subsidized families participating in the CCDF Childcare Certificate</p>

	<p>program. MCCQSS was launched in the East Central Planning and Development District (ECPDD) as a pilot project serving nine counties in SFY 2007. Currently 426 licensed facilities are participating in the Quality Rating System (QRS). As of July 1, 2009 the MCCQSS was offered statewide.</p>
<p><b>2011</b></p>	<p><b>Allies for Quality Care Program</b> - This ECCD funded program serves eligible, randomly selected child care centers located in Hinds and Rankin counties. The focus of this effort is to address the programmatic needs of child care centers through evaluation and intense on-site technical assistance. The program provides direct assistance to participating centers in an effort to improve the learning environment in each classroom through increased ITERS and ECERS scores; improve the nutritional quality of food provided to children; and develop an operating budget for the program and identify cost saving opportunities.</p> <p>Nurturing Home Initiative, Mississippi State University (MSU) Extension Services</p> <p>Partners for Quality Child Care, MSU Early Childhood Institute (ECI)</p> <p>ECCD Director’s Credentialing Program 3,878 served</p> <p><b>MSU Extension Services</b> provides training on the Mississippi Early Learning Guidelines, three and four-year- old programs. To date, 9,450 child care providers received distance training and 16,394 received face-to-face training. The Early Learning Guidelines Training is an essential tool used to prepare Mississippi’s youth for “Ready To Learn.”</p> <p>WIN Job Center/ECCD Collaboration</p> <p>Child Care Development Associate Credential ECCD/Mississippi State University (MSU)</p> <p>Project IMPACT</p> <p>The Quality Rating System (QRS) Enhancement Project</p> <p>ECCD implemented the Mississippi Child Care Quality Step System (MCCQSS) as a system to assess, improve and communicate the level of quality in licensed early child care and education settings. Components</p>

	<p>of MCCQSS include: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. Currently 497 licensed facilities statewide are participating in the Quality Rating System (QRS).</p>
<b>2012</b>	<p>Allies for Quality Care Program</p> <p>Nurturing Home Initiative, Mississippi State University (MSU) Extension Services</p> <p>Partners for Quality Child Care, MSU Early Childhood Institute (ECI)</p> <p>ECCD Director's Credentialing Program, MSU Extension Services 3,958 served</p> <p>Mississippi Early Learning Guidelines Training, MSU Extension Services</p> <p>Child Care Development Associate Credential ECCD/MSU Extension Services</p> <p>WIN Job Center/ECCD Collaboration</p> <p>ECCD implemented the Mississippi Child Care Quality Star System (MCCQSS) to assess, improve and communicate the level of quality in licensed early child care and education settings. Components of MCCQSS include: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. Currently 536 licensed facilities statewide are participating in the Quality Rating System (QRS).</p>
<b>2013</b>	<p><b>Allies for Quality Care Program</b></p> <p><b>Nurturing Home Initiative, Mississippi State University Extension Services</b></p> <p><b>Partners for Quality Child Care, MSU Early Childhood Institute</b> provides quality technical assistance and assessments to caregivers in licensed child care settings throughout the state and identifies high levels of quality child care through the use of nationally recognized environmental rating scales. The ITERS and ECERS are used to assess the development and enhancement of licensed facilities. During SFY 2013, 110 licensed centers were served with technical assistance.</p>

	<p><b>***DECCD Director’s Credentialing Program, MSU Extension Service</b>  provides child care center directors and staff 120 hours of module training. The program evaluates the knowledge and skills of child care staff for successful completion of the Child Care Management Best Practices. The training also supports quality throughout Mississippi’s child care system with professional development that offers quality age-appropriate developmental activities in child care settings. The initiative promotes children's</p> <p>development of language, literacy, pre-reading and numeracy skills. Since 2010, 116 child care professionals have successfully completed the training; 51 have completed the Mississippi Directors Credential Renewal; and 59 are enrolled or have completed the National Directors Credential.</p> <p>Child Care Development Associate Credential, DECCD/ MSU Extension Service</p> <p>WIN Job Center/DECCD Collaboration</p> <p>DECCD implemented the Mississippi Child Care Quality Star System to assess, improve and communicate levels of quality in licensed early child care and education settings. Components of MCCQSS include: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. Currently 522 licensed facilities statewide are participating in the Quality Rating System. Of the 415 facilities evaluated:</p> <ul style="list-style-type: none"> <li>H Five Star Rating: 9 facilities</li> <li>H Four Star Rating: 18 facilities</li> <li>H Three Star Rating: 35 facilities</li> <li>H Two Star Rating: 81 facilities</li> <li>H One Star Rating: 272 facilities</li> </ul>
<b>2014</b>	<p>Allies for Quality Care Program</p> <p>Nurturing Home Initiative, Mississippi State University Extension Services</p> <p>Partners for Quality Child Care, MSU Early Childhood Institute</p> <p>DECCD Director’s Credentialing Program, MSU Extension Service</p> <p>Child Care Development Associate Credential, DECCD/ MSU Extension</p>

	<p>Service</p> <p>WIN Job Center/DECCD Collaboration</p> <p>DECCD implemented the Mississippi Child Care Quality Star System to assess, improve and communicate levels of quality in licensed early child care and education settings. Components of MCCQSS include: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. As of the end of June 2014, 524 licensed facilities statewide are participating in the Quality Rating System. Of the 398 facilities evaluated:</p> <p>Five Star Rating: 11 facilities  Four Star Rating: 19 facilities  Three Star Rating: 36 facilities  Two Star Rating: 86 facilities  One Star Rating: 246 facilities</p>
<p><b>2015</b></p>	<p>In July 2014, DECCD aligned its quality improvement initiative programs into a single network of services known as the Early Years Network. This network includes all services previously offered by individual programs such as Allies for Quality Care, Nurturing Homes, Partners for Quality Care, Project PREPARE, professional credentialing programs, etc. The Early Years Network provides services to early childhood care professionals and families at no cost in the following 11 areas: Allies for Quality Care Pilot, professional development, nutrition and physical health, special needs and mental health, training and technical assistance, business advising, community engagement, parent education, child assessment, child care resource and referral sites, and child care quality rating and improvement systems.</p> <p>With the launch of the EYN, access to these services was streamlined by giving parents and providers a single number/website/email address to use to access a coordinated system of services. During SFY 2015, the EYN provided services in all 82 counties to 34,884 early childhood care professionals and 2,814 parents.</p> <p>WIN Job Center/DECCD Collaboration</p> <p>**Consolidation of quality initiatives in Establishment of Early Years Network</p> <p>he Mississippi Quality Stars program is Mississippi's quality rating and improvement system housed under the EYN. This program is designed</p>

	<p>to assess, improve, and communicate levels of quality in licensed early child care and education settings. Components of MS Quality Stars include: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. As of the end of June 2015, 577 licensed facilities statewide are participating in the quality rating system. Of the 396 facilities evaluated:</p> <ul style="list-style-type: none"> <li>• Five Star Rating: 12 facilities</li> <li>• Four Star Rating: 25 facilities</li> <li>• Three Star Rating: 46 facilities</li> <li>• Two Star Rating: 81 facilities</li> <li>• One Star Rating: 232 facilities</li> </ul>
<b>2016</b>	<p>Early Years Network</p> <p>WIN Job Center/DECCD Collaboration</p> <p>The Mississippi Quality Stars program is Mississippi’s quality rating and improvement system housed under the EYN. This program is designed to assess, improve, and communicate levels of quality in licensed early child care and education settings. Components of MS Quality Stars include: Administrative Policy, Professional Development, Learning Environments, Parental Involvement and Evaluation. As of the end of June 2016, 537 licensed facilities statewide are participating in the quality rating system. Of the 418 facilities evaluated:</p> <ul style="list-style-type: none"> <li>•Five Star Rating: 7 facilities</li> <li>•Four Star Rating: 25 facilities</li> <li>•Three Star Rating: 53 facilities</li> <li>•Two Star Rating: 101 facilities</li> <li>•One Star Rating: 232 facilities</li> </ul> <p>** •As part of our dedication to continuous quality improvement, DECCD convened a group of stakeholders from around the state to produce recommendations for the improvement and revision of the Quality Stars Program. This work is on-going into the next Fiscal Year.</p>
<b>2017</b>	<p>Early Childhood Academies</p> <p>Healthy Families Mississippi</p>

# Endnotes

<sup>i</sup> Resources of information regarding policies, programs and data used throughout this report can be found in Mississippi Department of Human Services Annual Reports, <http://www.mdhs.ms.gov/annual-reports/> and at the Mississippi Department of Archives and History, [http://www.mdah.ms.gov/arrec/digital\\_archives/governmentrecords/mdhs-ar](http://www.mdah.ms.gov/arrec/digital_archives/governmentrecords/mdhs-ar). Accessed September 2018.

<sup>ii</sup> 2005 American Community Survey and 2016 American Community Survey 1-year estimate, Table B17010 for the state of Mississippi. Data is specific to female householders with no husband present with related children below 18 years of age.

<sup>iii</sup> This data has been cited and captured in documents put out by MLICCI for a number of years based on the National Center for Children in Poverty's customized estimates of American Community Survey data looking at young low-income children with a working parent. MLICCI has used this data as an approximation for the number of potentially eligible children.

<sup>iv</sup> MLICCI has long compared the number of young children receiving CCDF assistance with the number who may be income eligible as an approximate estimate of the gap between those served and those who may be eligible.

<sup>v</sup> This is based on federal CCDF data for Mississippi, available here: <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>.

<sup>vi</sup> Karen E. Lynch, "Trends in Child Care Spending from the CCDF and TANF," *Congressional Research Service*, <https://fas.org/sqp/crs/misc/R44528.pdf>.

<sup>vii</sup> MLICCI uses NCCP's most recent data showing the number of young low-income children with a working parent as an approximation of CCDF eligibility status. NCCP's data can be accessed through their Demographic Data Generator tool, at [www.nccp.org/tools/demographics](http://www.nccp.org/tools/demographics) using the 2016 American Community Survey. The data for HS/EHS participation was taken from, <https://www.nhsa.org/facts> and [https://www.nhsa.org/files/resources/2017-fact-sheet\\_mississippi.pdf](https://www.nhsa.org/files/resources/2017-fact-sheet_mississippi.pdf). Data on state public Pre-K participation is found here, <https://newreports.mdek12.org>. CCDF participation data can be found in Table 9 here, <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>.

<sup>viii</sup> See Table 11, <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>.

<sup>ix</sup> See, <http://www.mschildcare.org/wp-content/uploads/2017/06/child-care-and-work-training-FINAL.pdf>.

<sup>x</sup> Ibid.

<sup>xi</sup> National Women's Law Center, <https://nwlc-ciw49tixqw5lbab.stackpathdns.com/wp-content/uploads/2018/01/MS-Is-Shortchanging-Women-Fact-Sheet.pdf>.

<sup>xii</sup> Mississippi Department of Human Services, Section 3, pgs. 4-5, <http://www.mdhs.ms.gov/wp-content/uploads/2018/08/CCDF-Plan-for-MS-FINAL-DRAFT.pdf>.

<sup>xiii</sup> All state reported CCDF data is obtained from MDHS Annual reports, see End Note 1. All CCDF federal data used in the report is obtained here: Programmatic statistics, <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>; Funding statistics, <https://www.acf.hhs.gov/occ/resource/ccdf-funding-allocations>; Expenditure statistics, <https://www.acf.hhs.gov/occ/resource/ccdf-expenditure-data-all-years>.

<sup>xiv</sup> Data as reported in 2012 and 2013 MDHS Annual Reports.

<sup>xv</sup> See, [http://www.mschildcare.org/wp-content/uploads/2017/11/2017-Town-Hall-Child-Care-Summary\\_C.pdf](http://www.mschildcare.org/wp-content/uploads/2017/11/2017-Town-Hall-Child-Care-Summary_C.pdf).

<sup>xvi</sup> Anna Wolfe and Sarah Fowler, "Human Services Leaves \$13 million in Child Care Funds on the Table," *Clarion Ledger* (January 29<sup>th</sup>, 2018), <https://www.clarionledger.com/story/news/local/2018/01/29/human-services-leaves-13-m-child-care-funds-table/1065001001/>.

<sup>xvii</sup> MLICCI conducted parent and provider focus groups and surveys in 2005, 2007 and 2010. Data is on file with the author and available upon request.

<sup>xviii</sup> Data used in this section can be accessed here, <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>.

<sup>xix</sup> Ibid.

<sup>xx</sup> Ibid.

<sup>xxi</sup> Karen E. Lynch, "Trends in Child Care Spending from the CCDF and TANF," *Congressional Research Service*, <https://fas.org/sqp/crs/misc/R44528.pdf>.

<sup>xxii</sup> MLICCI analysis of CCDF Funding statistics, <https://www.acf.hhs.gov/occ/resource/ccdf-funding-allocations> and Expenditure statistics, <https://www.acf.hhs.gov/occ/resource/ccdf-expenditure-data-all-years>.

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- <sup>xxiii</sup> See, Mississippi Department of Human Services 2003 and 2004 Annual Report.
- <sup>xxiv</sup> Health and Human Services, Association for Children and Families, [https://www.acf.hhs.gov/sites/default/files/occ/rg\\_ccdf\\_fundamentals.pdf](https://www.acf.hhs.gov/sites/default/files/occ/rg_ccdf_fundamentals.pdf).
- <sup>xxv</sup> MLICCI analysis of Funding statistics, <https://www.acf.hhs.gov/occ/resource/ccdf-funding-allocations> and Expenditure statistics, <https://www.acf.hhs.gov/occ/resource/ccdf-expenditure-data-all-years>. MLICCI greatly appreciates the Center for Law and Social Policy (CLASP) for providing “all appropriation year” expenditures for FFYs 2000-2002 and for their guidance in analyzing CCDF expenditure data.
- <sup>xxvi</sup> See MDHS 2002-2003 annual reports.
- <sup>xxvii</sup> TANF expenditure data is available here, <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>. The amount that MS regularly reports as TANF direct child care spending in its state TANF MOE expenditures is \$1,715,430 and this amount is also counted as its CCDF MOE.
- <sup>xxviii</sup> Mississippi Office of the State Auditor, “A Review of the Child Care and Development Fund (CCDF) Program in Mississippi,” (March 27, 2007). The amount of TANF MOE the state counts as CCDF MOE will be captured in total CCDF expenditures, thus it is deducted from TANF direct child care spending when calculating the state’s total child care spending so as to avoid double counting the amount.
- <sup>xxix</sup> Karen E. Lynch, “Trends in Child Care Spending from the CCDF and TANF,” *Congressional Research Service*, <https://fas.org/sqp/crs/misc/R44528.pdf>.
- <sup>xxx</sup> The chart reflects spending from all appropriation years for a total annual estimate and does not reflect only current fiscal year funds spent on only current fiscal year quality activities.
- <sup>xxxi</sup> Elizabeth Palley and Corey S. Shdaimah, *In Our Hands: The Struggle for U.S. Child Care Policy*, (NYU Press, 2014), pgs. 51-64.
- <sup>xxxii</sup> W. Martin Wiseman, C. Denise Keller, Joe Adams and Keith A. Smith, “Mississippi Child Care Development Fund: Program Implementation, Evaluation and Impact Analysis,” *The John C. Stennis Institute of Government, Mississippi State University*, (January 7, 2005).
- <sup>xxxiii</sup> See, <http://billstatus.ls.state.ms.us/documents/2005/pdf/HB/0800-0899/HB0813IN.pdf>.
- <sup>xxxiv</sup> See, <http://billstatus.ls.state.ms.us/documents/2005/pdf/HB/0800-0899/HB0813SG.pdf>.
- <sup>xxxv</sup> Mississippi Office of the State Auditor, “A Review of the Child Care and Development Fund (CCDF) Program in Mississippi,” (March 27, 2007), pg. i. <http://www.osa.ms.gov/documents/performance/ccdf-final.pdf>.
- <sup>xxxvi</sup> Ibid.
- <sup>xxxvii</sup> Ibid, ii.
- <sup>xxxviii</sup> A copy of MLICCI’s 2007 survey analysis is on file with the author and available upon request.
- <sup>xxxix</sup> A copy of MLICCI’s 2010 survey analysis is on file with the author and available upon request.
- <sup>xl</sup> A copy of this report is on file with the author and available upon request.
- <sup>xli</sup> Ibid.
- <sup>xlii</sup> W. Martin Wiseman, “The State of Mississippi’s Use of Biometric Finger Imaging to Administer Child Care Development Funds: An Overview for Decision Makers,” *The John C. Stennis Institute of Government, Mississippi State University*. A copy is on file with the author and available upon request.
- <sup>xliii</sup> Ibid.
- <sup>xliv</sup> Ibid.
- <sup>xlv</sup> See, <https://www.clarionledger.com/story/news/2016/03/31/finger-scanning-contract-limbo/82463104/>.
- <sup>xlvi</sup> Mississippi Low Income Child Care Initiative, “2017 Child Care Policy Town Hall Series Summary” (Fall, 2017), [http://www.mschildcare.org/wp-content/uploads/2017/11/2017-Town-Hall-Child-Care-Summary\\_C.pdf](http://www.mschildcare.org/wp-content/uploads/2017/11/2017-Town-Hall-Child-Care-Summary_C.pdf).
- <sup>xlvii</sup> Data and information was obtained via Public Records Act request and is on file with the author and available upon request.
- <sup>xlviii</sup> Ibid.
- <sup>xlix</sup> See pg. 8, <https://secac.ms.gov/wp-content/uploads/2017/08/CCPP-Vol1-Issue2-08-04-17.pdf>.
- <sup>l</sup> See, [https://www.acf.hhs.gov/sites/default/files/occ/mississippi\\_stplan\\_pdf\\_2016.pdf](https://www.acf.hhs.gov/sites/default/files/occ/mississippi_stplan_pdf_2016.pdf).
- <sup>li</sup> See, [http://www.mschildcare.org/wp-content/uploads/2017/11/2017-Town-Hall-Child-Care-Summary\\_C.pdf](http://www.mschildcare.org/wp-content/uploads/2017/11/2017-Town-Hall-Child-Care-Summary_C.pdf)
- <sup>lii</sup> A copy of this report is available with the author and at [www.mschildcare.org](http://www.mschildcare.org).
- <sup>liii</sup> MLICCI analysis of programmatic statistics found here, <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>.
- <sup>liv</sup> See, <http://www.mdhs.ms.gov/wp-content/uploads/2018/08/Copay-Table-Update-1.pdf>.

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- <sup>lv</sup> See 2011 rates pg. 46, <http://sos.ms.gov/ACProposed/00019114b.pdf>; See 2014-2015 rates pgs. 50-52, <http://www.sos.ms.gov/ACProposed/00020002b.pdf>; See 2018 rates for Standard centers, <https://secac.ms.gov/wp-content/uploads/2018/05/Summary-Table-of-Rate-Changes.pdf>.
- <sup>lvi</sup> See, [https://www.acf.hhs.gov/sites/default/files/occ/mississippi\\_stplan\\_pdf\\_2016.pdf](https://www.acf.hhs.gov/sites/default/files/occ/mississippi_stplan_pdf_2016.pdf).
- <sup>lvii</sup> All information related to CCDF priority populations can be found in MDHS annual reports and in the Child Care Payment Program Policy Manual, and in Appendix 1.
- <sup>lviii</sup> Programmatic statistics, <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>
- <sup>lix</sup> See, [http://billstatus.ls.state.ms.us/documents/2006/pdf/ham/Amendment\\_Report\\_for\\_SB2602.pdf](http://billstatus.ls.state.ms.us/documents/2006/pdf/ham/Amendment_Report_for_SB2602.pdf).
- <sup>lx</sup> See, <http://www.mschildcare.org/wp-content/uploads/2017/01/Step-Up-Final-Report.pdf>.
- <sup>lxi</sup> See, <http://www.mschildcare.org/wp-content/uploads/2017/03/provider-input-on-CCDF.pdf>.
- <sup>lxii</sup> See, <http://www.mschildcare.org/wp-content/uploads/2017/03/civil-rights-testimony-1.pdf>.
- <sup>lxiii</sup> Information is available in MDHS annual reports.
- <sup>lxiv</sup> See, [https://secac.ms.gov/wp-content/uploads/2016/12/EarlyChildCareSystemDescription-Formatted-12-06-16\\_2.pdf](https://secac.ms.gov/wp-content/uploads/2016/12/EarlyChildCareSystemDescription-Formatted-12-06-16_2.pdf).
- <sup>lxv</sup> See, <http://www.mdhs.ms.gov/wp-content/uploads/2018/08/CCDF-Plan-for-MS-FINAL-DRAFT.pdf>.
- <sup>lxvi</sup> See, <https://secac.ms.gov/wp-content/uploads/2018/05/Summary-Table-of-Rate-Changes.pdf>.
- <sup>lxvii</sup> See Table 11, <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>.
- <sup>lxviii</sup> See, <https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/Disparate-Access.pdf>.
- <sup>lxix</sup> See, [https://www.nbcdi.org/sites/default/files/resource-files/NBCDI\\_CLASP%20Policy%20Brief%20CCDBG%20and%20Racial%20Equity.pdf](https://www.nbcdi.org/sites/default/files/resource-files/NBCDI_CLASP%20Policy%20Brief%20CCDBG%20and%20Racial%20Equity.pdf).
- <sup>lxx</sup> See, <https://www.urban.org/sites/default/files/publication/31461/411611-Designing-Subsidy-Systems-to-Meet-the-Needs-of-Families.PDF>.



## THE MISSISSIPPI LOW-INCOME CHILD CARE INITIATIVE

Mississippi Low-Income Child Care Initiative improves the child care assistance program serving low-income working parents and strengthens the financial viability of the child care centers that serve them, so that no mother has to choose between the job she needs and the child she loves.

Since 1998, MLICCI has been a champion for affordable care for Mississippi's low-income working parents.

Child care is expensive - sometimes costing as much or more than college tuition. Mississippi's Child Care Payment Program helps low-income working parents afford the child care they need. These programs have been proven to increase employment, reduce poverty, reduce absenteeism and turnover for employers, contribute more tax revenue into the general fund, and support school readiness in children.

Despite the benefits of early childhood education, the Mississippi Child Care Payment Program only serves a fraction of eligible children. MLICCI tenaciously works to change that.

Because of MLICCI's deep relationships with low-income single mothers and providers, we know that systematic racism and sexism impact the state's current child care assistance climate. Single mothers face an inequitable workforce. Providers struggle to finance services in a punitive policy climate with inadequate revenue. Because of these realities and their intersectionality, in 2015 we launched a campaign to advocate women's economic security. Our movement building is bolstered by our growing gender analysis capacity, as well as our state and national policy partners.

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